PROSPECTUS
Dated July 22, 2021
Please read section 32 of the Companies Act, 2013
100% Book Built Offer

TATVA CHINTAN PHARMA CHEM LIMITED

Our Company was incorporated as 'Tatva Chintan Pharma Chem Private Limited' pursuant to a certificate of incorporation dated June 12, 1996 issued by the Registrar of Companies, Gujarat and Dadra & Nagar Haveli at Ahmedabad ("**RoC**"). Thereafter, pursuant to the conversion of our Company to a public limited company, the name of our Company was changed to 'Tatva Chintan Pharma Chem Limited', and a fresh certificate of incorporation dated February 26, 2021 was issued to our Company by the RoC. For further details on the changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 171.

Registered Office: Plot No. 502 / 17, GIDC Estate, Ankleshwar, Bharuch, Gujarat – 393 002, India; **Telephone:** +91 75730 46951 / +91 75730 46952
Corporate Office: Plot No. 353, Makarpura GIDC, Vadodara, Gujarat – 390 010, India
Contact Person: Apurva Dubey, Company Secretary and Compliance Officer; **Telephone**: + 91 75748 48533 / +91 75748 48534; **E-mail:** cs@tatvachintan.com
Website: www.tatvachintan.com; **Corporate Identity Number**: U24232GJ1996PLC029894

OUR PROMOTERS: AJAYKUMAR MANSUKHLAL PATEL, CHINTAN NITINKUMAR SHAH, AND SHEKHAR RASIKLAL SOMANI

INITIAL PUBLIC OFFERING OF 4,616,804* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF TATVA CHINTAN PHARMA CHEM LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 1,083 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 1,073 PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING TO ₹ 5,000.00 MILLION*. THE OFFER COMPRISES OF A FRESH ISSUE OF 2,077,562* EQUITY SHARES AGGREGATING TO ₹ 2,250.00 MILLION* ("FRESH ISSUE") AND AN OFFER FOR SALE OF 2,539,242* EQUITY SHARES AGGREGATING TO ₹ 2,750.00 MILLION*, COMPRISING 215,143* EQUITY SHARES AGGREGATING TO ₹ 233.00 MILLION* BY AJAYKUMAR MANSUKHLAL PATEL, 751,616* EQUITY SHARES AGGREGATING TO ₹ 814.00 MILLION* BY CHINTAN NITINKUMAR SHAH, AND 674,054* EQUITY SHARES AGGREGATING TO ₹ 730.00 MILLION* BY SHEKHAR RASIKLAL SOMANI (COLLECTIVELY THE "PROMOTER SELLING SHAREHOLDERS") AND 95,106* EQUITY SHARES AGGREGATING TO ₹ 103.00 MILLION* BY DARSHANA NITINKUMAR SHAH, 315,789* EQUITY SHARES AGGREGATING TO ₹ 342.00 MILLION* BY PRITI AJAYKUMAR PATEL, 315,789* EQUITY SHARES AGGREGATING TO ₹ 342.00 MILLION* BY AJAY MANSUKHLAL PATEL HUF, 101,570* EQUITY SHARES AGGREGATING TO ₹ 110.00 MILLION* BY KAJAL SHEKHAR SOMANI, 10,157* EQUITY SHARES AGGREGATING TO ₹ 11.00 MILLION* BY SHITALKUMAR RASIKLAL SOMANI, AND 60,018* EQUITY SHARES AGGREGATING TO ₹ 65.00 MILLION* BY SAMIRKUMAR RASIKLAL SOMANI (COLLECTIVELY THE "PROMOTER GROUP SELLING SHAREHOLDERS", AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS") (THE "OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER CONSTITUTES 20.83% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

SUBJECT TO FINALISATION OF BASIS OF ALLOTMENT.

This Offer was made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"). This Offer wasmade through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer was available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), and our Company in consultation with the BRLMs allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portionwas reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was 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. Further, not less than 15% of the Offer was available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer was 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 Bidders, other than Anchor Investors, were mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Account, which were blocked by the Self Certified Syndicate Banks ("**SCSBs**"), or through the UPI Mechanism. Anchor Investors were not permitted to participate in the Anchor Investor Portion through the ASBA Process. For details, see "*Offer Procedure*" on page 312.

RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Offer Price, Floor Price and Price Band should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 24.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms that the statements made or confirmed by such Selling Shareholder in this Prospectus to the extent of information specifically pertaining to them and their respective portion of the Equity Shares offered in the Offer for Sale and assume responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus and this Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated May 14, 2021 and May 26, 2021, respectively. For the purposes of the Offer, the Designated Stock Exchange is BSE. A signed copy of the Red Herring Prospectus was filed, and a signed copy of this Prospectus shall be filed with the RoC in accordance with Section 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents made 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 354.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
ICICI Securities Limited ICICI Centre H.T. Parekh Marg Churchgate, Mumbai Maharashtra – 400 020, India **Telephone:** +91 22 2288 2460 **E-mail:** tatvachintan.ipo@icicisecurities.com **Investor grievance e-mail:** customercare@icicisecurities.com **Website:** www.icicisecurities.com **Contact person:** Vaibhav Saboo / Anurag Byas **SEBI registration number:** INM000011179	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Telephone:** + 91 22 6630 3030 **E-mail:** tatvachintan.ipo@jmfl.com **Investor grievance e-mail**: grievance.ibd@jmfl.com **Website**: www.jmfl.com **Contact person**: Prachee Dhuri **SEBI registration number**: INM000010361	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai, Maharashtra - 400 083 India **Telephone**: +91 (22) 4918 6200 **E-mail**: tatva.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Investor grievance e-mail**: tatva.ipo@linkintime.co.in **Contact person**: Shanti Gopalkrishnan **SEBI registration number**: INR000004058

BID / OFFER PROGRAMME

BID / OFFER OPENED ON	Friday, July 16, 2021*
BID / OFFER CLOSED ON	Tuesday, July 20, 2021

* *The Anchor Investor Bidding Date was one Working Day prior to the Bid / Offer Opening Date, i.e., July 15, 2021.*

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this 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 "Basis for the Offer Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "Financial Statements", "Outstanding Litigation and Other Material Developments", and "Main Provisions of the Articles of Association" on pages 96, 99, 106, 166, 198, 285, and 332 will have the meaning ascribed to such terms in those respective sections.

General terms

Term	Description
our Company / the Company / we / us / our / the Issuer	Tatva Chintan Pharma Chem Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at Plot No. 502 / 17, GIDC Estate, Ankleshwar, Bharuch, Gujarat – 393 002, India

Company-related terms

Term	Description
AoA / Articles of Association / Articles	The articles of association of our Company, as amended
Ankleshwar Manufacturing Facility	The manufacturing facility of our Company situated at Plot No: 502/17, Plot No: 502/18 and Plot No:502/08, GIDC Estate, Ankleshwar, Bharuch, Gujarat – 393 002
Audit Committee	Audit committee of our Company, described in "*Our Management – Corporate Governance*" on page 181
Auditors / Statutory Auditors	The statutory auditors of our Company, currently being NDJ & Co., Chartered Accountants
Board / Board of Directors	The board of directors of our Company
Chief Financial Officer	Chief financial officer of our Company
Company Secretary	Company secretary of our Company
Compliance Officer	Compliance officer of our Company appointed in accordance with the requirements of the SEBI Listing Regulations and the SEBI ICDR Regulations
Corporate Office	The corporate office of our Company, situated at Plot No. 353, Makarpura GIDC, Vadodara, Gujarat – 390 010, India
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, described in "*Our Management – Corporate Governance*" on page 181
Dahej Manufacturing Facility	The manufacturing facility of our Company situated at Plot No: Z/103/F/1 and Plot No:Z/103/F/2, SEZ Area, Part-2, Dahej, Bharuch, Gujarat – 392 130
Director(s)	The director(s) on our Board
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
Executive Director(s)	Executive director(s) of our Company
Independent Director(s)	Independent director(s) of our Company
IPO Committee	IPO committee of the board of directors of our Company, comprising Ajaykumar Mansukhlal Patel, Shekhar Rasiklal Somani, and Manher Chimanlal Desai
KMP / Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as further described in "*Our Management – Key Managerial Personnel*" on page 187
Materiality Policy	The policy adopted by our Board on March 13, 2021 for identification of material (a) outstanding litigation proceedings; (b) group companies; and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in the Draft Red Herring Prospectus, the Red Herring Prospectus, and this Prospectus
MoA / Memorandum of Association	The memorandum of association of our Company, as amended

Term	Description
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, described in "*Our Management – Corporate Governance*" on page 181
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in "*Our Promoters and Promoter Group*" on page 191
Promoter Group Selling Shareholders	Collectively, Darshana Nitinkumar Shah, Priti Ajaykumar Patel, Ajay Mansukhlal Patel HUF, Kajal Shekhar Somani, Shitalkumar Rasiklal Somani, and Samirkumar Rasiklal Somani
Promoter(s)	The Promoter(s) of our Company, namely Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani. For details, see "*Our Promoters and Promoter Group*" on page 191
Promoter Selling Shareholders	Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani
Registered Office	The registered office of our Company, situated at Plot No. 502 / 17, GIDC Estate, Ankleshwar, Bharuch, Gujarat – 393 002, India
Restated Consolidated Financial Statements	The restated consolidated financial information of our Company which comprises of the restated consolidated statement of assets and liabilities as at March 31, 2021, March 31, 2020, and March 31, 2019; the restated consolidated statement of profit and loss (including other comprehensive income); the restated consolidated statement of changes in equity; the restated consolidated cash flow statement for the Fiscals ended March 31, 2021, March 31, 2020, and March 31, 2019; the summary statement of significant accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time
RoC / Registrar of Companies	The Registrar of Companies, Gujarat and Dadra & Nagar Haveli at Ahmedabad
Selling Shareholders	Collectively, the Promoter Selling Shareholders and the Promoter Group Selling Shareholders
Shareholders	The holders of the Equity Shares from time to time
SMP / Senior Management Personnel	The senior management personnel of our Company
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, described in "*Our Management – Corporate Governance*" on page 181
Subsidiaries	The subsidiaries of our Company, as defined under the Companies Act, 2013 and the applicable accounting standard, namely TC USA and TC Europe
TC Europe	One of the Subsidiaries of our Company, Tatva Chintan Europe B.V.
TC USA	One of the Subsidiaries of our Company, Tatva Chintan USA, Inc.

Offer-related terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment or transfer, as the case may be of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	₹ 1,083 per Equity Share, being the price at which Equity Shares were allocated to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which was decided by our Company in consultation with the BRLMs during the Anchor Investor Bidding Date
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Anchor Investor Bidding Date	July 15, 2021, being one Working Day prior to the Bid / Offer Opening Date, on which Bids by Anchor Investors were submitted, prior to and after which the BRLMs did not accept any Bids from Anchor Investors, and allocation to Anchor Investors was completed
Anchor Investor Offer Price	₹ 1,083 per Equity Share, being the final price at which the Equity Shares shall be Allotted to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus. The Anchor Investor Offer Price was decided by our Company, in consultation with the BRLMs

Term	Description
Anchor Investor Portion	60% of the QIB Portion (as disclosed in the Red Herring Propsectus) consisting of 1,385,040* Equity Shares which were made available for allocation by our Company in consultation with the BRLMs, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price **Subject to finalisation of Basis of Allotment*
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, not later than two Working Days after the Bid / Offer Closing Date
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB or to block the Bid Amount using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB which has been blocked by such SCSB or the account of the RIBs blocked upon acceptance of UPI Mandate Request by the RIBs using the UPI Mechanism to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which was considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank, Refund Bank, Sponsor Bank and Public Offer Account Bank
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure*" on page 312
Bid	An indication to make an offer during the Bid / Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term "**Bidding**" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	13 Equity Shares and in multiples of 13 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 did not accept any Bids, being July 20, 2021, which was published in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper), and Vadodara edition of Vadodara Samachar (a widely circulated Gujarati daily newspaper).
Bid / Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries started accepting Bids, being July 16, 2021, which was published in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper), and Vadodara edition of Vadodara Samachar (a widely circulated Gujarati daily newspaper)
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 have submitted their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries have accepted the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers / BRLMs	The book running lead managers to the Offer namely, ICICI Securities Limited and JM Financial Limited

Term	Description
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders could submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on / after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, being ₹ 1,083 per Equity Share
Cash Escrow and Sponsor Bank Agreement	Agreement dated July 10, 2021 entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Banker(s) to the Offer for the appointment of the Sponsor Bank in accordance with the UPI Circulars, the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant(s) / CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations as per the list available on the websites of BSE and NSE
Collecting Registrar and Share Transfer Agents / CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of the UPI Circulars
Cut-off Price	Offer Price, finalised by our Company, in consultation with the BRLMs, being ₹ 1,083 per Equity Share Only Retail Individual Bidders were entitled to Bid at the Cut-off Price. QIBs, including Anchor Investors, and Non-Institutional Bidders were not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder’s address, name of the Bidder’s father / husband, investor status, occupation and bank account details and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders could submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as appropriate, in terms of the Red Herring Prospectus and this Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer
Designated Intermediaries	In relation to ASBA Forms submitted by RIBs 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 was 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. 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 could submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, 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)
Designated SCSB Branches	Such branches of the SCSBs which collected the ASBA Forms, a list of which is available on the website of SEBI 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
Designated Stock Exchange	BSE Limited
Draft Red Herring Prospectus / DRHP	The draft red herring prospectus dated March 31, 2021 issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto

Term	Description
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it was not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus constituted an invitation to subscribe to or to purchase the Equity Shares
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank and in whose favour the Anchor Investors have transferred money through direct credit / NEFT / RTGS / NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account(s) were opened, in this case being ICICI Bank Limited
First Bidder	Bidder whose name has been mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, being ₹ 1,073 per Equity Share
Fresh Issue	The fresh issue component of the Offer comprising of an issuance by our Company of 2,077,562* Equity Shares at ₹ 1,083 per Equity Share (including a premium of ₹ 1,073per Equity Share) aggregating to ₹ 2,250.00 million*. **Subject to finalisation of Basis of Allotment*
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, 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 proceeds from the Offer, less the amount to be raised from the Offer for Sale
Mobile App	The mobile applications listed 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 updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism
Monitoring Agency	ICICI Bank Limited
Mutual Fund Portion	5% of the Net QIB Portion, or 46,169* Equity Shares, which was available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price **Subject to finalisation of Basis of Allotment*
Net Proceeds	The proceeds from the Fresh Issue less the Offer related expenses applicable to the Fresh Issue. For further details regarding the use of the Net Proceeds and the Offer related expenses, see "*Objects of the Offer*" on page 84
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidder / NIBs	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer, consisting of 692,521* Equity Shares, which was available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price **Subject to finalisation of Basis of Allotment*
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Offer	The initial public offering of the Equity Shares of our Company by way of the Fresh Issue and the Offer for Sale
Offer Agreement	The agreement dated March 31, 2021 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	₹ 1,083 per Equity Share, being the final price at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price was decided by our Company, in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" on page 84

Term	Description
Offer for Sale	The offer for sale component of the Offer, comprising of an offer for sale of 2,539,242* Equity Shares at ₹ 1,083 per Equity Share aggregating to ₹ 2,750.00 million*, comprising 215,143* Equity Shares aggregating to ₹ 233.00 million* by Ajaykumar Mansukhlal Patel, 751,616* Equity Shares aggregating to ₹ 814.00 million* by Chintan Nitinkumar Shah, 674,054* Equity Shares aggregating to ₹ 730.00 million* by Shekhar Rasiklal Somani, 95,106* Equity Shares aggregating to ₹ 103.00 million* by Darshana Nitinkumar Shah, 315,789* Equity Shares aggregating to ₹ 342.00 million* by Priti Ajaykumar Patel, 315,789* Equity Shares aggregating to ₹ 342.00 million* by Ajay Mansukhlal Patel HUF, 101,570* Equity Shares aggregating to ₹ 110.00 million* by Kajal Shekhar Somani, 10,157* Equity Shares aggregating to ₹ 11.00 million* by Shitalkumar Rasiklal Somani, and 60,018* Equity Shares aggregating to ₹ 65.00 million* by Samirkumar Rasiklal Somani **Subject to finalisation of Basis of Allotment*
Offered Shares	The Equity Shares being offered by the Selling Shareholders as part of the Offer for Sale comprising of an aggregate of 2,539,242* Equity Shares comprising 215,143* Equity Shares by Ajaykumar Mansukhlal Patel, 751,616* Equity Shares by Chintan Nitinkumar Shah, 674,054* Equity Shares by Shekhar Rasiklal Somani, 95,106* Equity Shares by Darshana Nitinkumar Shah, 315,789* Equity Shares by Priti Ajaykumar Patel, 315,789* Equity Shares by Ajay Mansukhlal Patel HUF, 101,570* Equity Shares by Kajal Shekhar Somani, 10,157* Equity Shares by Shitalkumar Rasiklal Somani, and 60,018* Equity Shares by Samirkumar Rasiklal Somani **Subject to finalisation of Basis of Allotment*
Price Band	Price band of a minimum price of ₹ 1,073 per Equity Share (Floor Price) and the maximum price of ₹ 1,083 per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer have been decided by our Company in consultation with the BRLMs, and were advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper), and Vadodara edition of Vadodara Samachar (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered 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 were made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company in consultation with the BRLMs, have finalised the Offer Price
Promoters' Contribution	Aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company that is eligible to form part of the minimum promoters' contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoters, which shall be locked-in for a period of three years from the date of Allotment
Prospectus	This Prospectus dated July 22, 2021, to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	Bank account(s) opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Offer Account Bank	The banks with which the Public Offer Account(s) were opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being ICICI Bank Limited
QIB Category / QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, consisting of 2,308,401* Equity Shares which shall be Allotted to QIBs (including Anchor Investors) **Subject to finalisation of Basis of Allotment*
Qualified Institutional Buyers / QIBs / QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus / RHP	The red herring prospectus dated July 10, 2021 issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares have been offered and the size of the Offer including any addenda or corrigenda thereto. The Red Herring Prospectus was filed with the RoC at least three Working Days before the Bid / Offer Opening Date

Term	Description
Refund Account(s)	The account(s) 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	The Banker(s) to the Offer with whom the Refund Account(s) were opened, in this case being ICICI Bank Limited
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Member and eligible to procure Bids
Registrar Agreement	The agreement dated March 31, 2021 among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer Agents / 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 websites of BSE and NSE
Registrar to the Offer / Registrar	Link Intime India Private Limited
Retail Individual Bidder(s) / RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their *karta* and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of 1,615,882* 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 **Subject to finalisation of Basis of Allotment*
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 were 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 could revise their Bids during the Bid / Offer Period and withdraw their Bids until Bid / Offer Closing Date
Self-Certified Syndicate Bank / 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
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely Link Intime India Private Limited
Share Escrow Agreement	Agreement dated July 10, 2021 entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by such Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate accepted ASBA Forms from Bidders
Sponsor Bank	The Banker to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect 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 ICICI Bank Limited
Stock Exchanges	Collectively, BSE and NSE
Syndicate	Together, the BRLMs and the Syndicate Member
Syndicate Agreement	Agreement dated July 10, 2021 entered into among our Company, the Selling Shareholders, the BRLMs and the Syndicate Member in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Member	Intermediary (other than the BRLMs) registered with SEBI who is permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, JM Financial Services Limited
Systemically Important Non-Banking Financial Company / NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	The BRLMs and the Syndicate Member
Underwriting Agreement	The agreement dated July 22, 2021 entered into and among the Underwriters, our Company and the Selling Shareholders
UPI	Unified Payments Interface, which is an instant payment mechanism developed by NPCI

Term	Description
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on 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 Mobile App and by way of a SMS directing the RIB to such UPI Mobile App) to the RIB initiated by the Sponsor Bank to authorise blocking of funds in the relevant ASBA Account through the UPI Mobile App equivalent to the Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The mechanism 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 company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
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, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (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, as per the circulars issued by SEBI

Conventional and general terms and abbreviations

Term	Description
AAEC	Appreciable adverse effect on competition in the relevant market in India
AIF(s)	Alternative Investment Funds
Bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CCI	Competition Commission of India
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
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
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	The 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 to the extent currently in force
Competition Act	Competition Act, 2002
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate Social Responsibility
Debt equity ratio	Total borrowings (aggregate of non-current borrowings, current maturities of non-current borrowings and current borrowings) / total equity (aggregate of equity share capital and other reserves)
Depositories	NSDL and CDSL, collectively
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's identity number

Term	Description
DPIIT	The Department for Promotion of Industry and Internal Trade (earlier known as Department of Industrial Policy and Promotion)
EBITDA	Aggregate of restated profit / (loss) for the year / period, tax expense, exceptional items, Finance costs, and depreciation and amortization
EPA	Environment Protection Act, 1986
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
ESIC	Employees' State Insurance Corporation
Euro	Euro, the official currency of the European Union
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA NDI Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Regulations	Foreign Exchange Management (Transfer of Issue of Security by a Person Resident outside India) Regulations, 2017
Financial Year / Fiscal / Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	Foreign Portfolio Investors, as defined under SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI / Government / Central Government	Government of India
GPCB	Gujarat Pollution Control Board
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
ICAI	Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
IFSC	Indian Financial System Code
IGST	Integrated Goods and Services Tax
Income Tax Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the IAS Rules
Ind AS 24	Indian Accounting Standard 24, notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with IAS Rules
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
INR / Rupee / ₹ / Rs.	Indian Rupee, the official currency of the Republic of India
IRDAI	Insurance Regulatory and Development Authority of India
I-Sec	ICICI Securities Limited
IT	Information Technology
JM	JM Financial Limited
KYC	Know Your Customer
MAT	Minimum Alternate Tax
MCA	The Ministry of Corporate Affairs, Government of India
Mn	Million
MoU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
NAV / Net Asset Value per Equity Share	Net worth (as restated) including share capital and reserves and surplus (as restated at the end of the year / period) divided by number of equity shares outstanding at the end of the period / year
NEFT	National Electronic Fund Transfer
Net worth	Aggregate of equity share capital and other reserves (excluding revaluation reserves if any) for a given period
NPCI	National Payments Corporation of India

Term	Description
NR / Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRI	Non-Resident Indian as defined under the FEMA Regulations
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	Overseas Corporate Body
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
R&D	Research and development
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Return on capital employed	Aggregate of restated profit / (loss) for the year / period, tax expense, exceptional items, and finance costs divided by total assets less current liabilities
Return on equity	Net profit, as restated, attributable to the owners of the company / the aggregate of equity share capital and other reserves
Return on net worth	Net profit, as restated, attributable to the owners of the company / net worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
STT	Securities Transaction Tax
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trademarks Act	Trademarks Act, 1999
US$ / USD / US Dollar	United States Dollar, the official currency of the United States of America
USA / U.S. / US	United States of America and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. Securities Act	U.S. 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

Technical / industry-related terms

Term	Description
ANFD	Agitated Nutsche Filter Dryer
Assembly Line	An electro dialyser cells connected in series & parallel electrically as well as hydraulic parallel consisting of 42 anodes and 42 cathodes with piping, headers, anolite and catholite circulation tanks with pumps. It also contains AC to DC power converter rectifier units with control panels.
BOQ	Bill of quantities
ETP	Effluent Treatment Plant
GC	Gas Chromatograph

Term	Description
GCHS	Gas Chromatograph with Head space sampler
GCMS	Gas Chromatograph Mass Spectrometer
HPLC	High Performance Liquid Chromatograph
IC	Ion Chromatograph
ICP MS	Inductive Couple Plasma Mass Spectrometer
ICP-OES	Inductive Coupled Plasma - Optical Emission Spectrometer
KL	Kilolitres
LC MS	Liquid chromatography mass spectrometer
LDO	Light diesel oil
MEE	Multi Effect Evaporators
MPP	Multi-Purpose Processor
OH	Hydroxide
PASC	Pharmaceutical and agrochemical intermediates and other specialty chemicals
PCC	Plain Cement Concrete
PNG	Petroleum natural gas
PPM	Parts per million
PTC	Phase Transfer Catalysts
R&D	Research and development
RCC	Reinforcement cement and concrete
RCVD	Rotary Conical Vacuum Dryers
RMFG	Raw materials and finished goods
ROETP	Reverse Osmosis Effluent Treatment Plant
SCH	Secondary chiller
SDA	Structure directing agents
SEM	Scan electron microscope
VCB	Vacuum circuit breaker
VOC	Volatile organic compound
XRD	X-Ray Diffractometer

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

Certain conventions

All references in this Prospectus to "India" are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

All references herein to the "US", the "U.S.", the "USA", or the "United States" are to the United States of America and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia.

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

Financial data

Unless stated or the context requires otherwise, the financial information in this Prospectus is derived from our Restated Consolidated Financial Statements. Our Restated Consolidated Financial Statements have been prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations, as amended from time to time, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI. For further information on our Company's financial information, see "*Financial Statements*" on page 198.

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

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Prospectus are to a calendar year.

Non-GAAP financial measures

Certain non-GAAP measures such as EBITDA, net worth, return on net worth, Net Asset Value per Equity Share, debt equity ratio, return on capital employed, and return on equity ("**Non-GAAP Measures**") presented in this Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / 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, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term and, therefore, a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although the 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 because these are widely used measures to evaluate a company's operating performance. See "*Risk Factors - Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA and net worth have been included in this Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.*" on page 48.

Industry and market data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained from publicly available information, as well as various government publications and industry sources. Further, the information has also been derived from a report dated March 30, 2021 and titled "*Independent Market Report – India Chemicals and Specialty Chemicals Markets*" (the "**F&S Report**") that has been prepared by Frost & Sullivan. Industry publications generally state that the information contained in such publications has been obtained from sources generally believed to be reliable, but their accuracy, adequacy, completeness or underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Although we believe that the industry and market data used in this Prospectus is reliable, such data has not been independently verified by us, the Selling Shareholders, the BRLMs, or any of our or their respective affiliates or advisors, and none of these parties makes any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Prospectus is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors - This Prospectus contains information from an industry report which we have commissioned from Frost & Sullivan. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*" on page 31.

In accordance with the SEBI ICDR Regulations, the section "*Basis for the Offer Price*" on page 96 includes information relating to our peer group companies. Such information has been derived from publicly available sources and neither we, nor the BRLMs or any of their affiliates, have independently verified such information. Accordingly, no investment decision should be made solely on the basis of such information.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" on pages 24, 151 and 252, respectively, and elsewhere in this Prospectus have been calculated on the basis of amounts based on or derived from our Restated Consolidated Financial Statements.

Disclaimer of Frost & Sullivan

This Prospectus contains data and statistics from the F&S Report, which is subject to the following disclaimer:

"*This independent market research study "Independent Market Report – India Chemicals and Specialty Chemicals Markets" has been prepared for the proposed initial public offering of equity shares by Tatva Chintan Pharma Chem Limited (the "**Company**").*

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

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

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

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

Currency and Units of Presentation

All references to:

- '**Rupees**' or '**₹**' or '**Rs.**' are to Indian Rupees, the official currency of the Republic of India.
- '**U.S.$**', '**U.S. Dollar**', '**USD**' or '**U.S. Dollars**' are to United States Dollars, the official currency of the United States of America.
- '**EUR**' or '**€**' are to Euro, the official currency of the European Union.

In this Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions. One million represents '10 lakhs' or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Prospectus expressed in such denominations as provided in their respective sources.

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 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 Prospectus are to Indian Standard Time.

Exchange rates

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

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

(in ₹)

Currency	Exchange Rate as on*		
	March 29, 2019[(1)]	March 31, 2020	March 31, 2021
1 USD	69.17	75.39	73.51
1 EUR	77.70	83.05	86.10

Source: RBI / Financial Benchmark India Private Limited

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

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain statements which are not statements of historical fact and may be described as "forward-looking statements". These forward looking statements include statements which can generally be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "can", "could", "expect", "estimate", "intend", "may", "likely", "objective", "plan", "propose", "seek to", "will achieve", "will continue", "will likely", "will pursue" or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

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 future gains or losses could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on our management's belief and assumptions, current plans, estimates and expectations, which in turn are based on currently available information.

Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate. Actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries we cater to, and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and / or acts of violence.

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

- the continuing impact of the outbreak of the COVID-19;
- unplanned slowdowns or shutdowns in our manufacturing operations;
- quality requirements and strict technical specifications and audits by our institutional customers and our failure to comply with the quality standards and technical specifications prescribed by such customers;
- increase in the cost of raw materials;
- our business subjecting us to risks in multiple countries;
- dependence on limited suppliers for the supply of certain raw materials; and
- a significant portion of our revenue being derived from a few customers.

For a further discussion of factors that could cause our actual results to differ, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 24, 151 and 252, respectively.

Neither our Company, nor the Selling Shareholders, nor the BRLMs, nor any Syndicate Member, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company and the Selling Shareholders will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares forming part of the Offer for Sale from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholders shall, severally and not jointly, ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by such Selling Shareholder in the Red Herring Prospectus and this Prospectus until the grant of listing and trading permission by the Stock Exchanges.

SECTION II - SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Prospectus and 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 Prospectus, including the sections titled "Risk Factors", "The Offer", "Capital Structure", "Our Business", "Industry Overview", and "Outstanding Litigation and Other Material Developments" on pages 24, 58, 72, 151, 106 and 285 respectively of this Prospectus.

Primary business of our Company

We are a specialty chemicals manufacturing company engaged in the manufacture of a diverse portfolio of SDAs, PTCs, electrolyte salts for super capacitor batteries and PASCs. Our Company is the largest and only commercial manufacturer of SDAs for zeolites in India and enjoys the second largest position globally (*Source: F&S Report*). Our Company is also one of the leading global producers of an entire range of PTCs in India and one of the key producers across the globe (*Source: F&S Report*).

Industry in which our Company operates

The global chemicals market is valued at around USD 4,738 billion and is expected to grow at 6.2% CAGR; reaching USD 6,400 billion by 2024. The Indian chemicals market is valued at USD 166 billion (~4% share in the global chemical industry) and it is expected to reach ~USD 280-300 Bn in the next 5 years, with an anticipated growth of ~12% CAGR. The specialty chemical industry forms ~47% of the domestic chemical market, which is expected to grow at a CAGR of around 11-12% over the same period (*Source: F&S Report*).

Name of Promoters

As on the date of this Prospectus, our Promoters are Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani. For further details, see "*Our Promoters and Promoter Group*" on page 191.

The Offer

The following table summarizes the details of the Offer. For further details, see "*The Offer*" and "*Offer Structure*" on pages 58 and 309, respectively.

Offer(1)	4,616,804* Equity Shares for cash at price of ₹ 1,083 per Equity Share (including a premium of 1,073 per Equity Share), aggregating to ₹ 5,000.00 million*
of which	
(i) Fresh Issue(1)	2,077,562* Equity Shares aggregating to ₹ 2,250.00 million*
(ii) Offer for Sale(2)	2,539,242* Equity Shares aggregating to ₹ 2,750.00 million* by the Selling Shareholders

** Subject to finalisation of Basis of Allotment*

(1) The Offer has been authorized by a resolution of our Board dated March 3, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated March 15, 2021.

(2) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale in terms of the SEBI ICDR Regulations. Each of the Selling Shareholders has authorized the sale of its respective portion of the Offered Shares in the Offer for Sale. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 289.

Objects of the Offer

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

(in ₹ million)

Objects	Amount*
Funding capital expenditure requirements for expansion of our Dahej Manufacturing Facility	1,471.00
Funding capital expenditure requirements for upgradation at our R&D facility in Vadodara	239.71
General corporate purposes	362.10
Net Proceeds*	**2,072.81**

**Subject to finalization of Basis of Allotment*

Aggregate pre-Offer Shareholding of our Promoters and the members of our Promoter Group (other than our Promoters)

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

S. No.	Name of Shareholder	No. of Equity Shares	% of total pre-Offer paid up Equity Share capital
Promoters			
1.	Ajaykumar Mansukhlal Patel	4,222,333	21.02
2.	Chintan Nitinkumar Shah	5,648,835	28.12
3.	Shekhar Rasiklal Somani	6,304,682	31.39
Total (A)		**16,175,850**	**80.53**
Other members of the Promoter Group			
1.	Ajay Mansukhlal Patel HUF	1,237,500	6.16
2.	Priti Ajaykumar Patel	1,236,000	6.15
3.	Chintan N Shah HUF	447,500	2.23
4.	Darshana Nitinkumar Shah	368,500	1.83
5.	Kajal Shekhar Somani	319,650	1.59
6.	Shital Chintan Shah	231,000	1.15
7.	Samirkumar Rasiklal Somani	60,500	0.30
8.	Shitalkumar Rasiklal Somani	11,000	0.05
Total (B)		**3,911,650**	**19.47**
Total (A) + (B)		**20,087,500**	**100.00**

Financial information

The following information has been derived from our Restated Consolidated Financial Statements for the last three Fiscals:

(₹ in million, except per share data))

Particulars	As at and for the Fiscal ended		
	March 31, 2019	March 31, 2020	March 31, 2021
Equity Share capital	80.35	80.35	200.88
Net worth	797.00	1,176.94	1,659.64
Revenue from operations	2,063.07	2,632.39	3,003.59
Restated profit for the year	205.43	377.89	522.62
Earnings per share (basic)	10.23	18.81	26.02
Earnings per share (diluted)	10.23	18.81	26.02
Net Asset Value per Equity Share	39.68	58.59	82.62
Total borrowings	771.48	906.89	902.48 .

Auditor qualifications

There are no qualifications by the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Statements.

Outstanding litigation

A summary of outstanding litigation proceedings as on the date of this Prospectus as disclosed in the section titled "*Outstanding Litigation and Other Material Developments*" in terms of the SEBI ICDR Regulations is provided below:

(₹ in million)

Nature of cases	Number of cases	Total amount involved (to the extent quantifiable)
Litigation involving our Company		
Proceedings against our Company	**2**	**19.16**
Material civil	Nil	-
Criminal	Nil	-
Tax	2	19.16
Action by statutory or regulatory authorities	Nil	-
Proceedings by our Company	**2**	**0.78**
Material civil	Nil	-

(₹ in million)

Nature of cases	Number of cases	Total amount involved (to the extent quantifiable)
Criminal	2	0.78
Litigation involving our Subsidiaries		
Proceedings against our Subsidiaries	**Nil**	**-**
Material civil	Nil	-
Criminal	Nil	-
Tax	Nil	-
Action by statutory or regulatory authorities	Nil	-
Proceedings by our Subsidiaries	**Nil**	**-**
Material civil	Nil	-
Criminal	Nil	-
Litigation involving our Promoters		
Proceedings against our Promoters	**Nil**	**-**
Material civil	Nil	-
Criminal	Nil	-
Tax	Nil	-
Action by statutory or regulatory authorities	Nil	-
Disciplinary action in the last five Fiscals	Nil	-
Proceedings by our Promoters	**Nil**	**-**
Material civil	Nil	-
Criminal	1	-
Litigation involving our Directors		
Proceedings against our Directors	**Nil**	**-**
Material civil	Nil	-
Criminal	Nil	-
Tax	Nil	-
Action by statutory or regulatory authorities	Nil	-
Proceedings by our Directors	**1**	**-**
Material civil	Nil	-
Criminal	1	-

For further details, see "*Outstanding Litigation and Other Material Developments*" on page 285.

Material litigation involving our group companies

Our Company does not have any group companies.

Risk factors

Specific attention of the Investors is invited to "*Risk Factors*" on page 24 to have an informed view before making an investment decision.

Summary of contingent liabilities

As of March 31, 2021, our contingent liabilities, on a consolidated basis that have not been provided for were as follows:

Particulars	Amount (₹ in million)
Payment of excess refund on zero rated supplies Under GST	0.61
Guarantees excluding financial guarantees	0.20
Interest Payable on IGST Paid Under Advance Authorisation	4.53
Total	5.34

Particulars	Amount (USD in million)
Letter of Credits are secured against the pledge of fixed deposits with the banks under lien	0.34
Total	**0.34**

For further information on such contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, see "*Financial Statements*" on page 198.

Summary of related party transactions

A summary of the related party transactions entered into by our Company in Fiscals 2019, 2020, and 2021 and as per Ind AS 24 - Related Party Disclosures is detailed below:

(₹ in million)

Particulars	Fiscal		
	2019	2020	2021
Sale of finished goods	**411.14**	**634.57**	653.44
- Tatva Chintan USA Inc. (Net of return)	411.14	587.51	374.51
- Tatva Chintan Europe BV	-	47.06	278.93
Salary paid	**1.80**	**1.80**	**2.87**
- Shital C. Shah	0.60	0.60	0.60
- Priti A. Patel	0.60	0.60	0.60
- Kajal S. Somani	0.60	0.60	0.60
- Mahesh Tanna	0.00	0.00	0.84
- Mansi Ashar	0.00	0.00	0.19
- Apurva Dubey	0.00	0.00	0.04
Remuneration paid	**43.20**	**43.20**	**43.20**
- Chintan N. Shah	14.40	14.40	14.40
- Ajay M. Patel	14.40	14.40	14.40
- Shekhar R. Somani	14.40	14.40	14.40
Sitting Fees paid	**0.00**	**0.00**	**0.33**
- Subhash Patel	0.00	0.00	0.12
- Manher Desai	0.00	0.00	0.11
- Avani Umatt	0.00	0.00	0.10
Bonus issued during the year	**-**	**-**	**120.54**
- Chintan N. Shah	-	-	33.89
- Ajay M. Patel	-	-	25.33
- Shekhar R. Somani	-	-	37.83
- Shital C. Shah	-	-	1.39
- Priti A. Patel	-	-	7.42
- Kajal S. Somani	-	-	1.92
- Darshanaben N Shah	-	-	2.21
- Shitalkumar R Somani	-	-	0.07
- Samirkumar Rasiklal Somani	-	-	0.36
- Chintan N. Shah (HUF)	-	-	2.69
- Ajay M. Patel (HUF)	-	-	7.43
Dividend paid during the year	-	-	40.18
- Chintan N. Shah	-	-	11.30
- Ajay M. Patel	-	-	8.44
- Shekhar R. Somani	-	-	12.61
- Shital C. Shah	-	-	0.46
- Priti A. Patel	-	-	2.47
- Kajal S. Somani	-	-	0.64
- Darshanaben N Shah	-	-	0.74
- Shitalkumar R Somani	-	-	0.02
- Samirkumar Rasiklal Somani	-	-	0.12
- Chintan N. Shah (HUF)	-	-	0.90
- Ajay M. Patel (HUF)	-	-	2.48
Advances to subsidiary	**0.13**	**0.28**	**0.29**
- Tatva Chintan Europe B.V.	0.13	0.28	0.29
Advances given to subsidiary (during the year)	**0.13**	**0.15**	**0.00**
- Tatva Chintan Europe B.V.	0.13	0.15	0.00
Salary payable	**2.45**	**2.45**	**2.75**
- Chintan N Shah	0.77	0.77	0.77
- Ajay M Patel	0.77	0.77	0.77
- Shekhar R Somani	0.77	0.77	0.79
- Shital C. Shah	0.05	0.04	0.04
- Priti A. Patel	0.05	0.04	0.04
- Kajal S. Somani	0.04	0.04	0.04
- Mahesh Tanna			0.27

Particulars	Fiscal		
	2019	2020	2021
- Apurva Dubey			0.03
Trade receivables	**77.39**	**123.20**	**197.60**
- Tatva Chintan USA Inc.	77.39	73.01	106.19
- Tatva Chintan Europe B.V.	-	50.19	91.41
Trade payable	**-**	**-**	**-**
- Tatva Chintan USA Inc.	-	-	-
Investments in subsidiaries	**6.66**	**6.67**	**6.67**
- Tatva Chintan USA Inc.	6.66	6.66	6.66
- Tatva Chintan Europe B.V.	-	0.01	0.01

For further details, see "*Financial Statements*" on page 198.

Financing arrangements

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

Weighted average price

The weighted average price at which the equity shares of our Company were acquired by each of our Promoter Selling Shareholders and the Promoter Group Selling Shareholders, in the one year preceding the date of this Prospectus, are set forth below:

S. No.	Name	Number of Equity Shares acquired in the last one year preceding the date of this Prospectus	Weighted average price of acquisition per Equity Share (in ₹)*#
1.	Shekhar Rasiklal Somani	3,782,809	Nil
2.	Chintan Nitinkumar Shah	3,389,301	Nil
3.	Ajaykumar Mansukhlal Patel	2,533,400	Nil
4.	Ajay Mansukhlal Patel HUF	742,500	Nil
5.	Priti Ajaykumar Patel	741,600	Nil
6.	Darshana Nitinkumar Shah	221,100	Nil
7.	Kajal Shekhar Somani	191,790	Nil
8.	Samirkumar Rasiklal Somani	36,300	Nil
9.	Shitalkumar Rasiklal Somani	6,600	Nil

** As certified by our Statutory Auditors by way of their certificate dated July 22, 2021.*
#The only acquisitions of Equity Shares by the Promoter Selling Shareholders and the Promoter Group Selling Shareholders in the one year preceding the date of this Prospectus were pursuant to the bonus issue undertaken by the Company on March 3, 2021 in the ratio of 1.5 Equity Shares for every 1 Equity Share held.

Average cost of acquisition

The average cost of acquisition of Equity Shares by our Promoter Selling Shareholders and the Promoter Group Selling Shareholders as at the date of this Prospectus is set forth below:

S. No.	Name	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹) #
1.	Ajaykumar Mansukhlal Patel	4,222,333	1.59
2.	Chintan Nitinkumar Shah	5,648,835	3.06
3.	Shekhar Rasiklal Somani	6,304,682	2.87
4.	Ajay Mansukhlal Patel HUF	1,237,500	4.00
5.	Priti Ajaykumar Patel	1,236,000	2.49
6.	Darshana Nitinkumar Shah	368,500	1.11
7.	Kajal Shekhar Somani	319,650	2.69
8.	Samirkumar Rasiklal Somani	60,500	1.65
9.	Shitalkumar Rasiklal Somani	11,000	0.91

 # As certified by our Statutory Auditors by way of their certificate dated July 22, 2021.

For further details of the average cost of acquisition of our Promoters, see "*Capital Structure – Build-up of the Promoters' and Promoter Group Selling Shareholders' shareholding in our Company*" on page 77.

Details of pre-IPO placement

Our Company is not contemplating a pre-IPO placement.

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

Except for the allotment of Equity Shares made on March 3, 2021, pursuant to a bonus issue, as set forth in "*Capital Structure – Notes to the capital structure – Equity Share capital history of our Company*" on page 72, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Prospectus.

Split or consolidation of Equity Shares in the last one year

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

SECTION III - RISK FACTORS

An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could suffer, the price of the Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. Investors should consult their tax, financial and legal advisors about particular consequences to them of an investment in the Offer. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, such financial impact cannot be disclosed in such risk factors. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. See section "Forward-Looking Statements" on page 17.

To obtain a complete understanding, prospective investors should read this section in conjunction with the sections "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 151, 106 and 252, respectively, as well as the other financial and statistical information contained in this Prospectus.

INTERNAL RISKS

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

In late calendar 2019, COVID-19, commonly known as "novel coronavirus" was first reported in Wuhan, China. Since then, the virus had progressively spread globally to many countries. The outbreak of COVID-19 was recognized as a public health emergency of international concern on January 30, 2020 and as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, had/have taken preventive or protective actions, such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. The Government of India had announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. While progressive relaxations have since been granted for movement of goods and people and cautious re-opening of businesses and offices, lockdowns may be re-introduced in the future. Certain countries have reinstated lockdown conditions due to a "second wave" of the COVID-19 outbreak and the discovery of new strains of the coronavirus, and the Central Government and State Governments may reinstate complete lockdown conditions or impose additional restrictions.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have 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, 'stay-at-home' orders, and enforcing remote working regulations. These measures have led to a significant decline in economic activities. No prediction can be made of when any of the restrictions currently in place will be relaxed or when further restrictions will be announced. Although some governments are beginning to ease or lift such restrictions, the impact from the severe disruptions caused by the effective shutdown of large segments of the global economy remain unknown.

In light of the COVID-19 pandemic, our manufacturing facilities were also shut down by us for a period of 12 days starting from March 24, 2020. We have since then implemented greater safety procedures and requirements at our manufacturing facilities to meet the government's requirement on sanitisation, and social distancing. However, due to limited availability of labour, logistics and supply chain constraints, our manufacturing facilities were initially operating at sub-optimal capacity utilization. Subsequently, our capacity utilization has improved, raw material suppliers have resumed operations and supply and logistics have become more regular.

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

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

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

Any resulting financial impact due to the above cannot be reasonably estimated at this time. The extent to which the COVID-19 impacts our business and results will depend on future developments, which are highly uncertain and cannot be predicted, such as new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section. In addition, our Statutory Auditors have included an emphasis of matter in the auditors' reports on the audited financial statements of our Company and subsidiary, TC USA as at and for the period ended March 31, 2021 drawing attention to note in financial statements for describing possible effect of uncertainties relating to COVID-19 pandemic on our financial performance, and to highlight the fact that their attendance of the physical inventory verification was impracticable, and accordingly had to rely on alternative audit procedures to obtain comfort over the existence and condition of inventory at the end of the year .

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

2. *Unplanned slowdowns or shutdowns in our manufacturing operations could have an adverse effect on our business, results of operations and financial condition.*

Our business is dependent upon our ability to efficiently manage our manufacturing facilities, which are subject to various operating risks, including productivity of our workforce, compliance with regulatory requirements and circumstances beyond our control, such as the breakdown and failure of equipment or industrial accidents, severe weather conditions, natural disasters and infectious disease outbreaks such as the COVID-19 pandemic. Any malfunction or breakdown of our machinery may require significant repair costs and consequently cause delays in our operations. We may also face protests from local citizens at our existing manufacturing facility or while setting up new facilities, which may delay or halt our operations. In addition, due to COVID-19, operations at our manufacturing facilities were temporarily suspended from March 24, 2020 to April 4, 2020. Our operations also require a significant amount and continuous supply of electricity, fuel, and water and any shortage or non-availability of such utilities may adversely affect our operations. Production of specialty chemicals typically requires a large amount of water at various stages of processing. Any interruption in the continuous supply of water and electricity may negatively impact the quality of the final product manufactured by us, which may result in delays in delivery of our products or non-delivery, resulting in loss of revenue and damage to our reputation or customer relationship. A prolonged interruption of water or electricity supply can also result in production slowdown or shutdowns, increased costs associated with restarting production and the loss of production in progress.

The occurrence of any such event in the future could have an adverse effect on our business, results of operations and financial condition. Our inability to effectively respond to any shutdown or slowdown and rectify any disruption, in a timely manner and at an acceptable cost, could lead to an inability to comply with our customers' requirements and result in us breaching our contractual obligations.

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

We primarily specialize in manufacture and supply of specialty chemicals. Given the nature of our products, our customers have high standards for product quality as well as delivery schedules. Adherence to quality standards is a critical factor in our manufacturing process as any defects in the products manufactured by our Company or failure to comply with the technical specifications of our customers may lead to cancellation of the orders placed by our customers.

Further, any failure to make timely deliveries of products in the desired quantity as per our customers' requirements could also result in the cancellation of orders placed by our customers and may adversely affect our reputation and goodwill. Additionally, prior to placing the orders, there is a detailed audit and review process that is undertaken by certain customers (which may be undertaken multiple times over a period of time). 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 finished product delivered by us is further subject to laboratory validation by certain customers. As per the purchase arrangements with certain customers, in the event our products do not comply with the specification provided by our customers or if there is a recall of our products by us, our supplies may be rejected and we may also be required to reimburse our customer for any losses suffered as a result of our non-compliance. We are therefore subject to a stringent quality control mechanism at each stage of the manufacturing process and are required to maintain the quality and precision level for each product. As a result, we are required to incur expenses to maintain our quality assurance systems such as periodic checking by the operators to ensure there is no defect from the previous stage operator, forming a separate team of engineers responsible for quality and assurance both in the manufacturing facility and machineries, and in the manufacturing processes. We will continue to spend a portion of our future revenues to manage our product quality and to maintain our quality control, a failure of which may negatively impact our profitability.

4. ***Increase in the cost of raw materials could have a material adverse effect on our results of operations and financial conditions.***

Our largest expense is our cost of raw materials. Our primary raw materials include tertiary amines, alkyl halides, general solvents and other general and fine chemicals. Our cost of raw materials consumed was ₹ 1,509.12 million, ₹ 1,461.59 million and ₹ 1,182.92 million, which represented 50.24%, 55.52%, and 57.34% of our revenue from operations in Fiscals 2021, 2020, and 2019, respectively. The expenditure incurred in respect of our top 10 suppliers was ₹ 766.50 million, ₹ 897.91 million and ₹ 566.98 million, contributed 48.64%, 58.40%, 48.57%, respectively, to the purchases of raw materials and components during the year in Fiscals 2021, 2020, and 2019. We do not have long term agreements with most of our raw material suppliers and we acquire such raw materials pursuant to our purchase orders from suppliers as a result of which, we are required to forecast our supply and demand. Our inability to correctly forecast demand and supply may have a material adverse impact on our working capital, our business and our results of operations.

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, competition and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Further, discontinuation of such supply or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business and results of operations. 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.

Further, the price of our product is generally fixed at the time the purchase order is issued to us by our customers and therefore we may not be able to pass on an increase in cost of raw material to our customers. We have also agreed to supply binding supply volumes under purchase arrangements with certain large institutional customers, which restricts our ability to reject certain volumes demanded by such customers. To the extent that we are unable to successfully manage related risks and secure adequate supplies of raw materials on commercially reasonable terms or to pass on price increases to our customers, our profitability may be adversely impacted.

5. *Our business subjects us to risks in multiple countries that could materially adversely affect our business, cash flows, results of operations and prospects.*

We export most of our products to over 25 countries, including the USA, China, Germany, Japan, South Africa and the UK. During the Fiscals ended March 31, 2019, 2020, and 2021, exports of products amounted to ₹ 1,435.19 million, ₹ 2,020.20 million and ₹ 2,119.92 million, which accounted for 69.57%, 76.74%, and 70.58%, of our revenue from operations, respectively. In addition, Germany, USA, and China contributed 27.21%, 21.64%, and 6.41% in Fiscal 2019; 14.56%, 25.93%, and 16.47% in Fiscal 2020; and 1.44%, 14.81%, and 17.94% in Fiscal 2021, respectively, to our revenue from operations for such Fiscals. As a result of our existing and expanding international operations, we are subject to risks inherent to establishing and conducting operations on an international scale, including:

- cost structures and language factors associated with managing and coordinating our international operations;
- compliance with a wide range of regulatory requirements, foreign laws, including immigration, labour and tax laws;
- ability to obtain the necessary approval from regulatory authorities, as applicable, for the products which we intend to sell;
- difficulty in managing foreign operations;
- potential difficulties with respect to protection of our intellectual property rights in some countries which may result in infringement by others of our intellectual property rights;
- social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action;
- unavailability or shortage of vessels and containers for export and import consignments;
- outbreaks of diseases, such as COVID-19, resulting in a widespread health crisis; and
- fluctuation in the exchange rate.

The growth in size or scope of our business, expansion of our footprint in existing regions in which we operate and entry into new markets also will expose us to regulatory regimes with which we have no prior direct experience and expansion into new product areas could lead to our becoming subject to additional or different laws and regulations, and consequently subject to additional costs. If any of these risks materialise, it could have a material adverse effect on our business, cash flows, results of operations and prospects.

6. *We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements for the proposed expansion of the Dahej Manufacturing Facility and the upgradation at our research and development facility in Vadodara and if the costs of setting up and the possible time or cost overruns related to the said expansion and upgradation are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.*

The Offer is for 4,616,804 Equity Shares aggregating to ₹ 5,000.00 million comprising of a Fresh Issue aggregating to ₹ 2,250.00 million by our Company and an Offer of Sale aggregating to ₹ 2,750.00 million by the Selling Shareholders (subject to finalisation of Basis of Allotment). The Fresh Issue and the Offer for Sale constitute up to 45.00% and 55.00% of the size of the Offer, respectively. However, the entire proceeds from the Offer for Sale will be paid to the Selling Shareholders and our Company will not receive any proceeds from the Offer for Sale. The proceeds from the Fresh Issue less the Offer related expenses applicable to the Fresh Issue constitute the Net Proceeds, which we intend to utilise towards the proposed objects of the Offer. We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements for expansion of our Dahej Manufacturing Facility; and for upgradation at our R&D facility in Vadodara, among others. We have estimated the total cost of such capital expenditure to be ₹ 1,710.71 million, which has been certified by Projectplus Consultants LLP, pursuant to their report dated July 5, 2021. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution. The completion of the said upgradation and expansion is dependent on the performance of external agencies, which are responsible for *inter alia* construction of buildings, installation and commissioning of plant and machinery and supply and testing of equipment. We cannot assure you that the performance of external agencies will meet the required specifications or performance parameters. We may not be able to identify suitable replacement external agencies in a timely manner. If the performance of these agencies is inadequate in terms of the requirements, this may result in incremental cost and time overruns.

Further, we have not entered into any definitive agreements to utilize the Net Proceeds for this object of the Offer and have relied on the quotations received from third parties for estimation of the cost. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. Additionally, we are yet to place orders for 92.35% of the plant and machinery (in terms of the aggregate estimated cost of plant and machinery for the proposed expansion), amounting to ₹ 509.45 million in relation to the expansion of our Dahej Manufacturing facility. For further details please refer to "*Objects of the Offer*" on page 84. Further, the estimated costs for expansion of our Dahej Manufacturing Facility; and for upgradation at our R&D facility in Vadodara are based on management estimates and current conditions and are subject to change, owing to prospective changes in external circumstances, costs, and other financial conditions. There could be delays in the said expansion or upgradation as a result of, among other things, requirement of obtaining approvals from statutory or regulatory authorities, contractors' or external agencies' failure to perform, exchange rate fluctuations, unforeseen engineering problems, disputes with workers, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, interest and finance charges, EPC and non-EPC costs, cost escalation and/or force majeure events (including the continuing impact of the COVID-19 pandemic), any of which could give rise to cost overruns and delays in our implementation schedules.

If our actual capital expenditures on these significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion or commissioning of our plants and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

7. ***Our management has discretion in how it may use the proceeds of the Offer. Any variation in the utilisation of our Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

Our use of the proceeds of the Offer is at the discretion of the management of our Company. As described in the section titled "*Objects of the Offer*" on page 84, we intend to use the Net Proceeds for various purposes, including but not limited to, (i) funding capital expenditure requirements for expansion of our Dahej Manufacturing Facility; (ii) funding capital expenditure requirements for upgradation at our R&D facility in Vadodara; and (iii) general corporate purposes. However, we have not entered into any definitive agreements and do not have any definite and specific commitments towards the aforementioned purposes for which our Company intends to use the Net Proceeds. Further, the Net Proceeds are intended to be utilized by the Company only and none of the members of our Promoter Group or Group Companies will receive any portion of the Net Proceeds. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies. Any variation in the planned use of the Net Proceeds would require Shareholders' approval and may involve considerable time or cost overrun and in such an eventuality it may adversely affect our operations or business. In the event that there is such a change in the objects of the Offer, our Promoters shall provide an exit offer to dissenting shareholders as provided for in the Companies Act, 2013 and in terms of the conditions and manner prescribed under Schedule XX of the SEBI ICDR Regulations.

8. ***We depend on limited number of suppliers for certain raw materials. The loss of one or more such suppliers could adversely affect our business, results of operations, financial condition and cash flows.***

We currently rely on limited number of suppliers to provide certain raw materials. We do not have long-term agreements with such suppliers, and the loss of one or more of such suppliers or a reduction in the amount of raw materials we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. Our reliance on a select group of suppliers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. Our suppliers could fail to meet their obligations, which may have an adverse impact on our business and results of operations. The deterioration of the financial condition or business prospects of these suppliers could reduce their ability to meet our requirements and accordingly result in a significant decrease in our revenues. Further, there can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials and packing material. If we experience a significant or prolonged shortage of raw materials or packing material from any of our suppliers, and we cannot procure the raw materials or packing material from other sources, we will be unable to meet our production schedules and customer orders in a timely manner, which will adversely affect our sales and customer relations. In the absence of long-term supply agreements, there can be no assurance that a particular supplier will continue to supply our products in the future. Any change in the supplying pattern of our raw materials and packing material can adversely affect our business and profits.

9. *We commit substantial effort, funds and other resources towards our research and development activities in order to introduce new products and respond to changing customer preferences, and our inability to do the same in a timely and effective manner, may have an adverse effect on our business, results of operations and financial condition.*

The success of our business depends upon our ability to anticipate and identify changes in the preferences of our customers and offer them products that they require, on a timely basis. Although we seek to identify such trends and introduce new products, we cannot assure you that our products would gain consumer acceptance or that we will be able to successfully compete in such new product segments. In order to remain competitive, we must develop, test and manufacture new products, which must meet regulatory standards and receive requisite regulatory approvals.

To accomplish this, we commit substantial effort, funds and other resources towards our R&D activities and we have set-up a dedicated R&D centre in Vadodara, Gujarat. In Fiscals 2021, 2020, and 2019, our total expenditure for R&D activities was ₹ 51.14 million, ₹ 39.94 million, and ₹ 39.39 million, respectively, representing 1.70%, 1.52%, and 1.91% of our revenue from operations, for the respective periods. For details, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting Our Results of Operations and Financial Condition – R&D and innovation efforts and growth of our new products*" on page 255. However, 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. Consequently, any failure on our part to successfully introduce new products and processes may have an adverse effect on our business, results of operations and financial condition.

10. *Our Company had sought an exemption from the Securites and Exchange Board of India from considering and disclosing (i) Chetan Vasantlal Doshi, Pragnesh Vasantlal Doshi, and Ramila Vasantlal Doshi (the "Concerned Persons") as a member of the 'promoter group' of the Company. We cannot assure that the Concerned Persons are in compliance with the applicable requirements set out under The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, in respect of the Offer*

Our Company had, vide an exemption application dated March 31, 2021 under Regulation 300 of the SEBI ICDR Regulations submitted to SEBI, sought an exemption from considering and disclosing (i) the Concerned Persons as a member of the 'promoter group' of the Company,(ii) any body corporate in which the Concerned Persons or any Hindu undivided family or firm where he is a member, may hold 20% or more of the equity share capital, (iii) any body corporate in which the body corporate mentioned under (ii) above holds 20% or more of the equity share capital, (iv) any Hindu undivided family or firm in which the Concerned Persons may hold 20% or more of the total capital in accordance with the SEBI ICDR Regulations. This was owing to the inability of our Company to communicate or obtain information from the Concerned Persons. Our Company received exemption from SEBI in this regard by way of its letter dated June 30, 2021.

Since our Company and the Promoters do not maintain contact or relationship with the Concerned Persons, we cannot assure you that Concerned Persons are in compliance with the requirements set out in the SEBI ICDR

Regulations applicable to the Offer, in respect of the members of the Promoter Group. Further, we cannot assure that the Concerned Persons will not trade in the Equity Shares of our Company in compliance with the conditions applicable to the members of the Promoter Group of our Company under applicable law.

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

While we typically have long term relationships with our customers, we do not have long term agreements with them. The success of our business is accordingly significantly dependent on us maintaining good relationships with our customers and suppliers. While our Company has a number of customers, we are dependent on a limited number of customers for a significant portion of our revenue. Our top 10 customers contributed ₹ 1,801.74 million, ₹ 1,538.47 million, ₹ 969.37 million, which accounted for 59.99%, 58.44%, and 46.99%, respectively, to our revenue from operations in Fiscals 2021, 2020, and 2019. For details, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting Our Results of Operations and Financial Condition – Relationship with key customers*" on page 255.

The actual sales by our Company may differ from the estimates of our management due to the absence of long term agreements. The loss of one or more of these significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future.

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

We are subject to 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, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We handle and use hazardous materials in our R&D and manufacturing activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. We obtain the requisite registrations and approvals from time to time and aim to prevent such hazards by training our personnel, conducting industrial hygiene assessments and employing other prescribed safety measures.

Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could lower our profits in the event we were found liable, and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers. For instance, pursuant to proceedings initiated by the Gujarat Pollution Control Board, by way of an order dated February 25, 2021, the 3rd Additional Chief Judicial Magistrate, Ankleshwar, Bharuch, held that our Company, our Promoters, and one of our employees, were liable for the payment of a fine of ₹ 0.25 million owing to the breach of certain provisions of the Environment Protection Act, 1986, and which has been paid by our Company, on behalf of itself, the Promoters, and the employee as required.

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

13. *The average cost of acquisition of Equity Shares by our Promoter Selling Shareholders and the Promoter Group Selling Shareholders may be lower than the Floor Price.*

The average cost of acquisition of Equity Shares by our Promoter Selling Shareholders and the Promoter Group Selling Shareholders may be lower than the Floor Price. For further details regarding the average cost of acquisition of Equity Shares by our Promoter Selling Shareholders and the Promoter Group Selling Shareholders in our Company, please see "*Summary of the Offer Document – Average cost of acquisition*" on page 22.

14. *A downgrade in our credit rating could adversely affect our ability to raise capital in the future.*

Our Company has received the following credit ratings from CRISIL Ratings vide its letter dated June 30, 2021:

	Ratings
Long term rating	CRISIL A- / Stable (Upgraded from 'CRISIL BBB+ / Stable')
Short term rating	CRISIL A2+ / Stable (Upgraded from 'CRISIL A2')

Our credit ratings, which are intended to measure our ability to meet our debt obligations, are a significant factor in determining our finance costs. The interest rates of certain of our borrowings may be significantly dependent on our credit ratings. A downgrade of our credit ratings could lead to greater risk with respect to refinancing our debt and would likely increase our cost of borrowing and adversely affect our business, financial condition, results of operations and prospects.

15. *This Prospectus contains information from an industry report which we have commissioned from Frost & Sullivan. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*

This Prospectus includes industry-related information that is derived from an industry report dated March 30, 2021 titled "*Independent Market Report – India Chemicals and Specialty Chemicals Market*" ("**Report**"), prepared by Frost & Sullivan, pursuant to an engagement with the Company. Frost & Sullivan was appointed by our Company by way of a letter of agreement dated January 5, 2021. We commissioned and paid for this report for the purpose of confirming our understanding of the specialty chemicals manufacturing industry in India. Our Company, our Promoters, and our Directors are not related to Frost & Sullivan. Neither we, nor any of the Book Running Lead Managers, nor any other person connected with the Offer has verified such information in the commissioned report. Frost & Sullivan has advised that while it has taken reasonable care to ensure the accuracy and completeness of the commissioned report, it believes that the Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive, and that the results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

The commissioned report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that Frost & Sullivan's assumptions are correct or will not change and, accordingly, our position in the market may differ, favourably or unfavourably, from that presented in this Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in our Company. Prospective Investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Prospectus, when making their investment decisions.

16. *Our manufacturing facilities are concentrated in a single region and any adverse developments affecting this region could adversely affect our business, results of operations and financial condition.*

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

17. ***We do not have any long term agreements with most of our 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.***

We typically do not have firm commitment long-term supply agreements with most of our customers and instead rely on short term purchase orders to govern the volume and other terms of our sales of products, from our customers. The purchase orders we receive from our customers specify a price per unit, delivery schedule, and the quantities to be delivered, however, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our revenue and production schedules.

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 or purchase orders. There are also a number of factors, other than our performance that could cause the loss of a customer. Customers may also demand, among others, price reductions, setoff any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products. In addition, our customers may shift the location of their plants, including to other countries, which may make our products loses their competitive edge. Any of these factors may have an adverse effect on our business, results of operations and financial condition.

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. The changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and limit our ability to maximize utilization of our manufacturing capacity. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. We often increase staffing, increase capacity and incur other expenses to meet the anticipated demand of our customers, which could cause reductions in our margins if an order gets delayed or cancelled or modified.

18. ***We may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business, which may adversely affect our business, results of operations and financial condition.***

We are required to obtain and maintain various statutory and regulatory permits and approvals to operate our business in relation to the above laws and regulations, which requires us to comply with certain terms and conditions to continue our operations. Further, many of these approvals require renewal from time to time and we may be unable to procure some of these approvals within stipulated timelines. For details of pending material approvals of our Company, see "*Government and Other Approvals*" on page 301. Although we have no reason to believe that such statutory and regulatory permits and approvals will not be granted and/or renewed as and when requested, we cannot assure you that we will be able to maintain, renew or obtain any required statutory and regulatory permits and approvals in the future, in a timely manner, or that no additional requirement will be imposed in connection with such request. We also cannot assure you that we will comply with all our obligations with governmental agencies, including obtaining or renewing the necessary operating permits in a timely manner. In the event that we are unable to renew or maintain our statutory permits and approvals or comply with any or all of their applicable terms and conditions, or seek waivers or extensions of time for complying with such terms and conditions, our operations may be interrupted and penalties may be imposed on us by the relevant authorities.

With respect to our proposed expansion of our Dahej Manufacturing Facility and the upgradation of our R&D Facility at Vadodara, while we are not required to obtain any specific approval or license at this stage, we may in the future, at future relevant stages require to apply for and obtain any such approvals or licenses that may be required to be obtained. We cannot assure you that we shall be able to obtain such licenses or approvals on a timely manner or at all which may affect the timelines. For further details, see "*Objects of the Offer*" on page 84.

19. ***We operate in a hazardous industry and are subject to certain business and operational risks consequent to our operations, such as, the manufacture, usage and storage of various hazardous substances.***

Our manufacturing processes involve manufacturing, storage and transportation of various hazardous and flammable substances. Accordingly, while we believe we have invested in engineering and safety infrastructure, provided adequate training to our employees and engaged external and internal experts, we may still be subject to operating risks associated with handling of such hazardous materials such as the possibility for leakages and ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which in turn may cause industrial accidents, fire, personal injury, loss of human life, damage to our and third-party property damage and environmental contamination. In the event of occurrence of any such accidents, our business operations may be interrupted. Any of these occurrences may result in the shutdown of one or more of our manufacturing facilities and expose us to civil or criminal liability, including significant penalties, which could have an adverse effect on our results of operations and financial condition. Moreover, certain environmental laws impose strict liability for accident/damages resulting from hazardous substances and any failure to comply with such laws may lead to penalties, fines and imprisonment.

20. ***If we are unable to sustain or manage our growth, our business, results of operations and financial condition may be materially adversely affected.***

We have experienced significant growth in the past three Fiscals. Our revenue from operations grew at a CAGR of 20.66%, our EBITDA grew at a CAGR of 44.52% and our profit after tax has increased at a CAGR of 59.50% from Fiscal 2019 to Fiscal 2021. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further, or at the same rate.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our strategy includes, among others, expansion of our existing product portfolio, further development of our R&D capabilities, increase wallet share with existing customers and continued focus on expansion of our customer base and expansion of our existing manufacturing capacities. For further details, see "*Our Business – Our Business Strategies*" on page 157. Such a growth strategy will place significant demands on our management as well as our operating systems and require us to continuously evolve and improve our operational, financial and internal controls across our organization. In particular, continued expansion increases the challenges involved in:

- making accurate assessments of the resources we will require;
- acquiring new customers and increasing or maintaining contribution from existing customers;
- procuring raw materials at cheap cost;
- recruiting, training and retaining sufficient skilled management;
- maintaining high levels of customer satisfaction; and
- adhering to expected performance and quality standards.

The anticipated benefits from these strategies and initiatives are based on several assumptions that may prove to be inaccurate, including assumptions as to the key trends that will drive growth in our business. Moreover, we may not be able to successfully complete these growth initiatives, strategies, and operating plans without making additional expenditures or at all. If we are unable to complete these initiatives, strategies, and operating plans, we may not realize all the benefits we currently anticipate, including the growth targets and cost savings, we expect to achieve.

A variety of risks could cause us not to realize some or all the expected benefits. These risks include, among others, delays in the anticipated timing of activities related to such growth initiatives, strategies, and operating plans; the secular trends on which many of our strategies and initiatives are based not materializing or not materializing to the degree expected; increased difficulty and cost in implementing our growth efforts; inability to raise funds in the future, including for the purposes of future capital expenditure, and the incurrence of other unexpected costs associated with operating the business.

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. If any of the assumptions underlying our growth initiatives prove to be inaccurate or any of the foregoing risks materialize, we may not realize the expected benefits of our initiatives and we may be adversely affected. Further, as we scale-up and diversify our products, we may not be able to execute our operations efficiently, which may result in delays, increased costs and lower quality products. We cannot assure you that our future performance or growth strategy will be in line with our past performance or growth strategy. If, for any reason, the benefits we realize are less than our estimates or the implementation of these growth initiatives, strategies, and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions, including our assumptions with respect to growth of our end-markets, prove inaccurate, our business, financial condition, and results of operations may be materially adversely affected.

21. *Our commercial success depends on the success of our customer's products with end consumers. Any decline in the demand for our customer's products would adversely impact the demand for our products.*

Our products are used by our customers as raw materials in the production of emission control mechanisms, disinfectants, pesticides, APIs among others. Our commercial success also depends to a large extent on the success of our customers' products with end consumers. The success of the end products manufactured by our customers depends on our customers' ability to identify early on, and correctly assess consumer market preferences. We cannot assure you that our customers will correctly assess consumer preferences in a timely manner or that demand for goods in which our products are used will not decline. If the demand for the products in which our products are used declines, it could have a material adverse effect on our business, financial condition and results of operations.

22. *Our research and development efforts may not produce successful products or enhancements to our products that result in significant revenue or other benefits in the near future, if at all.*

We have invested a significant amount in research and development in recent years. We expect to continue to dedicate significant financial and other resources to our research and development efforts in order to maintain our competitive position.

However, investing in research and development, developing new products and enhancing existing processes is expensive and time consuming, and there is no assurance that such activities will result in significant new marketable products or enhancements to our products, design improvements, cost savings, revenues or other expected benefits. If we spend significant time and effort on research and development, but are unable to generate an adequate return on our investment, our business and results of operations may be materially and adversely affected.

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

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

Further, 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.

24. ***Any adverse changes in regulations governing our business, products and the products of our customers, may adversely impact our business, prospects and results of operations.***

Government regulations and policies of India as well as the countries to which we export our products can affect the demand for, expenses related to and availability of our products. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits, incentives and subsidies or anti-dumping duties levied by India or other countries, could adversely affect our business and results of operations. Further, regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the regulations governing the development of our products and their usage by our customers, including the development of licensing requirements and technical standards and specifications or the imposition of onerous requirements, may have an adverse impact on our operations.

Our Company may be required to alter our manufacturing and/or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers. We cannot assure you that we will be able to comply with the regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products and/or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

25. ***We are subject to risks resulting from foreign exchange rate fluctuations that could adversely affect our results of operations.***

We are exposed to risks from foreign exchange rate fluctuations since our business is dependent on imports and exports entailing large foreign exchange transactions, in currencies including the US Dollar and the Euro. In addition, we have certain foreign currency borrowings and our future capital expenditures, including any imported equipment and machinery, may be denominated in foreign currencies. The net gain / loss attributable to foreign exchange rate fluctuations vis-à-vis the revenue from operations attributable to export of products and the cost of raw materials consumed attributable to imports, during the Fiscals ended March 31, 2019, 2020, and 2021, are set out below:

	Net gain / (loss) attributable to foreign exchange rate fluctuations pertaining to our exports as a percentage of our revenue from operations attributable to export of products	**Net gain / (loss) attributable to foreign exchange rate fluctuations pertaining to our imports as a percentage of our cost of raw materials consumed attributable to imports**
Fiscal 2021	0.82%	1.48%
Fiscal 2020	(0.91)%	(0.40)%
Fiscal 2019	(0.93)%	(0.82)%

For further details, see "*Financial Statements*" on page 198.

The functional currency for our Company's consolidated financial statements is Indian Rupees. The financial condition, cash flows and results of operations of each of our subsidiaries is reported in the relevant functional currency and then translated to Indian rupee at the applicable currency exchange rates for inclusion in our consolidated financial statements. Exchange rates between some of these currencies and the Indian rupee in recent years have fluctuated significantly and may do so in the future, thereby impacting our results of operations and cash flows in Indian rupee terms. 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. Significant changes in the value of certain currencies relative to the U.S. dollar and other currencies could also have an adverse effect on our financial condition, cash flows and results of operations and our ability to meet interest and principal payments on foreign-currency denominated debt. Accordingly, volatility in currency exchange rates may have a significant adverse effect on our financial condition, results of operations and cash flows.

26. ***Our profitability could suffer if our cost management strategies are unsuccessful or our competitors develop an advantageous cost structure that we cannot match.***

Our ability to improve or maintain our profitability is dependent on our ability to successfully manage our costs. Our cost management strategies include maintaining appropriate alignment between the demand for our offerings and our resource capacity and maintaining or improving our sales and marketing and general and administrative costs as a percentage of revenues. If our cost management efforts are not successful, our efficiency may suffer and we may not achieve desired levels of profitability. In addition, we may not be able to implement our cost management efforts in a manner that permits us to realize the cost savings we anticipate in the time, manner, or amount we currently expect, or at all due to a variety of risks, including, but not limited to, difficulties in integrating shared services within our business, higher than expected employee severance or retention costs, higher than expected overhead expenses, delays in the anticipated timing of activities related to our cost savings plans, and other unexpected costs associated with operating our business. If we are not effective in managing our operating costs in response to changes in demand or pricing, or if we are unable to absorb or pass on increases in the compensation of our employees or costs of raw materials, we may not be able to invest in our business in an amount necessary to achieve our planned rates of growth, and our business, financial condition, and results of operations could be materially adversely affected.

It may be possible for our current or future competitors to gain an advantage in product technology, manufacturing technology, or process technology, which may allow them to offer products or services that have a significant advantage over our offerings. Advantages could be in price, capacity, performance, reliability, serviceability, industry standards or formats, brand and marketing, or other attributes. If we do not compete successfully by developing and deploying new cost-effective products, processes, and technologies on a timely basis and by adapting to changes in our industry and the global economy, there could be a material adverse effect on our business, financial condition, and results of operations. Similarly, our chemicals are used by manufacturers in a variety of industries. To the extent these industries become more sensitive to input costs, we may face price pressure. Our ability to respond to such pressures depends on the strength and viability of our internal cost management and pricing programs. Any failure of these programs could have a material adverse effect on our business, financial condition, and results of operations.

27. *The reputation of our brand is important for our business and is key to our ability to remain a trusted supplier of specialty chemistry and service.*

The reputation of our brand is important for our business, and is key to our ability to remain a trusted supplier of specialty chemistry and service and to attract and retain customers. We believe that any damage to the brand "Tatva Chintan" or to our reputation could substantially impair our ability to maintain or grow our business, or could have a material adverse effect on our overall business, financial condition, results of operations and cash flows.

Any negative publicity regarding our Company or actual, alleged, or perceived issues regarding one of our products or services, particularly given the high cost-of-failure nature of our products and services, could harm our relationship with customers. Failure to protect the reputation of our brand may adversely impact our credibility. In addition, in certain jurisdictions, we may engage sales agents in connection with the sale of certain of our products and services. It is difficult to monitor whether such agents' representations of our products and services are accurate. Poor representation of our products and services by agents, or entities acting without our permission, could have a material adverse effect on our brand, reputation and our business, financial condition, and results of operations.

In addition, unauthorized parties may infringe upon or misappropriate our intellectual property. In the absence of any intellectual property registrations, we may not be able to initiate an infringement action against any third party who maybe infringing our intellectual property. As a result, we may not be able to prevent infringement of our intellectual property and a passing off action may not provide sufficient protection until such time that this registration is granted. Any unauthorized or inappropriate use of our trademarks and other intellectual property rights by others in their corporate names or product brands or otherwise could harm our brand image, competitive advantages and business, and dilute or harm our reputation and brand recognition. Further, if a dispute arises with respect to any of our intellectual property or proprietary information, we will be required to produce evidence to defend or enforce our claims, and we may become party to litigation, which may strain our resources and divert the attention of our management. We cannot assure you that any infringement claims that are material will not arise in the future or that we will be successful in defending any such claims when they arise.

28. *We have not been in compliance with certain statutes and rules in the past, including those applicable to us in our capacity as a company. Any further non-compliance of this nature, or adverse order passed*

by a regulator or statutory authority against us in this regard may affect our reputation, business, operations and financial condition.

We have not been in compliance with certain statutes and rules in the past. For instance, in accordance with the Companies Act, our Company was required to constitute a CSR committee, and undertake the necessary expenditure and make the corresponding disclosures in the manner prescribed in the Companies Act. However, the Company had failed to do so in Fiscal 2015, pursuant to which, our Company and our Promoters (in their capacity as Directors) had received a show cause notice from the Deputy Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Our Company and Promoters have, since then, compounded this non-compliance, as a consequence of which, our Company and each of our Promoters, were required to pay a fine of ₹ 50,000 each.

Further, there were two instances in the past where our Company had not filed the particulars of satisfaction of charge created by the Company within the stipulated timelines, pursuant to which our Company had filed applications with the RoC, for the condonation of such delays. The Regional Director (NWR), Ahmedabad had subsequently, pursuant to its orders dated February 26, 2016 condoned such delays, subject to payment of an aggregate of ₹ 21,000 by the Company to the RoC towards costs.

In addition, our Company has also filed three applications under Section 460 of the Companies Act, for the condonation of delay in filing of the following, with the Ministry of Corporate Affairs and these applications are currently outstanding:

- the particulars of the special resolution passed by the shareholders of the Company (through Form 23 under the Companies Act, 1956), in relation to the shifting of the registered office of the Company in Fiscal 1998 with the RoC; and

- the particulars of the resolution passed by the Board and the special resolution passed by the shareholders of the Company (through Form MGT-14 under the Companies Act, 2013), in relation to the authorisation of the Company to create charges on the undertakings of the Company and borrow money in excess of the aggregate of the paid-up capital and free reserves of our Company in Fiscal 2015.

Our Company has also filed an adjudication application under Section 454 of the Companies Act, 2013, before the RoC with respect to the delay in the appointment of its company secretary as required under the Companies Act in Fiscal 2015. Additionally, our Company has filed an adjudication application under Section 454 of the Companies Act, 2013, before the RoC with respect to its failure to maintain a separate bank account for receipt of application money pursuant to the preferential issue of Equity Shares on March 31, 2015.

In addition, we have been unable to locate share transfer forms and gift deeds for certain transfers involving our Promoters and members of our Promoter Group. For further details of these transfers, see "*Capital Structure - Build-up of the Promoters' and Promoter Group Selling Shareholders' shareholding in our Company*" on page 77. Despite reaching out to the Promoters and the members of the Promoter Group involved in these transfers regarding any documentation which may be available with them and conducting searches of the records maintained by the jurisdictional RoC for the aforesaid secretarial and other corporate documents and records, we have not been able to trace the aforementioned documents. Accordingly, we have relied on other documents, including annual returns, gift declarations, board resolutions, statutory registers, and share transfer certificates for all such transfers.

Apart from the above, there have also been instances where we have made certain erroneous disclosures in certain annual returns of the Company filed with the RoC, which has resulted in our non – compliance with provisions of the Companies Act, in the past. We cannot assure you that we shall be in compliance with the statutes or regulations which are applicable to us in the future. In the event that we are in violation of any statutes or regulations, or if an adverse order is passed against us in relation to the instances of non-compliances mentioned above, our reputation, business, operations and financial condition may be impacted adversely.

Further, our erstwhile statutory auditors have not undertaken the audit of the consolidated financial statements of our Company from Fiscal 2016 to 2018. The requirement to prepare consolidated audited financial statements, in their view, was not applicable to us. Consequently, we have filed annual returns for Fiscal 2016 to Fiscal 2018 along with the audited standalone financial statements of our Company, despite having a subsidiary for such period. We cannot assure you that the regulatory authorities would agree with the views of our erstwhile statutory auditors and would not take any action against us.

29. *Our direct customers and their direct and indirect customers face numerous competitive challenges, which may materially adversely affect their business and ours.*

Factors adversely affecting our direct customers and their direct and indirect customers may also adversely affect us. These factors include:

- recessionary periods in their markets;
- their inability to adapt to rapidly changing technology and evolving industry standards, which may contribute to short product lifecycles or shifts in their strategies;
- their inability to develop, market, or gain commercial acceptance of their products, some of which are new and untested;
- their products becoming commoditized or obsolete;
- loss of business or a reduction in pricing power experienced by our customers and their direct and indirect customers;
- the emergence of new business models or more popular products and shifting patterns of demand;
- a highly competitive consumer products industry, which is often subject to shorter product lifecycles, shifting end-user preferences, and higher revenue volatility; and
- the loss of manufacturing capacity due to tightening environmental legislation and its enforcement.

If our customers or our customers' direct and indirect customers in the ultimate end-markets we serve, are unsuccessful in addressing these competitive challenges, their businesses may be materially adversely affected, reducing the demand for our offerings, decreasing our revenues, or altering our production cycles and inventory management, each of which could have a material adverse effect on our business, financial condition, and results of operations.

30. *Our revenue, earnings, and other operating results have fluctuated in the past and may fluctuate in the future.*

Our revenue, earnings, and other operating results have fluctuated in the past and may fluctuate in the future. In Fiscals 2021, 2020 and 2019, our revenue from operations was ₹ 3,003.59 million, ₹ 2,632.39 million and ₹ 2,063.07 million, respectively. In addition, our profit for the year in Fiscals 2021, 2020 and 2019 was ₹ 522.62 million, ₹ 377.89 million and ₹ 205.43 million respectively. If demand for our products fluctuates as a result of economic conditions or for other reasons, our revenue and profitability could be impacted. Our future operating results will depend on many factors, including the following:

- business, political, and macroeconomic changes;
- seasonality in our business segments;
- changes in consumer confidence caused by many factors, including changes in interest rates, credit markets, expectations for inflation, unemployment levels, and energy or other commodity prices;
- fluctuations in demand for our customers' and their customers' products;
- our ability to forecast our customers' demand for our products accurately;
- our ability to anticipate secular trends that affect demand for our products and the degree to which those trends materialize;
- our customers' ability to manage the inventory that they hold and to forecast accurately their demand for our products;
- our ability to achieve cost savings and improve yields and margins on our new and existing products; and
- our ability to utilize our capacity efficiently or acquire additional capacity in response to customer demand.

It is likely that our future operating results could be adversely affected by one or more of the factors set forth above or other similar factors. If our future operating results are below the expectations of stock market analysts or our investors, our stock price may decline.

31. *If we do not continue to attract, motivate, and retain members of our senior management team and qualified employees, we may not be able to support our operations.*

The completion and execution of our strategies depend on the continued service and performance of our senior management team. If we lose key members of our senior management team, we may not be able to effectively manage our transition to a public company or our current and future operations.

In addition, our business depends on our ability to continue to attract, motivate, and retain many skilled employees across all of our business lines. There is a limited pool of employees who have the requisite skills, training, and education. We compete with many businesses and organizations that are seeking skilled individuals, particularly those with experience in technology and the sciences and those with doctorate degrees in technical fields. Competition for professionals across our entire business can be intense, as other companies seek to enhance their positions in the markets we serve. As competition for experienced talent grows, we may be forced to increase spending on employee salaries which could have a material adverse effect on our business, financial condition, and results of operations.

Future organizational changes and the implementation of our cost savings initiatives could also cause our employee attrition to increase and may result in significant costs to us in connection with implementing such initiatives. If we are unable to continue to identify or be successful in attracting, motivating, and retaining appropriately qualified personnel, there could be a material adverse effect on our business, financial condition, and results of operations.

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

The chemicals manufacturing industry is generally hazardous in nature. We have received a number of quality assurance certifications and accreditations which have certified that our research, development, manufacturing and supply of our chemical products are in compliance with globally accepted manufacturing practices and quality standards. For instance, we have received certifications for compliance with ISO 9001:2015 (registration for quality management system) and ISO 45001: 2018 (occupational health and safety management system). If we are unable to renew the ISO accreditations, our brand and reputation could be adversely affected. Any significant damage to our reputation and/or brand caused by being denied such accreditations and certifications could have a material adverse effect on our ability to attract new and repeat customers and, as a result, adversely affect our business, financial condition, results of operations or prospects.

33. *Our ability to accurately forecast demand and manage our inventory or working capital balances may have an adverse impact on our business, market position and result of operations.*

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, customer trends or our expectations about customer needs 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 also increase if payment terms shift payments on completion of delivery or otherwise increase our working capital burdens. 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, or have resulted, 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.

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

We depend upon information technology systems, including internet-based systems, for our business operations. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. Although we have not experienced any significant disruptions to our information technology systems, we cannot assure you that we will not encounter disruptions in the future. Any such disruption may result in the loss of key information and disrupt our operations, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. 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. Any such security breaches could have an adverse effect on our business and reputation.

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

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

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

36. ***We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressure could have a material adverse impact on our prospects and results of operation.***

The specialty chemicals industry is highly competitive. Competition in our business is based on pricing, relationships with customers, product quality, customisation and innovation. We expect that competition will continue to intensify both through the entry of new players and consolidation of existing players. Our competitors may succeed in developing products that are more effective, more popular or cheaper than any 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 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, and constantly exert downward pricing pressure. We may be adversely affected in case our customers are unable to effectively respond to any factors that adversely impact the competitive landscape of their industries.

We believe that our ability to compete depends on a number of factors beyond our control, including the ability of our competitors to attract, train, motivate and retain highly skilled technical employees, the price at which our competitors offer comparable products and the extent of our competitor's responsiveness to customers' needs. Our inability to adequately address competitive pressures may have a material adverse effect on our business, prospects, financial condition and results of operations.

37. ***We rely on third-party transportation providers for procurement of raw materials and for supply of our products and failure by any of our transportation providers could result in loss in sales.***

We rely exclusively on third-party transportation providers for procuring our raw materials, packing materials, as well as for distributing our products to our customers. This makes us dependent on various intermediaries, and we cannot guarantee that there will not be any delay in transportation and delivery of our products to our customers. Weather-related problems, strikes, or other events could impair our ability to procure raw materials from our suppliers or the ability of our suppliers to deliver raw materials and packing materials to us which may, in turn, delay the process of manufacturing and supplying our products to our customers, leading to cancellation or non-renewal of purchase orders, and this could adversely affect the performance of our business, results of operations and cash flows.

Additionally, if we lose one or more of our third-party transportation providers, we may not be able to obtain terms as favourable as those we receive from the third-party transportation providers that we currently use, which in turn would increase our costs and thereby adversely affect our operating results. Further, our third-party transportation providers typically do not carry any insurance coverage and therefore, any losses that may arise during the transportation process will have to be claimed under the Company's insurance policy. There can be no assurance that we will receive compensation for any such claims in a timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition, results of operations and cash flows.

38. *Our inability to expand our business successfully in international markets may affect our growth which may have an adverse effect on our business, results of operations and financial condition.*

Expansion into new international markets is crucial to our growth. Competing successfully in international markets requires additional resources, including to tailor our products to the unique aspects of each new country. In increasing our headcount and our revenue generated in foreign countries, we face various risks, including:

- legal and regulatory restrictions and differences in various legal and regulatory jurisdictions in which we operate;
- competition from existing players in such markets;
- foreign exchange controls that might prevent us from repatriating cash earned in foreign countries;
- political and economic instability;
- challenges caused by distance, language and cultural differences;
- currency exchange rate fluctuations;
- potentially adverse tax consequences; and
- higher costs associated with doing business internationally.

These and other risks could adversely affect our international expansion and growth, which could have an adverse effect on our business, results of operations and financial condition.

39. *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. 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.

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

In the ordinary course of business, we extend credit to our customers. Consequently, we are exposed to the risk of the uncertainty regarding the receipt of the outstanding amounts. As at March 31, 2021, our trade receivables on a consolidated basis was ₹ 907.43 million. Further, as on March 31, 2021, March 31, 2020 and March 31, 2019, our trade receivables that was outstanding for a period of over six months, amounted to ₹ 0.38 million, ₹ 0.01 million and ₹ 1.69 million respectively, which constituted approximately 0.04%, 0.00% (negligible) and 0.41% of our total trade receivables, respectively. Our results of operations and profitability depend on the credit worthiness of our customers. Certain of these customers may have weak credit histories and we cannot assure that these counterparties will always be able to pay us in a timely fashion, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. Default or delays in payments by a significant portion of our customers may have an adverse effect on cash flows, results of operations and financial condition.

41. ***We have working capital requirements, and the actual amount and timing of our working capital requirements may differ from our estimates for the same. We may require additional financing to meet those requirements, which could have an adverse effect on our business, results of operations and financial condition.***

Our Company requires working capital to finance the purchase of materials and for manufacture and other related work before payment is received from customers. The actual amount and timing of our future working capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather-related delays, technological changes and additional market developments. All of these factors may result, or have resulted, in increases in our working capital needs. In Fiscals 2021, 2020 and 2019, the working capital expenditure incurred by us was ₹ 662.35 million, ₹ 450.49 million and ₹ 417.32 million, respectively, which constituted approximately 22.05%, 17.11% and 20.23% of our revenue from operations, respectively.

Our sources of additional financing, required to meet our working capital requirements and capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

42. ***Our research and development efforts may not produce successful products or enhancements to our products that result in significant revenue or other benefits in the near future, if at all.***

We have invested a significant amount in research and development in recent years. We expect to continue to dedicate significant financial and other resources to our research and development efforts in order to maintain our competitive position.

However, investing in research and development, developing new products and enhancing existing processes is expensive and time consuming, and there is no assurance that such activities will result in significant new marketable products or enhancements to our products, design improvements, cost savings, revenues or other expected benefits. If we spend significant time and effort on research and development, but are unable to generate an adequate return on our investment, our business and results of operations may be materially and adversely affected.

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

As on June 30, 2021, we had total outstanding indebtedness of ₹ 1,019.22 million. We may incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow will be used towards repayment of our existing debt, which will reduce the availability of cash to fund working capital needs, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our loans are at variable interest rates; and
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Our financing arrangements are secured by our present and future current assets and our movable and immovable fixed assets, and the personal guarantees of our Promoters. Our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Typically, restrictive covenants under financing documents of our Company relate to obtaining prior consent of the lender for, among others:

(a) effecting any change in shareholding of, or voting rights exercisable by, Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani, below pre-determined levels;
(b) effecting any change in equity, management, and operating structure of our Company;
(c) undertaking any new project or diversification, modernisation, or substantial expansion of a project;
(d) engage in business or activities other than those which our Company is currently engaged in;
(e) contracting, creating, incurring, assuming, or suffering further indebtedness; and
(f) creating of subsidiaries or permitting other companies / entities to become subsidiaries of our Company.

For further details of the restrictive covenants under financing documents of our Company, see "*Financial Indebtedness*" on page 283. Failure to meet these conditions or obtain these consents could have significant consequences on our business.

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

44. ***We are involved in certain legal proceedings any adverse developments related to which, could adversely affect our reputation, business and cash flows.***

There are outstanding legal proceedings involving our Company and Promoters. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals. We cannot assure you that these proceedings will be decided in our favour. Brief details of material outstanding litigation that have been initiated by and against our Company, our Directors, our Promoters and our Subsidiaries, as applicable, are set forth below:

(₹ in million)

Nature of cases	Number of cases	Total amount involved (to the extent quantifiable)
Litigation involving our Company		
Proceedings against our Company	**2**	**19.16**
Material civil	Nil	-
Criminal	Nil	-
Tax	2	19.16
Action by statutory or regulatory authorities	Nil	-
Proceedings by our Company	**2**	**0.78**
Material civil	Nil	-
Criminal	2	0.78
Litigation involving our Subsidiaries		
Proceedings against our Subsidiaries	**Nil**	**-**
Material civil	Nil	-
Criminal	Nil	-
Tax	Nil	-
Action by statutory or regulatory authorities	Nil	-
Proceedings by our Subsidiaries	**Nil**	**-**
Material civil	Nil	-
Criminal	Nil	-
Litigation involving our Promoters		
Proceedings against our Promoters	**Nil**	**-**
Material civil	Nil	-
Criminal	Nil	-
Tax	Nil	-
Action by statutory or regulatory authorities	Nil	-
Disciplinary action in the last five Fiscals	Nil	-
Proceedings by our Promoters	**Nil**	**-**
Material civil	Nil	-
Criminal	1	-

Nature of cases	Number of cases	Total amount involved (to the extent quantifiable)
Litigation involving our Directors		
Proceedings against our Directors	**Nil**	**-**
Material civil	Nil	-
Criminal	Nil	-
Tax	Nil	-
Action by statutory or regulatory authorities	Nil	-
Proceedings by our Directors	**1**	**-**
Material civil	Nil	-
Criminal	1	-

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 a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions that could increase our expenses and current liabilities. Further, such legal proceedings could divert our management's time and attention and cause us to incur significant expenses. Any adverse decision in any of these proceedings may have an adverse effect on our business, results of operations and financial condition.

For further information, see "*Outstanding Litigation and Material Developments*" on page 285.

45. ***We retain a large number of contract labour, resulting in increased costs to our Company. In the event of non-availability of such contract labour or any adverse regulatory orders, it may have a material adverse impact on our operations.***

We operate in a labour-intensive industry and accordingly, are required to employ labour as well as contractual labour. This results in significant labour as well as contractual labour costs for our Company. Set out below are the details of the number of permanent employees and temporary and retainership employees of our Company as on March 31, 2021 March 31, 2019 and March 31, 2019:

	No. of permanent employees	No. of temporary and retainership employees
As on March 31, 2021	436	190
As on March 31, 2020	418	179
As on March 31, 2019	280	172

Our dependence on contract labour may result in significant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract labour during peak periods in labour intensive sectors such as ours. There can be no assurance that we will have adequate access to skilled and unskilled workmen at reasonable rates. For instance, our manufacturing process is dependent on a technology driven production system and any inability of our labour to successfully familiarise with such technology will adversely affect our business, financial condition, result of operations and cash flows.

Further, our Company appoints independent contractors who in turn engage a significant number of on-site contract labourers for performance of our business operations. Although our Company does not engage these labourers directly, we may be held 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 financial condition.

46. ***Our operations involve the operation of machinery. These activities can be dangerous and any accident, including any mechanical and operational failures could cause serious injury to people or property and in certain circumstances, even death, and this may adversely affect our production schedules, costs, sales and ability to meet customer demand.***

Our operations require individuals to work under potentially dangerous circumstances and exposes them, among others, to the risk of mechanical and operational failures of machines that they may work with. Despite compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including:

- explosions;
- fires;
- mechanical failures and other operational problems;
- inclement weather and natural disasters;

- discharges or releases of hazardous substances, chemicals or gases; and
- other environmental risks.

Although we employ safety procedures during our operations and maintain what we believe to be adequate insurance, there is a risk that any hazard including an accident during manufacturing operations, may result in personal injury to our employees or other persons, destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of civil or criminal liabilities. The loss or shutting down of our facilities could disrupt our business operations and adversely affect our results of operations, financial condition and reputation. We could also face claims and litigation, in India filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation could be significant. These claims and lawsuits, individually or in the aggregate, may be resolved against us inflicting negative publicity and consequently, our business, results of operations and financial condition could be adversely affected.

In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, fire, explosion or other connected reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, reputation, financial condition, results of operations, cash flows and prospects.

47. ***Strikes, work stoppages and other industrial actions could disrupt our operations and adversely affect our business, financial condition and results of operations.***

As of March 31, 2021, we had 626 employees (permanent, temporary and on retainership basis) working at our manufacturing facility and offices. Although we have not experienced any labour disruptions in the past and do not have any unionized employees, there can be no assurance that our employees will not unionize or that we will not experience any strike, work stoppage or other industrial action in the future. Any such event could disrupt our operations, possibly for a significant period of time, result in increased wages and other benefits or otherwise have an adverse effect on our business, financial condition and results of operations.

48. ***We are subject to risks arising from interest rate fluctuations, which could reduce the profitability of our projects and adversely affect our business, financial condition and results of operations.***

Interest rates for borrowings have been volatile in India in recent periods. Our operations are partly funded by debt and increases in interest rates and a consequent increase in the cost of servicing such debt may have an adverse effect on our results of operations and financial condition. Changes in prevailing interest rates affect our interest expense in respect of our borrowings. Our current debt facilities carry interest at variable rates. Although we have entered into interest rate hedging transactions or exercise any right available to us under our future financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms or that these agreements, if entered into, will protect us adequately against interest rate risks. Further, if such arrangements do not protect us adequately against interest rate risks, they would result in higher costs.

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

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

50. ***The land and premises for our Registered Office, Corporate Office and our manufacturing facilities are held by us on lease or leave and license or tenancy agreements which subject us to certain risks.***

Our Registered Office, Corporate Office and our manufacturing facilities are on premises that have been leased by us from third parties through lease or leave and license or tenancy arrangements. For further details, see *"Our Business – Property"* on page 165. Upon expiration of the relevant agreement for each such premise, we will be required to negotiate the terms and conditions on which the lease agreement may be renewed. We cannot assure you that we will be able to renew these agreements on commercially reasonable terms in a timely manner, or at all.

Termination of our leases may occur for reasons beyond our control, such as breaches of lease agreements by the landlords of our premises which is detrimental to our operations. If we, our current or future landlords breach the lease agreements, we may have to relocate to alternative premises or shut down our operations at that site. Once we obtain a lease, we incur significant expenses to install necessary furniture, fittings, machinery, lighting, security systems and air conditioning, to ensure such unit is designed in line with our requirements. Relocation of any part of our operations may cause disruptions to our business and may require significant expenditure, and we cannot assure you that in such a case, we will be able to find suitable premises on commercially reasonable terms in a timely manner, if at all or we may have to pay significantly higher rent or incur additional expenses towards interiors. Occurrence of any of these factors may materially and adversely affect our business, financial condition and results of operations.

Further, some of our lease deeds for our properties may not be registered and further some of our lease deeds may not be adequately stamped and consequently, may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty. In addition, we may not be able to assess or identify all risks and liabilities associated with any properties, such as faulty or disputed title, unregistered encumbrances or adverse possession rights, improperly executed, unregistered or insufficiently stamped instruments, or other defects that we may not be aware of. In the event that these existing leases are terminated or they are not renewed on commercially acceptable terms or at all, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected.

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

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. For further details, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Quantitative and qualitative analysis of financial risks*" on page 280. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

52. *Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.*

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of shareholders and will depend on factors that our Board and shareholders deem relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. 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 cannot assure you that we will be able to pay dividends at any point in the future. For details of dividend paid by our Company in the past, see "*Dividend Policy*" on page 196.

53. *We have, in the past, entered into certain transactions with related parties and may continue to do so in the future. Any related party transactions that are not on an arm's length basis may adversely affect our business, results of operation and financial condition.*

We have, in the past, entered into certain transactions with related parties and may continue to do so in the future. For further details, see "*Summary of the Offer Document - Summary of related party transactions*" and "*Financial Statements"* on pages 21 and 198 respectively. While we believe that all such transactions have been conducted on an arms-length basis, we cannot assure you that we would not have achieved more favourable commercial terms had such transactions not been entered into with related parties. Further, we may enter into related party transactions in the future, and such transactions may potentially involve conflicts of interest. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition.

54. *Our insurance coverage could prove inadequate to satisfy potential claims and our insurance policies may not protect us against all potential losses, which could adversely affect our business and results of operations.*

Our business operations are subject to various risks inherent in the manufacturing industry. While we believe that the insurance coverage which we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be covered entirely, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all.

Our total insurance coverage as of March 31, 2021 was ₹ 9,835.08 million and our insurance coverage in relation to fixed assets, as a percentage of our total net fixed assets on a consolidated basis was 162.03%.

To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, 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, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see "*Our Business – Insurance*" on page 164.

55. *Certain of our Directors, Promoters and members of our Promoter Group have interests in our Company other than reimbursement of expenses incurred and normal remuneration or benefits.*

Certain of our Promoters and Directors may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Promoters, Directors and members of the Promoter Group may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares Certain of our Promoters and Directors may also hold positions as directors on the board of directors of our Subsidiary. In consideration for these services, they may be paid managerial remuneration in accordance with the provisions of the applicable law. Additionally, we have, in the course of our business, entered into, and will continue to enter into, transactions with related parties. All the Promoters and Directors may also be deemed to be interested in the contracts, agreements / arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

While, in our view, all such transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favourable terms had such arrangements not been entered into with related parties or that we will be able to maintain existing terms, in cases where the terms are more favourable than if the transaction had been conducted on an arms' length basis. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, result of operations, financial condition and cash flows, including because of potential conflicts of interest or otherwise. For more information on our related party transactions, see "*Financial Statements*" on page 198.

56. *Our Promoters and members of the Promoter Group will continue to retain significant shareholding in our Company after the Offer, which will allow them to exercise significant influence over us.*

After the completion of the Offer, our Promoters and members of the Promoter Group will hold approximately 79.17% of our outstanding Equity Shares. Accordingly, our Promoters and members of the Promoter Group will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters and members of the Promoter Group. Further, the Takeover Regulations may limit the ability of a third party to acquire control. The interests of our Promoter, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoter will act to resolve any conflicts of interest in our Company's or your favour.

57. ***We might infringe upon the intellectual property rights of others, which could harm our competitive position.***

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights, which may force us to alter our technologies, obtain licenses or cease some of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be required to obtain a license, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licenses or design modifications can be extremely costly. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, which settlement could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business, results of operations and financial condition.

58. ***The proceeds from the Offer for Sale will be paid to the Selling Shareholders, including our Promoters.***

This Offer is being undertaken as a Fresh Issue of Equity Shares as well as an Offer for Sale of Equity Shares by the Selling Shareholders. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholders, namely, Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, Shekhar Rasiklal Somani, Ajay Mansukhlal Patel HUF, Priti Ajaykumar Patel, Darshana Nitinkumar Shah, Kajal Shekhar Somani, Samirkumar Rasiklal Somani and Shitalkumar Rasiklal Somani, and our Company will not receive any proceeds from the Offer for Sale. For further details, see "*The Offer*", "*Capital Structure*" and "*Objects of the Offer*" on pages 58, 72 and 84, respectively.

59. ***Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA and net worth have been included in this Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.***

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, net worth, return on net worth, Net Asset Value per Equity Share, debt equity ratio, return on capital employed, and return on equity have been included in this Prospectus. These non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ 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, Indian GAAP, or IFRS. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

60. ***Financial information in relation to one of our Subsidiaries used for preparation of the Restated Consolidated Financial Statements have not been audited.***

Financial information for Tatva Chintan Europe B.V., which was used for the preparation of the Restated Consolidated Financial Statements, is unaudited and certified by its management. In this respect, please see "*Financial Statements*" on page 198.

We may face risks associated with such financial information not being verified by an independent third party. If such financial information had been audited, adjustments and modifications may have been undertaken during the course of audit process, which may have resulted in differences compared to the unaudited financial information which was furnished to our Statutory Auditors and relied on for the preparation of the Restated Consolidated Financial Statements.

EXTERNAL RISK FACTORS

Risks Related to India

61. ***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, particularly emerging market countries in Asia, Europe and the United States of America. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

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 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.

62. ***Regional conflicts, civil disturbances and terrorist attacks in South Asia may have an adverse effect on our business.***

India has, from time to time, experienced hostilities with neighbouring countries, social and civil unrest within the country and localised terror attacks. For example, in June 2020 a confrontation occurred between Indian and Chinese military forces. In addition, India has witnessed localised terrorist attacks in the past. There can be no assurance that such situations will not recur or be more intense than in the past. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on our business and future financial performance. Acts of violence, conflict, war or terrorist attacks may adversely affect markets and economic growth both globally and in India in particular. Such acts may also result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business, cash flows, results of operations and financial condition. In addition, any further deterioration in India-China or wider international relations may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. Any of these events could also create a perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business, financial conditions, cash flows, results of operations and prospects.

63. ***We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

64. ***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. A majority of our Company's assets are located in India and most 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, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, United Arab Emirates, Singapore and Hong Kong. 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, United Arab Emirates, Singapore and Hong Kong 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 recognise the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favour such final judgment is rendered may bring a 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 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. 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.

65. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, India has witnessed local civil disturbances in recent years, in particular communal violence across ethnic or communal lines involving conflicts, riots and other forms of violence between communities of different religious faith or ethnic origins, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. 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 market price of the Equity Shares.

66. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.*

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are proposed to be listed on BSE and NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares. For example, our manufacturing facilities are located in western India, hence any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting this region may adversely affect our operations.

67. ***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 customers and our profits might decline.***

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 salaries, 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 pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such a case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI 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.

68. ***Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. 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. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. Further, due to possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline. For further details, please see "*Restrictions on Foreign Ownership of Indian Securities*" on page 331.

69. ***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 rating is Baa3 with a "negative" outlook (Moody's), BBB-with a "stable" outlook (S&P) and BBB-with a "stable" outlook (Fitch). Any 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. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes 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 Government of India implemented the Taxation Laws (Amendment) Act, 2019, a new tax amendment issued by India's Ministry of Law and Justice on December 11, 2019, prescribed certain changes to the income tax rate applicable to companies in India.According to this new ordinance, companies can henceforth voluntarily opt in favor of a concessional tax. Any future amendments may affect exemptions and benefits that we currently available, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. Prior to that, a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect 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. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us. In addition, the implementation of Ind AS is recent and new pronouncements may have a material impact on our profitability going forward and our revenue may fluctuate significantly period over period.

The Finance Act, 2020, had, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely to be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. In addition, the Government of India had announced the union budget for Fiscal 2022 and the Finance Act, 2021 received assent from the President of India on March 28, 2021 and was made effective from April 1, 2021. The Finance Act, 2021 has introduced various amendments and as such, there is no certainty on the impact that the Finance Act, 2021 may have on our business and operations nor can we predict whether any amendments made pursuant to the Finance Act, 2021 would have an adverse effect on our business, financial condition and results of operations or on the industry in which we operate.

In addition, we currently enjoy certain benefits under Section 10AA of the Income Tax Act, 1961, which allows, among others, 100% of the taxable profit derived from the export turnover from a SEZ unit to be exempted from inclusion in the taxable profit from business and operations of our Company till March 31, 2022. Subsequent to this date, 50% of the taxable profit derived from the export turnover from a SEZ unit will be allowed to be exempted from inclusion in the taxable profit from business and operations of our Company till March 31, 2027. There can be no assurance that we will continue to enjoy the tax benefits under Section 10AA of the Income Tax Act, 1961 in future, including in the event that the contribution of our exports from our manufacturing facility located at the SEZ, to our business and operations reduces in the future. Further, when the tax incentives expire, or if it terminates or in the event that the relevant authority rejects our entitlement under the Income Tax Act, 1961, our Company may not be able to avail of these benefits.

Further, a draft of the Personal Data Protection Bill, 2019 ("**Bill**") has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. 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.

Any unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

71. ***Significant differences exist between Indian Accounting Standards ("Ind AS") and other accounting principles, such as the generally accepted accounting principles in the US ("US GAAP") and International Financial Reporting Standards ("IFRS"), which may be material to investors' assessment of our financial condition.***

The financial statements included in this Prospectus have been prepared in accordance with Ind AS, as applicable, in the relevant period of reporting. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are restated as per the SEBI ICDR Regulations included in this Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should be limited accordingly. In addition, some of our competitors may not present their financial statements in accordance with Ind AS and their financial statements may not be directly comparable to ours, and therefore reliance should accordingly be limited.

Risks Related to the Equity Shares

72. *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 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 audited / 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.

73. *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 Book Running Lead Managers is below the respective issue price.*

The determination of the Price Band is based on various factors and assumptions, and was determined by our Company, in consultation with the Book Running Lead Managers. Furthermore, the Offer Price of the Equity Shares was determined by the Company, in consultation with the Book Running Lead Managers through the Book Building Process. These were based on numerous factors, including factors as described under "*Basis for the Offer Price*" on page 96 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Managers is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the Book Running Lead Managers (during the current Fiscal and two Fiscals preceding the current Fiscal*" on page 295. 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.

74. *An investment in the Equity Shares is subject to general risks related to investments in Indian companies.*

Our Company is incorporated in India and almost all of our assets and employees are located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated August 28, 2017. 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 terms or at all.

76. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Previously, any gain realised on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long-term capital gains tax in India if Securities Transaction Tax ("**STT**") was paid on the sale transaction and, additionally, as stipulated by the Finance Act, 2017, STT, had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of Equity Shares which are not subject to STT, as notified by the Central Government on June 5, 2017. However, the Finance Act, 2018, has introduced taxation on such long-term capital gains exceeding ₹100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such Equity Shares. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemption. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realised 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. Capital gains arising from the sale of the Equity Shares will be 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. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Additionally, the Finance Act, 2020 ("**Finance Act**") does not require dividend distribution tax ("**DDT**") to 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. Lastly, in terms of the Finance Act, 2018, with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset being an equity share in a company (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF. For further details, see section titled "*Statement of Special Tax Benefits*" on page 99.

77. *Rights of shareholders under Indian laws may be more limited than 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 as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

78. *The Equity Shares have never been publicly traded, and, 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.*

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in the 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.

79. ***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 substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results. Any of these factors may result in large and sudden changes in the volume and trading price of the Equity Shares. In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted securities class action litigation against that company. If we were involved in a class action suit, it could divert the attention of management, and, if adversely determined, have a material adverse effect on our business, results of operations and financial condition.

80. ***The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares was determined by our Company, in consultation with the Book Running Lead Managers, and through the Book Building Process. This price was based on numerous factors, as described under "*Basis for the Offer Price*" on page 96 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

81. ***Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Any future issuances could also dilute the value of your investment in the Equity Shares. 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 our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in "*Capital Structure*" on page 72, we cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

82. ***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.***

Under the Companies Act, a 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 rights 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 our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If our Company elects not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of 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 may be reduced.

83. *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.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid / Offer Period and withdraw their Bids until Bid / Offer Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Offer within six Working Days from the Bid / Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material 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.

SECTION IV – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares[(1)]	4,616,084* Equity Shares, aggregating to ₹ 5,000.00 million*
of which:	
(i) Fresh Issue[(1)]	2,077,562* Equity Shares, aggregating to ₹ 2,250.00 million*
(ii) Offer for Sale [(2)]	2,539,242* Equity Shares, aggregating to ₹ 2,750.00 million*
The Offer comprises of:	
A) QIB Portion [(3)(4)]	2,308,401* Equity Shares
of which:	
(i) Anchor Investor Portion	1,385,040* Equity Shares
(ii) Balance available for allocation to QIBs other than Anchor Investors	923,361* Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	46,169* Equity Shares
(b) Balance for all QIBs including Mutual Funds	877,192* Equity Shares
B) Non-Institutional Portion	692,521* Equity Shares
C) Retail Portion [(5)]	1,615,882* Equity Shares
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Prospectus)	20,087,500 Equity Shares
Equity Shares outstanding after the Offer	22,165,062* Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" on page 84 for information on the use of proceeds arising from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

**Subject to finalisation of Basis of Allotment*

Notes:

(1) The Offer has been authorized by a resolution of our Board dated March 3, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated March 15, 2021. The Offer has been made in accordance with Rule 19(2)(b) of the SCRR.

(2) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale in terms of the SEBI ICDR Regulations. Each of the Selling Shareholders has authorized the sale of its respective portion of the Offered Shares in the Offer for Sale. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 289.

(3) Our Company, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion was accordingly reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion was 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. For details, see "Offer Procedure" on page 312.

(4) Under-subscription, if any, in the QIB Portion is not 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, is allowed to be met with spill over from any other category or combination of categories, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. In the event of under-subscription in the Offer, the Allotment for the valid Bids will be made, in the first instance, towards subscription for 90% of the Fresh Issue. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made pro rata towards Equity Shares offered by the Selling Shareholders, and thereafter, towards the balance Fresh Issue.

(5) Allocation to all categories, except Anchor Investors, if any and Retail Individual Bidders, was made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder was not less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, were made available for allocation on a proportionate basis. Allocation to Anchor Investors was on a discretionary basis. For details, see "Offer Procedure" on page 312.

For details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure*" and "*Offer Procedure*" on pages 309 and 312, respectively. For details of the terms of the Offer, see "*Terms of the Offer*" on page 303.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Consolidated Financial Statements. The summary financial information presented below may differ in certain significant respects from generally accepted accounting principles in other countries, including IFRS. The summary financial information presented below should be read in conjunction with our Restated Consolidated Financial Statements, the notes and annexures thereto and the section "Management's Discussion and Analysis of Financial Position and Results of Operations" on page 252.

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Summary statement of assets and liabilities

(in ₹ million)

Particulars	As at		
	March 31, 2019	March 31, 2020	March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	544.61	991.65	1,085.08
Right-of-use assets	121.14	118.95	118.43
Capital work-in-progress	60.36	48.92	98.11
Intangible assets	1.38	1.20	0.95
Other non current assets	3.75	1.67	2.96
Total non current assets	**731.24**	**1,162.39**	**1,305.53**
Current assets			
Inventories	355.90	635.55	720.19
Financial assets			
(i) Investments	-	-	-
(ii) Trade receivables	412.57	495.71	907.43
(iii) Cash and cash equivalents	151.00	101.56	44.81
(iv) Bank balances other than (iii) above	6.45	6.73	8.61
(v) Loans and Advances	14.45	16.79	19.03
(vi) Other financial assets	89.83	10.92	11.35
Current tax assets (net)	7.74	3.13	-
Other current assets	105.90	56.60	131.08
Total current assets	**1,143.84**	**1,326.99**	**1,842.50**
Total Assets	**1,875.08**	**2,489.38**	**3,148.03**
Equity and liabilities			
Equity			
Equity share capital	80.35	80.35	200.88
Other equity	716.65	1,096.59	1,458.76
Equity Attributable to Owners	**797.00**	**1,176.94**	**1,659.64**
Non-Controlling Interest	-	-	-
Total equity	**797.00**	**1,176.94**	**1,659.64**
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	315.19	387.09	267.63
(ii) Other financial liabilities	-	-	-
Provisions	2.94	4.04	5.52
Deferred tax liabilities (net)	33.08	44.55	20.78
Other non-current liabilities	0.35	0.26	14.31
Total non current liabilities	**351.56**	**435.94**	**308.24**
Current liabilities			
Financial Liabilities			
(i) Borrowings	399.09	404.89	492.94
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	73.40	52.48	129.13
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	147.94	263.65	345.64
(iii) Other financial liabilities	57.20	117.47	142.50
Other current liabilities	48.54	37.39	61.97
Provisions	0.35	0.62	1.09
Current tax liabilities (net)	-	-	6.88
Total current liabilities	**726.52**	**876.50**	**1,180.15**
Total equity and liabilities	**1,875.08**	**2,489.38**	**3,148.03**

Summary statement of profit and losses

(in ₹ million, except earnings per Equity Share)

Particulars	Year ended		
	March 31, 2019	**March 31, 2020**	**March 31, 2021**
Revenue			
Revenue from operations	2,063.07	2,632.39	3,003.59
Other income	4.94	13.83	59.33
Total revenue	**2,068.01**	**2,646.22**	**3,062.92**
Expenses			
Cost of materials consumed	1,182.92	1,461.59	1,509.12
Purchases of stock-in-trade	2.75	24.51	25.37
Changes In Inventories of WIP & Finished Goods	(43.26)	(158.43)	(40.57)
Employee Benefit Expenses	163.13	205.29	241.31
Finance costs	36.34	39.45	42.07
Depreciation and amortization expense	40.18	47.93	67.32
Other expenses	419.51	549.91	611.34
Total expenses	**1,801.57**	**2,170.25**	**2,455.96**
Profit/(Loss) before exceptional and tax	266.44	475.97	606.96
Exceptional, Non-recurring items	(7.49)	-	-
Profit / (loss) before tax	**273.93**	**475.97**	**606.96**
Tax expense			
Current tax	52.84	79.97	108.11
Deferred tax	16.94	11.47	(23.77)
Tax for earlier years	(1.28)	6.64	-
Profit/(Loss) after tax	**205.43**	**377.89**	**522.62**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeaasurement gain/(loss) of defined benefit plan obligations	(0.50)	(2.13)	2.07
Income tax relating to items that will not be reclassified to profit or loss	0.15	0.62	(0.60)
Total Other Comprehensive Income	**(0.35)**	**(1.51)**	**1.47**
Total Comprehensive Income	**205.08**	**376.38**	**524.09**
Net profit for the year attributable to	**205.43**	**377.89**	**522.62**
Owners of the Company	205.43	377.89	522.62
Non-controlling interests	-	-	-
Total comprehensive income attributable to	**205.08**	**376.38**	**524.09**
Owners of the Company	205.08	376.38	524.09
Non-controlling interests	-	-	-
Earnings per equity share			
Basic	10.23	18.81	26.02
Diluted	10.23	18.81	26.02

Summary statement of cash flow

	Particulars	As at		
		March 31, 2019	**March 31, 2020**	**March 31, 2021**
1	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit Before Tax	273.93	475.97	606.96
	Adjustments for Non Cash and non operating Items			
	Depreciation & Amortization Expenses	40.18	47.93	67.32
	Balance written off / written back	(0.12)	0.48	0.22
	Bad Debts written off	0.30	-	-
	Provision for doubtful debts	0.68	(0.01)	1.59
	Unrealized gain on Fair valuation of investments	0.02	-	-
	Loss/(Profit) on Sale of Asset/Scrap of Assets	(0.02)	0.31	0.34
	Interest Income	(2.14)	(5.17)	3.04
	Interest Expense	32.66	36.57	38.56
	Other Borrowing Costs	3.36	1.93	2.22
	Translation reserve	0.80	3.55	(1.21)
	Operating profit before working capital changes (i)	**349.65**	**561.56**	**719.04**
	Change in working Capital			
	(Increase)/Decrease in Inventory	(67.72)	(279.64)	(84.63)
	(Increase)/Decrease in Trade Receivables	(125.16)	(83.13)	(413.33)
	(Increase)/Decrease in Loan, other financial Asset, other Asset	(28.75)	52.95	(80.49)
	Increase/(Decrease) in Trade and Other Payables	(25.68)	94.77	158.64
	Increase/(Decrease) in Other financial liabilites, other liabilities	28.75	(12.76)	40.1
	Increase/(Decrease) in Provisions	1.97	1.37	1.95
	Cash Generated from Operations (ii)	**133.06**	**335.12**	**341.28**
	Less: Taxes Paid (iii)	(59.50)	(82.00)	(98.09)
	Cash Generated from Operations after tax (ii)-(iii)= (A)	**73.56**	**253.12**	**243.19**
2	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of Property, Plant & Equipment's	(97.86)	(481.72)	(209.70)
	Proceeds from Sale of Property, Plant & Equipment's	0.05	0.27	0.19
	Purchase of Leasehold Land	-	-	-
	(Purchase)/Sale of Current Investments	5.31	-	-
	(Purchase)/Sale of Fixed Deposit	(77.34)	74.48	2.49
	Interest Income	2.14	5.17	(3.04)
	Cash Generated from Investing Activities(B)	**(167.70)**	**(401.80)**	**(210.06)**
3	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Dividend declared during the year	-	-	(40.18)
	Proceeds from Long Term borrowings	195.81	216.76	91.53
	Repayment of Long Term borrowings	(66.29)	(87.15)	(183.99)
	Increase/(Decrease) in Short Term Borrowings	80.49	5.80	88.05
	Increase/(Decrease) in Loan to Employees	(0.02)	(0.46)	(0.21)
	Interest Expense	(32.64)	(33.50)	(40.99)
	Other Borrowing Cost	(3.36)	(1.93)	(2.22)
	Cash Generated from Financing Activities(C)	**173.99**	**99.52**	**(88.01)**
	NET INCREASE/ DECREASE IN CASH (1+2+3)	**79.85**	**(49.16)**	**(54.88)**
	CASH AND CASH EQUIVALENTS			
	Opening Balance	77.6	157.45	108.29
	Closing Balance	157.45	108.29	53.41

Particulars		As at		
		March 31, 2019	March 31, 2020	March 31, 2021
	Net Increase/ Decrease in Cash as above	**79.85**	**(49.16)**	**(54.88)**

GENERAL INFORMATION

Our Company was incorporated as 'Tatva Chintan Pharma Chem Private Limited' pursuant to a certificate of incorporation dated June 12, 1996 issued by the RoC. Thereafter, pursuant to the conversion of our Company to a public limited company, the name of our Company was changed to 'Tatva Chintan Pharma Chem Limited', and a fresh certificate of incorporation dated February 26, 2021 was issued to our Company by the RoC. For further details on the changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 171.

Registered Office

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

Plot No. 502 / 17, GIDC Estate
Ankleshwar, Bharuch
Gujarat – 393 002
India
Telephone: +91 75730 46951 / +91 75730 46952
Website: www.tatvachintan.com

Corporate office of our Company

The address of our corporate office is as follows:

Plot No. 353, Makarpura GIDC
Vadodara, Gujarat – 390 010
India

Company registration number and corporate identification number

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

Registration number: 029894
Corporate identification number: U24232GJ1996PLC029894

Address of the Registrar of Companies

Our Company is registered with the RoC, which is situated at the following address:

Registrar of Companies, Gujarat and Dadra & Nagar Haveli
ROC Bhavan, Opp Rupal Park Society
Behind Ankur Bus Stop, Naranpura,
Ahmedabad, Gujarat – 380 013
India

Board of Directors

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

Name and designation on the Board	DIN	Address
Chintan Nitinkumar Shah Managing Director	00183618	16, Panchvati Society, Near Amrakunj Society, Ellora Park, Vadodara, Gujarat – 390 023, India
Ajaykumar Mansukhlal Patel Whole Time Director	00183745	103, Karuna Sagar Society, Near Umrigar High School, Umra, Surat City, Gujarat – 395 007, India
Shekhar Rasiklal Somani Whole Time Director	00183665	Abhishek Bunglow, Mahavir Society, Zaveri Sadak, Navsari, Gujarat – 396 445, India
Manher Chimanlal Desai Independent Director	09042598	301, Prakruti Tower, Opposite Ellora Park Bus Stop, Race Course, Vadodara, Gujarat – 390 007, India
Subhash Ambubhai Patel Independent Director	00535221	23 / A, Chandravilla Society, Near Deep Chamber, Manjalpur, Vadodara, Gujarat – 390 011, India

Name and designation on the Board	DIN	Address
Avani Rajesh Umatt Independent Director	09046170	301, Manubhai Avenue, 7 Saptarshi Colony, Near Malhar Point, Old Padra Road, Vadodara, Gujarat – 390 007, India

For further details of our Board of Directors, see "*Our Management – Board of Directors*" on page 175.

Company Secretary and Compliance Officer

Apurva Dubey is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

Apurva Dubey
Plot No. 353, Makarpura GIDC
Vadodara, Gujarat – 390 010
India
Telephone: +91 75748 48533 / +91 75748 48534
E-mail: cs@tatvachintan.com

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg, Vikhroli (West)
Mumbai, Maharashtra - 400 083
India
Telephone: +91 (22) 4918 6200
E-mail: tatva.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance e-mail: tatva.ipo@linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration number: INR000004058

Book Running Lead Managers

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg
Churchgate, Mumbai
Maharashtra – 400 020, India
Telephone: +91 22 2288 2460
E-mail: tatvachintan.ipo@icicisecurities.com
Investor grievance e-mail:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact person: Vaibhav Saboo / Anurag Byas
SEBI registration number: INM000011179

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India
Telephone: + 91 22 6630 3030
E-mail: tatvachintan.ipo@jmfl.com
Investor grievance e-mail:
grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact person: Prachee Dhuri
SEBI registration number: INM000010361

Syndicate Member

JM Financial Services Limited
2, 3 & 4 Kamanwala Chambers,
Ground Floor, Sir PM Road,
Fort, Mumbai - 400 001
Tel: +91 22 6136 3400
Email: Surajit.misra@jmfl.com / deepak.vaidya@jmfl.com / sona.verghese@jmfl.com / tn.kumar@jmfl.com
Website: www. jmfinancialservices.in
Contact Person: Surajit Misra / Deepak Vaidya / T N Kumar / Sona Verghese
SEBI Registration No: INZ 000195834

Statement of 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:

S. No.	Activity	Responsibility	Coordinator
1.	Pre-Offer Due diligence of Company's operations/management/business /legal etc., drafting and design of DRHP, RHP and Prospectus, abridged prospectus and application form. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities	I-Sec, JM	I-Sec
2.	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc.	I-Sec, JM	I-Sec
3.	Drafting and approval of all statutory advertisements	I-Sec, JM	I-Sec
4.	Drafting and approval of all publicity material other than statutory advertisements, including corporate advertisements, brochures, filing of media compliance report with SEBI, etc.	I-Sec, JM	JM
5.	Appointment of Registrar to the Offer, Printers, Banker(s) to the Offer, Advertising agency etc (including coordinating all agreements to be entered with such parties)	I-Sec, JM	I-Sec
6.	International institutional marketing of the Offer, which will cover, *inter alia*: • Co-ordination for research briefing • Preparation and finalizing of road show presentation and FAQs • Institutional marketing strategy • Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedules	I-Sec, JM	JM
7.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Finalizing the list and division of domestic investors for one-to-one meetings • Finalizing domestic road show and investor meeting schedules	I-Sec, JM	I-Sec
8.	Conduct non-institutional and retail marketing of the Offer, which will cover, *inter-alia*: • Finalising media, marketing, public relations strategy and publicity budget • Finalising collection centres • Finalising centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	I-Sec, JM	I-Sec
9.	Coordination with Stock Exchanges for book building process, filing of letters including software, bidding terminals, mock trading and anchor investor intimation, and payment of 1% security deposit to the designated stock exchange	I-Sec, JM	JM
10.	Managing the book and finalization of pricing in consultation with the Company and selling shareholders	I-Sec, JM	I-Sec
11.	Post bidding activities including management of escrow accounts, coordinate non- institutional allocation, coordination with Registrar, SCSBs, Sponsor Bank and other Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Company 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 co-ordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting	I-Sec, JM	JM

S. No.	Activity	Responsibility	Coordinator
	arrangements, as applicable. Payment of the applicable securities transactions tax and co-ordination with SEBI for refund of 1% security deposit. and submission final post Offer report to SEBI		

Legal counsel to our Company

Khaitan & Co
Max Towers
7th & 8th Floors
Sector 16B Noida
Gautam Budh Nagar 201 301
Uttar Pradesh, India
Telephone: +91 120 479 1000

Legal counsel to the Book Running Lead Managers as to Indian law

IndusLaw
#1502B, 15th Floor
Tower – 1C, "One World Centre"
Senapati Bapat Marg
Lower Parel, Mumbai 400013
Maharashtra, India
Telephone: +91 22 4920 7200

Statutory Auditors

NDJ & Co., Chartered Accountants
T-720, Belgium Tower
Opp. Linear Bus Stand, Ring Road
Surat, Gujarat – 395 002
India
E-mail: ind-as1@ndjco.net, shirish.shah@ndjco.net
Telephone: +91 92279 34909
Firm registration number: 136345W
Peer review number: 012595

Except as mentioned below, there has been no change in our statutory auditors in the three years preceding the date of this Prospectus:

Name of statutory auditor	Date of change	Reason
Pathak Anjaria & Co., Chartered Accountants 2nd Floor, Leena Sadan Opp. Lakdi Pool, Dandia Bazaar Vadodara, Gujarat – 390 001 India **E-mail:** pathakanjariaco@yahoo.co.in **Firm registration number:** 107782W **Peer review number:** 012309	September 29, 2018	Completion of term of appointment
NDJ & Co., Chartered Accountants T-20, Belgium Towers Opp. Linear Bus Stand, Ring Road Surat, Gujarat – 395 002 India **E-mail:** info@ndjco.net **Firm registration number:** 136345W **Peer review number:** 012595	September 29, 2018	Appointment as our Statutory Auditor

Banker(s) to our Company

Citi Bank N.A
Commercial Banking, 1st Floor
Kalapurnam Building, Near Municipal Market
C G Road, Ahmedabad
Gujarat – 380 009, India
Telephone: +91 (79) 4001 5815
E-mail: kandarp.kansara@citi.com
Contact person: Kandarp Kansara

ICICI Bank Limited
2nd Floor, Transaction Building, Jay House
Near Chakli Circle, Old Padra Road
Vadodara, Gujarat – 390 007
India
Telephone: +91 (265) 672 2060
E-mail: kaushal.gandhi@icicibank.com
Contact person: Kaushal Gandhi

Banker(s) to the Offer

Escrow Collection Bank, Public Offer Account Bank, Refund Bank and Sponsor Bank

ICICI Bank Limited
Capital Market Division, 1st Floor,
122, Mistry Bhavan, Dinshaw Vachha Road,
Backbay Reclamation, Churchgate, Mumbai – 400 020
Tel: + 91 22 6681 8911 / 23 /24
Email: kmr.saurabh@icicibank.com
Website: www.icicibank.com
Contact Person: Saurabh Kumar

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time.

A list of the Designated SCSB Branches with which an ASBA Bidder (other than an RIB using the UPI Mechanism), not Bidding through Syndicate / Sub Syndicate or through a Registered Broker, RTA or CDP may submit the ASBA Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, and at such other websites as may be prescribed by SEBI from time to time.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Bidders (other than RIBs) is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Self-Certified Syndicate Banks eligible as Issuer Banks for UPI

The list of SCSBs through which Bids can be submitted by RIBs using the UPI Mechanism, including details such as the eligible mobile applications and UPI handle which can be used for such Bids, is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available at www.sebi.gov.in.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors 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 at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, which may be updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA Forms from Bidders (other than RIBs), including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and https://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

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

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Credit rating

As this is an Offer consisting only of Equity Shares, there is no requirement to obtain credit rating for the Offer.

Debenture trustee

As this is an Offer consisting only of Equity Shares, the appointment of a debenture trustee is not required for the Offer.

Appraising entity

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

Monitoring Agency

Our Company has appointed ICICI Bank Limited as the Monitoring Agency in compliance with the SEBI ICDR Regulations. Their contact details are as follows:

ICICI Bank Limited
Capital Market Division, 1st Floor,
122, Mistry Bhavan, Dinshaw Vachha Road,
Backbay Reclamation, Churchgate, Mumbai – 400 020
Tel: + 91 22 6681 8911 / 23 /24
Email: kmr.saurabh@icicibank.com

Grading of the Offer

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

Green shoe option

No green shoe option is contemplated under the Offer.

Expert

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

Our Company has received written consent dated July 5, 2021 from our Statutory Auditors, NDJ & Co., Chartered Accountants to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as independent statutory auditors and in respect of their (i) examination report dated June 15, 2021 on the Restated Consolidated Financial Statements; and (ii) report dated July 5, 2021 on the statement of special tax benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

The term "experts" and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Additionally, our Company has also received a letter dated July 5, 2021 from Manish B. Kevadiya, Independent Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013.

Further, our Company has received a letter dated July 5, 2021 from Projectplus Consultants LLP, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013, for the issuance of project reports with respect to (i) the proposed expansion of our Dahej Manufacturing Facility and (ii) the proposed upgradation of our R&D facility in Vadodara.

Underwriting Agreement

Our Company and the Selling Shareholders have entered into an Underwriting Agreement with the Underwriters for the Equity Shares offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten in the Offer are as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated July 22, 2021. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone and e-mail of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate Mumbai – 400 020, Maharashtra India **Telephone:** +91 (22) 2288 2460 **E-mail:** tatvachintan.ipo@icicisecurities.com	2,308,402	2,500.00
JM Financial Limited 7th Floor Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6630 3030 **E-mail:** tatvachintan.ipo@jmfl.com	2,308,302	2,499.89
JM Financial Services Limited Ground Floor, 2, 3 and 4, Kamanwala Chambers Sir P. M. Road, Fort, Mumbai 400 001 Maharashtra, India **Tel:** +91 22 6136 3400 **Email:** Surajit.misra@jmfl.com/ deepak.vaidya@jmfl.com/ sona.verghese@jmfl.com/ tn.kumar@jmfl.com	100	0.11
Total	**4,616,804**	**5,000.00**

The abovementioned underwriting commitment is indicative and will be finalised after finalisation of the Basis of Allotment and will be subject to the provisions of the SEBI ICDR Regulations. In the opinion of our Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our IPO Committee, at its meeting held on July 22, 2021 has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them.

Subject to the applicable laws and pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Member does not fulfil their underwriting obligations.

Filing

A copy of the Draft Red Herring Prospectus was filed through the SEBI Intermediary Portal at https://sipotal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/ 011 dated January 19, 2018 and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "*Easing of Operational Procedure – Division of Issues and Listing – CFD*".

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed, was filed with the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of this Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be filed with the RoC at its office, 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 within the Price Band. The Price Band and minimum Bid Lot was decided by our Company, in consultation with the BRLMs, and was advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Vadodara edition of Vadodara Samachar, a Gujarati newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located, each with wide circulation, at least two Working Days prior to the Bid / Offer Opening Date and was made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price was determined by our Company, in consultation with the BRLMs after the Bid / Offer Closing Date. For details, see "*Offer Procedure*" on page 312.

All investors, other than Anchor Investors, have only participated through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs. Retail Individual Bidders have participated through the ASBA process, either by (i) providing the details of their respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs; or (ii) using the UPI Mechanism. Anchor Investors were not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders were not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any state. Retail Individual Bidders could revise their Bids during the Bid / Offer Period and withdraw their Bids until the Bid / Offer Closing Date. Further, Anchor Investors could not withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Buyers was on a proportionate basis while allocation to Anchor Investors was on a discretionary basis. For an illustration of the Book Building Process and further details, see "*Terms of the Offer*" and "*Offer Procedure*" on pages 303 and 312, respectively.

The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors 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 this Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details on the method and procedure for Bidding, see "*Offer Procedure*" on page 312**.**

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Prospectus is set forth below:

(in ₹ except share data)

		Aggregate value at face value	Aggregate value at Offer Price*
A	**AUTHORISED SHARE CAPITAL**		
	40,000,000 Equity Shares of face value of ₹ 10 each	400,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	20,087,500 Equity Shares of face value ₹ 10 each	200,875,000	-
C	**PRESENT OFFER IN TERMS OF THIS PROSPECTUS***		
	Offer of 4,616,804 Equity Shares (1)	46,168,040	4,999,998,732
	which includes:		
	Fresh Issue of 2,077,562 Equity Shares	20,775,620	2,249,999,646
	Offer for Sale of 2,539,242 Equity Shares (2)	25,392,420	2,749,999,086
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	22,165,062 Equity Shares of face value of ₹ 10 each*	221,650,620	-
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		0.00
	After the Offer*		2,229,224,026

* *Subject to finalization of Basis of Allotment.*

(1) *The Offer has been authorized by a resolution of our Board dated March 3, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated March 15, 2021.*

(2) *Each of the Selling Shareholders has authorized the sale of its respective portion of the Offered Shares in the Offer for Sale. For details on the authorizations of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 289.*

For details of authorizations received for the Offer for Sale, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 289.

Notes to the capital structure

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

(a) The following table sets forth the history of the Equity Share capital of our Company:

Date of allotment	Nature of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Form of consideration	Cumulative number of Equity Shares
June 12, 1996	Initial subscription to MoA(1)	30	10	10	Cash	30
July 17, 1996	Preferential allotment(2)	89,970	10	10	Cash	90,000
September 9, 1996	Preferential allotment(3)	8,000	10	10	Cash	98,000
April 16, 1998	Preferential allotment(4)	91,900	10	10	Cash	189,900
March 31, 2000	Preferential allotment(5)	7,500	10	10	Cash	197,400
March 16, 2001	Bonus issue in the ratio of one Equity Shares for every two Equity Shares held(6)	98,700	10	-	Other than cash	296,100
July 5, 2003	Preferential allotment(7)	90,000	10	10	Cash	386,100
September 1, 2004	Preferential allotment(8)	15,000	10	10	Cash	401,100
March 29, 2006	Bonus issue in the ratio of one Equity Share for every one Equity Shares held(9)	401,100	10	-	Other than cash	802,200
March 30, 2006	Preferential allotment(10)	197,700	10	10	Cash	999,900
March 28, 2009	Preferential allotment(11)	350,100	10	10	Cash	1,350,000
March 30, 2009	Bonus issue in the ratio	1,620,000	10	-	Other than cash	2,970,000

Date of allotment	Nature of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Form of consideration	Cumulative number of Equity Shares
	of 12 Equity Share(s) for every 10 Equity Shares(s) held [12]					
March 31, 2009	Preferential allotment[13]	30,000	10	10	Cash	3,000,000
March 31, 2010	Preferential allotment[14]	231,900	10	10	Cash	3,231,900
March 31, 2011	Preferential allotment[15]	173,200	10	10	Cash	3,405,100
March 31, 2012	Preferential allotment[16]	328,500	10	10	Cash	3,733,600
March 31, 2013	Preferential allotment[17]	266,400	10	10	Cash	4,000,000
March 31, 2014	Preferential allotment[18]	360,000	10	10	Cash	4,360,000
March 31, 2015	Preferential allotment[19]	3,675,000	10	10	Cash	8,035,000
March 3, 2021	Bonus issue in the ratio of 1.5 Equity Shares for every 1 Equity Share held [20]	12,052,500	10	-	Other than cash	20,087,500

(1) Subscription to 10 Equity Shares each by Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani.

(2) Allotment of 29,990 Equity Shares each to Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani.

(3) Allotment of 4,000 Equity Shares each to Sureshbhai Jayantibhai Surti and Jerambhai Ambabhai Dudhatra.

(4) Allotment of 25,800 Equity Shares to Chintan Nitinkumar Shah, 24,800 Equity Shares to Ajaykumar Mansukhlal Patel, 24,800 Equity Shares to Shekhar Rasiklal Somani, 5,500 Equity Shares to Dharmesh Mansukhlal Patel, 5,500 Equity Shares to Rasiklal Nagindas Somani, 3,000 Equity Shares to Nehal Nitinkumar Shah, and 2,500 Equity Shares to Darshanaben Nitinkumar Shah.

(5) Allotment of 2,500 Equity Shares each to Priti Yashwant Potla, Kajal Shekhar Somani, and Darshnaben Nitinbhai Shah.

(6) Allotment of 28,900 Equity Shares to Ajaykumar Mansukhlal Patel, 28,900 Equity Shares to Chintan Nitinkumar Shah, 28,900 Equity Shares to Shekhar Rasiklal Somani, 4,000 Equity Shares to Darshanaben Nitinbhai Shah, 2,750 Equity Shares to Dharmesh Mansukhlal Patel, 2,750 Equity Shares to Rasiklal Nagindas Somani, 1,250 Equity Shares to Priti Yashwant Potla, and 1,250 Equity Shares to Kajal Shekhar Somani.

(7) Allotment of 30,000 Equity Shares to Priti Y. Potla, 24,200 Equity Shares to Shekhar Rasiklal Somani, 20,000 Equity Shares to Chintan Nitinkumar Shah, 10,000 Equity Shares to Darshanaben N. Shah, 2,900 Equity Shares to Kajal Somani, and 2,900 Equity Shares to Rashiklal Somani.

(8) Allotment of 5,000 Equity Shares to Shital Chintan Shah, 3,000 Equity Shares to Ranjanben Rasiklal Somani, 2,500 Equity Shares to Raxaben Mansukbhai Patel, 2,500 Equity Shares to Priti Ajay Patel, 1,000 Equity Shares to Sheetal Rasiklal Somani, and 1,000 Equity Shares to Samir Rasiklal Somani.

(9) Allotment of 110,900 Equity Shares to Shekhar Rasiklal Somani, 106,700 Equity Shares to Chintan Nitinkumar Shah, 86,700 Equity Shares to Ajaykumar Mansukhlal Patel, 44,500 Equity Shares to Priti Patel, 22,000 Equity Shares to Darshnaben Shah, 11,150 Equity Shares to Rasiklal Somani, 6,650 Equity Shares to Kajal Somani, 5,000 Equity Shares to Shital Shah, 3,000 Equity Shares to Ranjanben Somani, 2,500 Equity Shares to Raxaben Patel, 1,000 Equity Shares to Sheetal Somani, and 1,000 Equity Shares to Samir Somani.

(10) Allotment of 37,000 Equity Shares to Raxaben Mansukbai Patel, 32,000 Equity Shares to Shital Chintan Shah, 28,000 Equity Shares to Priti Ajay Patel, 23,000 Equity Shares to Darshanaben Nitinkumar Shah, 23,000 Equity Shares to Rasiklal Nagindas Somani, 18,000 Equity Shares to Ranjanben Rasiklal Somani, 15,000 Equity Shares to Kajal Shekhar Somani, 10,000 Equity Shares to Chintan N. Shah (H.U.F.), 9,000 Equity Shares to Samir Rasiklal Somani, 900 Equity Shares to Ajaykumar Mansukhlal Patel, 900 Equity Shares to Chintan Nitinkumar Shah, and 900 Equity Shares to Shekhar Rasiklal Somani.

(11) Allotment of 116,700 Equity Shares each to Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani.

(12) Allotment of 407,280 Equity Shares to Shekhar Rasiklal Somani, 397,200 Equity Shares to Chintan Nitinkumar Shah, 349,200 Equity Shares to Ajaykumar Mansukhlal Patel, 140,400 Equity Shares to Priti Patel, 80,400 Equity Shares to Darshnaben Shah, 54,360 Equity Shares to Rasiklal Somani, 50,400 Equity Shares to Shital Shah, 50,400 Equity Shares to Raxaben Patel, 33,960 Equity Shares to Kajal Somani, 28,800 Equity Shares to Ranjanben Somani, 13,200 Equity Shares to Samir Somani, 12,000 Equity Shares to Chintan Shah (HUF), and 2,400 Equity Shares to Sheetal Somani.

(13) Allotment of 10,000 Equity Shares each to Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani.

(14) Allotment of 77,814 Equity Shares to Chintan Nitinkumar Shah, 76,993 Equity Shares to Ajaykumar Mansukhlal Patel, 76,993 Equity Shares to Shekhar Rasiklal Somani, and 100 Equity Shares to Pravin Chandra & Co.

(15) Allotment of 57,186 Equity Shares to Chintan Nitinkumar Shah, 58,007 Equity Shares to Ajaykumar Mansukhlal Patel, and 58,007 Equity Shares to Shekhar Rasiklal Somani.

(16) Allotment of 109,500 Equity Shares each to Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani.

(17) Allotment of 88,800 Equity Shares each to Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani.

(18) Allotment of 120,000 Equity Shares each to Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani.

(19) Allotment of 1,225,000 Equity Shares each to Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani.

(20) Allotment of 3,782,809 Equity Shares to Shekhar Rasiklal Somani, 3,389,301 Equity Shares to Chintan Nitinkumar Shah, 2,533,400 Equity Shares to Ajaykumar Mansukhlal Patel, 742,500 Equity Shares to Ajay Mansukhlal Patel HUF, 741,600 Equity Shares to Priti Ajay Patel, 268,500 Equity Shares to Chintan N Shah HUF, 221,100 Equity Shares to Darshana Nitinkumar Shah, 138,600 Equity Shares to Shital Chintan Shah, 191,790 Equity Shares to Kajal Shekhar Somani, 36,300 Equity Shares to Samirkumar Rasiklal Somani, and 6,600 Equity Shares to Shitalkumar Rasiklal Shah.

(b) ***Equity Shares issued for consideration other than cash or out of revaluation reserves or as a bonus issue***

Our Company has not issued any Equity Shares out of its revaluation reserves. Except as set forth below, our Company has not issued any Equity Shares for consideration other than cash or as a bonus issue:

Date of allotment	Nature of allotment	Issue price per Equity Share (₹)	No. of Equity Shares allotted	Face value (₹)	Benefits accrued to our Company
March 16, 2001	Bonus issue(1)	-	98,700	10	-
March 29, 2006	Bonus issue(2)	-	401,100	10	-
March 30, 2009	Bonus issue(3)	-	1,620,000	10	-
March 3, 2021	Bonus issue(4)	-	12,052,500	10	-

(1) Allotment of 28,900 Equity Shares to Ajaykumar Mansukhlal Patel, 28,900 Equity Shares to Chintan Nitinkumar Shah, 28,900 Equity Shares to Shekhar Rasiklal Somani, 4,000 Equity Shares to Darshanaben Nitinbhai Shah, 2,750 Equity Shares to Dharmesh Mansukhlal Patel, 2,750 Equity Shares to Rasiklal Nagindas Somani, 1,250 Equity Shares to Priti Yashwant Potla, and 1,250 Equity Shares to Kajal Shekhar Somani.

(2) Allotment of 110,900 Equity Shares to Shekhar Rasiklal Somani, 106,700 Equity Shares to Chintan Nitinkumar Shah, 86,700 Equity Shares to Ajaykumar Mansukhlal Patel, 44,500 Equity Shares to Priti Patel, 22,000 Equity Shares to Darshnaben Shah, 11,150 Equity Shares to Rasiklal Somani, 6,650 Equity Shares to Kajal Somani, 5,000 Equity Shares to Shital Shah, 3,000 Equity Shares to Ranjanben Somani, 2,500 Equity Shares to Raxaben Patel, 1,000 Equity Shares to Sheetal Somani, and 1,000 Equity Shares to Samir Somani.

(3) Allotment of 407,280 Equity Shares to Shekhar Rasiklal Somani, 397,200 Equity Shares to Chintan Nitinkumar Shah, 349,200 Equity Shares to Ajaykumar Mansukhlal Patel, 140,400 Equity Shares to Priti Patel, 80,400 Equity Shares to Darshnaben Shah, 54,360 Equity Shares to Rasiklal Somani, 50,400 Equity Shares to Shital Shah, 50,400 Equity Shares to Raxaben Patel, 33,960 Equity Shares to Kajal Somani, 28,800 Equity Shares to Ranjanben Somani, 13,200 Equity Shares to Samir Somani, 12,000 Equity Shares to Chintan Shah (HUF), and 2,400 Equity Shares to Sheetal Somani.

(4) Allotment of 3,782,809 Equity Shares to Shekhar Rasiklal Somani, 3,389,301 Equity Shares to Chintan Nitinkumar Shah, 2,533,400 Equity Shares to Ajaykumar Mansukhlal Patel, 742,500 Equity Shares to Ajay Mansukhlal Patel HUF, 741,600 Equity Shares to Priti Ajay Patel, 268,500 Equity Shares to Chintan N Shah HUF, 221,100 Equity Shares to Darshana Nitinkumar Shah, 138,600 Equity Shares to Shital Chintan Shah, 191,790 Equity Shares to Kajal Shekhar Somani, 36,300 Equity Shares to Samirkumar Rasiklal Somani, and 6,600 Equity Shares to Shitalkumar Rasiklal Shah.

(c) ***Equity Shares allotted in terms of any schemes of arrangement***

Our Company has not allotted any Equity Shares in terms of any scheme approved under Section 391-394 of the Companies Act, 1956 or Section 230-232 of the Companies Act, 2013.

(d) ***Equity Shares allotted at a price lower than the Offer Price in the last year***

The Offer Price has been determined by our Company, in consultation with the BRLMs after the Bid / Offer Closing Date. Except for the allotment of Equity Shares made on March 3, 2021, pursuant to a bonus issue, as set forth above in "– *Notes to the capital structure – Equity Share capital history of our Company*" on page 72, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price, during a period of one year preceding the date of this Prospectus.

2. As on the date of this Prospectus, our Company does not have outstanding preference shares.

3. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of this Prospectus:

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of Equity Shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of Equity Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of voting rights			Total as a % of (A+B+C)							
								Class eg: Equity Shares	Class eg: Others	Total				Number (a)	As a % of total Equity Shares held (b)	Number (a)	As a % of total Equity Shares held (b)	
(A)	Promoter and Promoter Group	11	20,087,500	-	-	20,087,500	100.00	20,087,500	-	20,087,500	100.00	-	-	0	-	0	-	20,087,500
(B)	Public	0	0	-	-	0	0	0	-	0	0	-	-	0	-	0	-	0
(C)	Non Promoter-Non Public	0	0	-	-	0	0	0	-	0	0	-	-	0	-	0	-	0
(C)(1)	Shares underlying DRs	0	0	-	-	0	0	0	-	0	0	-	-	0	-	0	-	0
(C)(2)	Shares held by Employee Trusts	0	0	-	-	0	0	0	-	0	0	-	-	0	-	0	-	0
	Total (A)+(B)+(C)	**11**	**20,087,500**	**-**	**-**	**20,087,500**	**100.00**	**20,087,500**	**-**	**20,087,500**	**100.00**	**-**	**-**	**0**	**-**	**0**	**-**	**20,087,500**

4. **Major shareholders**

The list of our major Shareholders and the number of Equity Shares held by them is provided below:

a) The details of our Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as on the date of filing this Prospectus is set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares held	% of the share capital
1.	Shekhar Rasiklal Somani	6,304,682	31.39
2.	Chintan Nitinkumar Shah	5,648,835	28.12
3.	Ajaykumar Mansukhlal Patel	4,222,333	21.02
4.	Ajay Mansukhlal Patel HUF	1,237,500	6.16
5.	Priti Ajaykumar Patel	1,236,000	6.15
6.	Chintan N Shah HUF	447,500	2.23
7.	Darshana Nitinkumar Shah	368,500	1.83
8.	Kajal Shekhar Somani	319,650	1.59
9.	Shital Chintan Shah	231,000	1.15
Total		**20,016,000**	**99.64**

b) The details of our Shareholders who held 1% or more of the paid-up Equity Share capital of our Company ten days prior to the date of this Prospectus is set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares held	% of the share capital
1.	Shekhar Rasiklal Somani	6,304,682	31.39
2.	Chintan Nitinkumar Shah	5,648,835	28.12
3.	Ajaykumar Mansukhlal Patel	4,222,333	21.02
4.	Ajay Mansukhlal Patel HUF	1,237,500	6.16
5.	Priti Ajaykumar Patel	1,236,000	6.15
6.	Chintan N Shah HUF	447,500	2.23
7.	Darshana Nitinkumar Shah	368,500	1.83
8.	Kajal Shekhar Somani	319,650	1.59
9.	Shital Chintan Shah	231,000	1.15
Total		**20,016,000**	**99.64**

Note: *Details as on July 12, 2021, being the date ten days prior to the date of this Prospectus.*

c) The details of our Shareholders who held 1% or more of the paid-up Equity Share capital of our Company one year prior to the date of this Prospectus is set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares Held	% of the share capital
1.	Shekhar Rasiklal Somani	2,521,873	31.39
2.	Chintan Nitinkumar Shah	2,259,534	28.12
3.	Ajaykumar Mansukhlal Patel	1,688,933	21.02
4.	Ajay Mansukhlal Patel HUF	495,000	6.16
5.	Priti Ajaykumar Patel	494,400	6.15
6.	Chintan N Shah HUF	179,000	2.23
7.	Darshana Nitinkumar Shah	147,400	1.83
8.	Kajal Shekhar Somani	127,860	1.59
9.	Shital Chintan Shah	92,400	1.15
Total		**8,006,400**	**99.64**

Note: *Details as on as on July 22, 2020, being the date one year prior to the date of this Prospectus.*

d) The details of our Shareholders who held 1% or more of the paid-up Equity Share capital of our Company two years prior to the date of this Prospectus is set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares Held	% of the share capital
1.	Shekhar Rasiklal Somani	2,464,540	30.67
2.	Chintan Nitinkumar Shah	2,259,500	28.12
3.	Ajaykumar Mansukhlal Patel	1,688,900	21.02
4.	Ajay Mansukhlal Patel HUF	495,000	6.16
5.	Priti Ajaykumar Patel	494,400	6.15

S. No.	Name of the Shareholder	Number of Equity Shares Held	% of the share capital
6.	Chintan N Shah HUF	179,000	2.23
7.	Darshana Nitinkumar Shah	147,400	1.83
8.	Kajal Shekhar Somani	127,860	1.59
9.	Shital Chintan Shah	92,400	1.15
Total		**7,949,000**	**98.92**

Note: *Details as on July 22, 2019 being the date two years prior to the date of this Prospectus.*

5. Except for the allotment of Equity Shares pursuant to the Fresh Issue, our Company does not intend or propose to alter its capital structure whether by way of a 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 through the issue of bonus Equity Shares, preferential issue, rights issue, or further public issue) (i) for a period of six months from the Bid / Offer Opening Date and (ii) until the Equity Shares have been listed on the Stock Exchanges or all application moneys have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be.

6. As on the date of this Prospectus, our Company had a total of 11 Shareholders.

7. **Details of Shareholding of our Promoters and members of the Promoter Group in our Company**

(i) ***Equity Shareholding of the Promoters***

As on the date of this Prospectus, our Promoters collectively hold 16,175,850 Equity Shares, equivalent to 80.53% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company, as set forth in the table below:

S. No.	Name of the Promoter	Pre-Offer Equity Share Capital		Post-Offer Equity Share Capital*	
		No. of Equity Shares	% of total Share-holding	No. of Equity Shares	% of total Share-holding
1.	Ajaykumar Mansukhlal Patel	4,222,333	21.02	4,007,190	18.08
2.	Chintan Nitinkumar Shah	5,648,835	28.12	48,97,219	22.09
3.	Shekhar Rasiklal Somani	6,304,682	31.39	5,630,628	25.40
	Total	**16,175,850**	**80.53**	**14,535,037**	**65.58**

** Subject to finalisation of Basis of Allotment*

(ii) All Equity Shares held by our Promoters are in dematerialized form as on the date of this Prospectus.

(iii) ***Build-up of the Promoters' and Promoter Group Selling Shareholders' shareholding in our Company***

The build-up of the Equity Shareholding of our Promoters and Promoter Group Selling Shareholders since the incorporation of our Company is set forth in the table below:

Date of allotment / transfer / transmission	Nature of transaction^	No. of Equity Shares	Face value per Equity Share (₹)	Issue price / transfer price per Equity Share (₹)	Percentage of pre-Offer Equity Share capital	Percentage of post-Offer Equity Share capital*
(A) Ajaykumar Mansukhlal Patel						
June 12, 1996	Initial subscription to MoA	10	10	10	Negligible	Negligible
July 17, 1996	Preferential allotment	29,990	10	10	0.15	0.14
March 19, 1998	Transfer from Sureshkumar J. Surti	3,000	10	10	0.01	0.01
April 16, 1998	Preferential allotment	24,800	10	10	0.12	0.11
March 16, 2001	Bonus issue	28,900	10	-	0.14	0.13
March 29, 2006	Bonus issue	86,700	10	-	0.43	0.39
March 30, 2006	Preferential allotment	900	10	10	Negligible	Negligible
March 28, 2009	Preferential allotment	116,700	10	10	0.58	0.53
March 30, 2009	Bonus issue	349,200	10	-	1.74	1.58
March 31, 2009	Preferential allotment	10,000	10	10	0.05	0.05

Date of allotment / transfer / transmission	Nature of transaction^	No. of Equity Shares	Face value per Equity Share (₹)	Issue price / transfer price per Equity Share (₹)	Percentage of pre-Offer Equity Share capital	Percentage of post-Offer Equity Share capital*
March 31, 2010	Preferential allotment	76,993	10	10	0.38	0.35
March 31, 2011	Preferential allotment	58,007	10	10	0.29	0.26
March 31, 2012	Preferential allotment	109,500	10	10	0.55	0.49
March 31, 2013	Preferential allotment	88,800	10	10	0.44	0.40
March 31, 2014	Preferential allotment	120,000	10	10	0.60	0.54
March 31, 2015	Preferential allotment	1,225,000	10	10	6.10	5.53
May 10, 2015	Transfer to Ajay M. Patel (HUF)	(495,000)	10	10	(2.46)	(2.23)
May 10, 2015	Transfer to Mansukhlal S. Patel (HUF)	(260,000)	10	10	(1.29)	(1.17)
May 10, 2015	Transfer to Priti A. Patel	(237,000)	10	10	(1.18)	(1.07)
May 10, 2015	Transfer to Raxaben M. Patel	(202,000)	10	10	(1.01)	(0.91)
February 12, 2016	Transfer from Dharmesh M. Patel	100	10	10	Negligible	Negligible
February 12, 2016	Gift from Mansukhlal Patel	100	10	-	Negligible	Negligible
February 12, 2016	Transfer from Dharmesh M. Patel (HUF)	100	10	10	Negligible	Negligible
February 12, 2016	Gift from Mansukhlal S. Patel (HUF)	260,100	10	-	1.29	1.17
December 21, 2016	Gift from Raxaben Patel	294,000	10	-	1.46	1.33
September 6, 2019	Transfer from Pravinchandra & Co.	33	10	10	Negligible	Negligible
March 3, 2021	Bonus issue	2,533,400	10	-	12.61	11.43
Sub-total (A)		**4,222,333**			**21.02**	**19.05**
(B) Chintan Nitinkumar Shah						
June 12, 1996	Initial subscription to MoA	10	10	10	Negligible	Negligible
July 17, 1996	Preferential allotment	29,990	10	10	0.15	0.14
March 19, 1998	Transfer from Sureshkumar J. Surti	1,000	10	10	Negligible	Negligible
March 19, 1998	Transfer from Jerambhai A. Dudhatra	1,000	10	10	Negligible	Negligible
April 16, 1998	Preferential allotment	25,800	10	10	0.13	0.12
March 16, 2001	Bonus issue	28,900	10	-	0.14	0.13
July 5, 2003	Preferential allotment	20,000	10	10	0.10	0.09
March 29, 2006	Bonus issue	106,700	10	-	0.53	0.48
March 30, 2006	Preferential allotment	900	10	10	Negligible	Negligible
March 28, 2009	Preferential allotment	116,700	10	10	0.58	0.53
March 30, 2009	Bonus issue	397,200	10	-	1.98	1.79
March 31, 2009	Preferential allotment	10,000	10	10	0.05	0.05
March 31, 2010	Preferential allotment	77,814	10	10	0.39	0.35
March 31, 2011	Preferential allotment	57,186	10	10	0.28	0.26
March 31, 2012	Preferential allotment	109,500	10	10	0.55	0.49
March 31, 2013	Preferential allotment	88,800	10	10	0.44	0.40
March 31, 2014	Preferential allotment	120,000	10	10	0.60	0.54
March 31, 2015	Preferential allotment	1,225,000	10	10	6.10	5.53
May 10, 2015	Transfer to Chintan N. Shah HUF	(157,000)	10	10	(0.78)	(0.71)
September 6, 2019	Transfer from Pravinchandra & Co.	34	10	10	Negligible	Negligible
March 3, 2021	Bonus issue	3,389,301	10	-	16.87	15.29
Sub-total (B)		**5,648,835**			**28.12**	**25.49**
(C) Shekhar Rasiklal Somani						
June 12, 1996	Initial subscription to MoA	10	10	10	Negligible	Negligible
July 17, 1996	Preferential allotment	29,990	10	10	0.15	0.14
March 19, 1998	Transfer from Jerambhai A. Dudhatra	3,000	10	10	0.01	0.01
April 16, 1998	Preferential allotment	24,800	10	10	0.12	0.11

Date of allotment / transfer / transmission	Nature of transaction^	No. of Equity Shares	Face value per Equity Share (₹)	Issue price / transfer price per Equity Share (₹)	Percentage of pre-Offer Equity Share capital	Percentage of post-Offer Equity Share capital*
March 16, 2001	Bonus issue	28,900	10	-	0.14	0.13
July 5, 2003	Preferential allotment	24,200	10	10	0.12	0.11
March 29, 2006	Bonus issue	110,900	10	10	0.55	0.50
March 30, 2006	Preferential allotment	900	10	-	Negligible	Negligible
March 28, 2009	Preferential allotment	116,700	10	10	0.58	0.53
March 30, 2009	Bonus issue	407,280	10	-	2.03	1.84
March 31, 2009	Preferential allotment	10,000	10	10	0.05	0.05
March 31, 2010	Preferential allotment	76,993	10	10	0.38	0.35
March 31, 2011	Preferential allotment	58,007	10	10	0.29	0.26
March 31, 2012	Preferential allotment	109,500	10	10	0.55	0.49
March 31, 2013	Preferential allotment	88,800	10	10	0.44	0.40
March 31, 2014	Preferential allotment	120,000	10	10	0.60	0.54
March 31, 2015	Preferential allotment	1,225,000	10	10	6.10	5.53
May 10, 2015	Transfer to Kajal S. Somani	(65,600)	10	10	(0.33)	(0.30)
May 10, 2015	Transfer to Ranjanben R. Somani	(4,500)	10	10	(0.02)	(0.02)
May 10, 2015	Transfer to Rasiklal Somani	(8,900)	10	10	(0.04)	(0.04)
July 18, 2019	Transmission from Rasiklal Somani	108,560	10	-	0.54	0.49
September 6, 2019	Transfer from Pravinchandra & Co.	33	10	10	Negligible	Negligible
October 11, 2019	Transmission from Ranjanben Somani	57,300	10	-	0.29	0.26
March 3, 2021	Bonus issue	3,782,809	10	-	18.83	17.07
Sub-total (C)		**6,304,682**			**31.39**	**28.45**
(D) Ajay Mansukhlal Patel HUF						
May 10, 2015	Transfer from Ajaykumar Mansukhlal Patel	495,000	10	10	2.46	**2.23**
March 3, 2021	Bonus issue	742,500	10	-	3.70	**3.35**
Sub-total (D)		**1,237,500**			**6.16**	**5.58**
(E) Priti Ajaykumar Patel						
March 31, 2000	Preferential allotment	2,500	10	10	0.01	0.01
March 16, 2001	Bonus issue	1,250	10	-	0.01	0.01
July 5, 2003	Preferential allotment	30,000	10	10	0.15	0.14
September 1, 2004	Preferential allotment	2,500	10	10	0.01	0.01
September 1, 2004	Transfer from Dharmesh M. Patel	5,500	10	10	0.03	0.02
September 1, 2004	Transfer from Dharmesh M. Patel	2,750	10	10	0.01	0.01
March 29, 2006	Bonus issue	44,500	10	-	0.22	0.20
March 30, 2006	Preferential allotment	28,000	10	10	0.14	0.13
March 30, 2009	Bonus issue	140,400	10	-	0.70	0.63
May 10, 2015	Transfer from Ajaykumar Mansukhlal Patel	237,000	10	10	1.18	1.07
March 3, 2021	Bonus issue	741,600	10	-	3.69	3.35
Sub-total (E)		**1,236,000**			**6.15**	**5.58**
(F) Darshana Nitinkumar Shah						
April 16, 1998	Preferential allotment	2,500	10	10	0.01	0.01
February 7, 2000	Transfer from Nehal N. Shah	3,000	10	10	0.01	0.01
March 31, 2000	Preferential allotment	2,500	10	10	0.01	0.01
March 16, 2001	Bonus issue	4,000	10	10	0.02	0.02
July 5, 2003	Preferential allotment	10,000	10	10	0.05	0.05
March 29, 2006	Bonus issue	22,000	10	-	0.11	0.10
March 30, 2006	Preferential allotment	23,000	10	10	0.11	0.10
March 30, 2009	Bonus issue	80,400	10	-	0.40	0.36
March 3, 2021	Bonus issue	221,100	10	-	1.10	1.00
Sub-total (F)		**368,500**			**1.83**	**1.66**

Date of allotment / transfer / transmission	Nature of transaction^	No. of Equity Shares	Face value per Equity Share (₹)	Issue price / transfer price per Equity Share (₹)	Percentage of pre-Offer Equity Share capital	Percentage of post-Offer Equity Share capital*
(G) Kajal Shekhar Somani						
March 31, 2000	Preferential allotment	2,500	10	10	0.01	0.01
March 16, 2001	Bonus issue	1,250	10	-	0.01	0.01
July 5, 2003	Preferential allotment	2,900	10	10	0.01	0.01
March 29, 2006	Bonus issue	6,650	10	-	0.03	0.03
March 30, 2006	Preferential allotment	15,000	10	10	0.07	0.07
March 30, 2009	Bonus issue	33,960	10	-	0.17	0.15
May 10, 2015	Transfer from Shekhar Rasiklal Somani	65,600	10	10	0.33	0.30
March 3, 2021	Bonus issue	191,790	10	-	0.95	0.87
Sub-total (G)		**319,650**			**1.59**	**1.44**
(H) Shitalkumar Rasiklal Somani						
September 1, 2004	Preferential allotment	1,000	10	10	Negligible	Negligible
March 29, 2006	Bonus issue	1,000	10	-	Negligible	Negligible
March 30, 2009	Bonus issue	2,400	10	-	0.01	0.01
March 3, 2021	Bonus issue	6,600	10	-	0.03	0.03
Sub-total (H)		**11,000**			**0.05**	**0.04**
(I) Samirkumar Rasiklal Somani						
September 1, 2004	Preferential allotment	1,000	10	10	Negligible	Negligible
March 29, 2006	Bonus issue	1,000	10	-	Negligible	Negligible
March 30, 2006	Preferential allotment	9,000	10	10	0.04	0.04
March 30, 2009	Bonus issue	13,200	10	-	0.07	0.06
March 3, 2021	Bonus issue	36,300	10	-	0.18	0.16
Sub-total (I)		**60,500**			**0.30**	0.27
Grand Total (A)+(B)+(C)+(D)+(E)+(F)+(G)+(H)+(I)		**19,409,000**			**96.62**	**76.11**

^ For certain transfers specified above, we do not possess share transfer forms indicating the date of transfer and the consideration involved. Accordingly, we have relied on annual returns submitted with the RoC, gift declarations, board resolutions, statutory registers, and share certificates in order to trace such transfers. Please also see "Risk Factors - We have not been in compliance with certain statutes and rules in the past, including those applicable to us in our capacity as a company. Any further non-compliance of this nature, or adverse order passed by a regulator or statutory authority against us in this regard may affect our reputation, business, operations and financial condition." on page 36.
** Subject to finalisation of Basis of Allotment*

(iv) All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or acquisition, as applicable, of such Equity Shares.

(v) None of the Equity Shares held by our Promoters are pledged.

(vi) ***Equity Shareholding of the Promoter Group***

As on the date of this Prospectus, the members of our Promoter Group (other than our Promoters) collectively hold 3,911,650 Equity Shares, equivalent to 19.47% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company, as set forth in the table below:

S. No.	Name of the Shareholder	Pre-Offer Equity Share Capital		Post-Offer Equity Share Capital*	
		No. of Equity Shares	% of total Share-holding	No. of Equity Shares	% of total Share-holding
1.	Ajay Mansukhlal Patel HUF	1,237,500	6.16	921,711	4.16
2.	Priti Ajaykumar Patel	1,236,000	6.15	9,20,211	4.15
3.	Chintan N Shah HUF	447,500	2.23	447,500	2.02
4.	Darshana Nitinkumar Shah	368,500	1.83	273,394	1.23
5.	Kajal Shekhar Somani	319,650	1.59	218,080	0.98
6.	Shital Chintan Shah	231,000	1.15	2,31,000	1.04
7.	Samirkumar Rasiklal Somani	60,500	0.30	482	Negligible
8.	Shitalkumar Rasiklal Somani	11,000	0.05	843	Negligible
	Total	**3,911,650**	**19.47**	3,013,221	13.59

** Subject to finalisation of Basis of Allotment*

(vii) None of the members of the Promoter Group, the Promoters, or the 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 Prospectus.

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

8. **Details of lock-in of Equity Shares**

(i) ***Details of Promoters' Contribution locked in for three years***

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

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

Name of the Promoter	Date of allotment of the Equity Shares*	Nature of transaction	No. of Equity Shares	Face value (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the pre-Offer paid-up capital (%)**	Percentage of the post-Offer paid-up capital (%)**	Date up to which the Equity Shares are subject to lock-in
Ajaykumar Mansukhlal Patel	March 3, 2021	Bonus issue	2,533,400	10	-	1,477,671	7.36	6.67	Three years from the date of Allotment
Chintan Nitinkumar Shah	March 3, 2021	Bonus issue	3,389,301	10	-	1,477,671	7.36	6.67	
Shekhar Rasiklal Somani	March 3, 2021	Bonus issue	3,782,809	10	-	1,477,671	7.36	6.67	
Total						4,433,013	22.07	20.00	

* *All the Equity Shares were fully paid-up on the respective dates of allotment of such Equity Shares.*
** *Subject to finalisation of Basis of Allotment.*

Our Promoters have given consent, pursuant to their letters dated March 31, 2021, to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber, in any manner, the Promoters' Contribution from the date of filing the 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.

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

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

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

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

4. The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge.

(ii) ***Details of Equity Shares locked-in for one year***

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

(iii) ***Lock-in of Equity Shares Allotted to Anchor Investors***

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

(iv) ***Other requirements in respect of lock-in***

(i) 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.

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

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

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

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

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

(iv) Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the Takeover Regulations.

9. Our Company, the Selling Shareholders, the Promoters, the Directors and the BRLMs have not entered into buyback arrangements and / or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

10. All Equity Shares issued or transferred 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 Prospectus.

11. As on the date of this Prospectus, the BRLMs and their respective associates (determined as per the definition of 'associate company' under the Companies Act, 2013 and as per definition of the term 'associate' under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

12. As on the date of this Prospectus, our Company does not have any active employee stock option plan.

13. Except for Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani, who hold 4,222,333 Equity Shares, 5,648,835 Equity Shares, and 6,304,682 Equity Shares, respectively, none of the Directors, Key Managerial Personnel, or Senior Management Personnel of our Company hold any Equity Shares in our Company. For details, see "*Our Management – Shareholding of Directors in our Company*" on page 180.

14. No person connected with the Offer, including, but not limited to, our Company, the Selling Shareholders, the members of the Syndicate, our Promoters, the members of our Promoter Group or our Directors, 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, except for fees or commission for services rendered in relation to the Offer.

15. Except for the Selling Shareholders, who are offering Equity Shares in the Offer for Sale, none of our other Promoters or members of our Promoter Group will participate in the Offer.

16. The BRLMs and persons related to the BRLMs or Syndicate Member could not apply in the Offer under the Anchor Investor Portion, except for Mutual Funds sponsored by entities which are associates of the BRLMs, or insurance companies promoted by entities which are associates of the BRLMs or a FPI (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLMs.

17. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Prospectus.

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

19. The Promoters and members of our Promoter Group will not receive any proceeds from the Offer, except to the extent of their participation as Selling Shareholders in the Offer for Sale.

20. At any given time, there shall be only one denomination of the Equity Shares of our Company, unless otherwise permitted by law.

21. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

SECTION V – PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The Offer comprises the Offer for Sale and the Fresh Issue.

Offer for Sale

The proceeds from the Offer for Sale shall be received by the Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholders will be entitled to the proceeds from the Offer for Sale, net of their respective portion of the Offer related expenses. For further details, please see "- *Offer expenses*" on page 92.

Fresh Issue

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

1. Funding capital expenditure requirements for expansion of our Dahej Manufacturing Facility;

2. Funding capital expenditure requirements for upgradation at our R&D facility in Vadodara; and

3. General corporate purposes.

(Collectively, referred to herein as the "**Objects**")

The main objects and objects incidental and ancillary to the main objects, as set out in our Memorandum of Association, enable our Company to undertake our existing business activities and the activities for which funds are being raised by us through the Fresh Issue. In addition, our Company expects to receive the benefits of listing of Equity Shares on the Stock Exchanges including enhancing our visibility and our brand image among our existing and potential customers and creating a public market for our Equity Shares in India.

Net Proceeds

The details of the proceeds of the Fresh Issue are summarised in the table below:

(₹ in million)

Particulars		Amount*
Gross Proceeds from the Fresh Issue		2,250.00
Less:	Estimated Offer related expenses in relation to the Fresh Issue	177.19
Net Proceeds		**2,072.81**

** Subject to finalisation of Basis of Allotment*

Utilization of Net Proceeds and Schedule of Implementation and Deployment

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(₹ in million)

Particulars	Total estimated cost	Amount already deployed as on June 30, 2021	Amount which will be financed from Net Proceeds	Estimated Utilization of Net Proceeds	
				Fiscal 2022	Fiscal 2023
Funding capital expenditure requirements for expansion of our Dahej Manufacturing Facility	1,513.23	42.23(1)	1,471.00	790.00	681.00
Funding capital expenditure requirements for upgradation at our R&D facility in Vadodara	239.71	-	239.71	130.00	109.71
General corporate purposes	362.10	-	362.10	362.10	-
Total			**2,072.81**	**1,282.10**	**790.71**

(1) As certified by NDJ & Co., Chartered Accountants, our Statutory Auditors, by way of their certificate dated July 5, 2021, the amount already deployed as on June 30, 2021 was funded from internal accruals of our Company.

The deployment of funds indicated above is based on management estimates, current circumstances of our business and the prevailing market condition. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. See "*Risk Factors – Our management has discretion in how it may use the proceeds of the Offer. Any variation in the utilisation of our Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.*" on page 28. Given the nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, the COVID – 19 pandemic, competitive environment and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. Subject to applicable law, if the actual utilisation towards any of 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 utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Fresh Issue in accordance with Regulation 7(2) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Offer. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned Objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals towards the aforementioned Objects.

Details of the Objects of the Fresh Issue

The details in relation to Objects of the Fresh Issue are set forth herein below:

1. Funding capital expenditure requirements for expansion of our Dahej Manufacturing Facility

We are currently in the process of expanding the installed capacity of our Dahej Manufacturing Facility located in Dahej, Gujarat. Such expansion is in furtherance of our strategy to expand our existing product portfolio by expanding our manufacturing capacity. We believe our expansion plans and strategy will allow us to meet the anticipated increase in the demand for our products in the future, enable us to supply growing markets more efficiently and drive profitability. For further details regarding our expansion strategy please see "*Our Business - Our Business Strategies - Expand our existing manufacturing capacities to capitalise on industry opportunities*" on page 158.

Land and utilities

The land on which the proposed expansion is to be undertaken is part of our Dahej Manufacturing Facility and is sub-leased to our Company pursuant to agreements with Dahej SEZ Limited. The land is spread across an area of 51,822.64 square meters, of which, 31,724.19 square meters is proposed to be utilised for the proposed expansion. We also have pre-existing arrangements for regular power and water supply at our Dahej Manufacturing Facility. For details, see "*Our Business – Utilities*" on page 162.

Capacity

As at March 31, 2021, we had an installed production capacity of 280 KL and 17 Assembly Lines at our manufacturing facilities. Pursuant to the proposed expansion, we intend to enhance the installed capacity at our manufacturing facilities by 200 KL and 14 Assembly Lines.

Schedule of implementation

The expected schedule of implementation of the proposed expansion is set forth below:

S. No.	Particulars	Status	Expected date of completion
1.	Land acquisition	Acquired	-
2.	Civil and construction work	Expected to commence in Fiscal 2022	August 2022
3.	Installation of equipment	Expected to commence in April 2022	September 2022
4.	Plant testing and commissioning	Expected to commence in September 2022	October 2022

S. No.	Particulars	Status	Expected date of completion
5.	Commercial production	Expected to commence in November 2022	-

The aforementioned schedule of implementation is based on the report dated July 5, 2021 issued by Projectplus Consultants LLP. For further details see "*Risk Factors – We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements for the proposed expansion of the Dahej Manufacturing Facility and the upgradation at our research and development facility in Vadodara and if the costs of setting up and the possible time or cost overruns related to the said expansion and upgradation are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.*" on page 27.

Means of finance

The total estimated cost for the proposed expansion is approximately ₹ 1,513.23 million. We intend to fund the estimated cost for the proposed expansion in the following manner:

(₹ in million)

Particulars	Amount
Total estimated project cost (A)	1,513.23(1)
Less: Amount deployed as of June 30, 2021 (B)	42.23(2)
Balance amount to be incurred (C) = (A – B)	1,471.00
Amount to be funded from Net Proceeds (D)	1,471.00

(1) *Total estimated cost as per the report dated July 5, 2021 issued by Projectplus Consultants LLP.*

(2) *As certified by NDJ & Co., Chartered Accountants, our Statutory Auditors, by way of their certificate dated July 5, 2021, the amount already deployed as on June 30, 2021 was funded from internal accruals of our Company.*

Based on the aforementioned, except to the extent of amounts deployed as of June 30, 2021, we confirm that the entirety of the estimated project cost shall be funded from the Net Proceeds. Accordingly, we confirm that there are no requirements 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.

Estimated cost

The total estimated cost for the proposed expansion, which is to be funded from the Net Proceeds, is approximately ₹ 1,471.00 million, as certified by Projectplus Consultants LLP, pursuant to their report dated July 5, 2021. The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for the Proposed Expansion, as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers or purchase orders issued to suppliers / vendors, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management.

The total estimated cost comprises the following:

(₹ in million)

S. No.	Particulars	Total estimated cost(1)	Amount deployed as on June 30, 2021 (2)	Amount proposed to be funded from the Net Proceeds
1.	Civil / constructions	555.10	0.00	555.10
2.	Plant / machineries	551.68	42.23	509.45
3.	Mechanical	184.96	0.00	184.96
4.	Electrical	95.73	0.00	95.73
5.	Consultancy	69.70	0.00	69.70
6.	Contingency	56.06	0.00	56.06
Total		**1,513.23**	**42.23**	**1,471.00**

(1) *Total estimated cost as per the report dated July 5, 2021 issued by Projectplus Consultants LLP.*

(2) *As certified by NDJ & Co., Chartered Accountants, our Statutory Auditors, by way of their certificate dated July 5, 2021, the amount already deployed as on June 30, 2021 was funded from internal accruals of our Company.*

Break-up of the estimated cost

The total estimated cost for the proposed expansion includes the following:

Civil and construction work: Civil and construction work for the proposed expansion includes costs towards work, among others, for RMFG store, MPP plant, OH plant, admin building, and internal RCC road, plot filling pipe rack, storm water drain, external drainage and site development. The total estimated cost for civil and construction work for the proposed expansion is ₹ 555.10 million.

Plant and machinery: Plant and machinery costs for the proposed expansion includes costs towards, among others, MPP-02 plant, utility block, OH plant (assembly section), tank farm, and warehouse. The total estimated cost for plant and machinery for the proposed expansion is ₹ 551.68 million of which our Company has already incurred ₹ 42.23 million prior to filing of the DRHP.

Mechanical work: Mechanical work for the proposed expansion includes costs towards mechanical erection and structure piping, all mountings, process piping SS316 (SCH 10), process piping SS304 (SCH 10), and MS piping (SCH 10). The total estimated cost for mechanical work for the proposed expansion is ₹ 184.96 million.

Electrical work: Electrical work for the proposed expansion includes costs towards, among others, power distribution and control cable, flamproof and non flp lighting, ldb, fittings, supply and installation of cable tray and earthing strips and labour charges and BOQ, VCB (1 incomer-3 out going) (in utility PCC room), and main power control centre panel in utility The total estimated cost for electrical work for the proposed expansion is ₹ 95.73 million.

Consultancy: Consultancy expenses for the proposed expansion includes costs towards project engineering services (civil), project engineering services (others), 3D work, and construction management services. The total estimated cost for consultancy services for the proposed expansion is ₹ 69.70 million.

Contingency: This has been computed as a percentage of estimated cost for the proposed expansion that is yet to be incurred. Accordingly, the total costs towards contingency have been estimated as ₹ 56.06 million.

A detailed break-up of such estimated costs towards the proposed expansion is set forth below:

S. No.	Particulars	Estimated cost (in ₹ million)(1)	Name of supplier / vendor	Date of quotation
1.	Civil / constructions	555.10	National Builders Infrastructure Pvt Ltd	May 18, 2021
			Sarang Infrastructure	May 20, 2021
			Narmada Construction	May 15, 2021
			Mahi Construction	May 17, 2021
			Parul Foundation	May 22, 2021
2.	Plant / machineries	551.68	PPI	February 6, 2021
			Sachin Industries Ltd	February 10, 2021
			Amar Equipments Pvt. Ltd.	February 10, 2021
			Ace Industries (India) Pvt Ltd	January 23, 2021
			Swaraj Mettalic Pumps	January 30, 2021
			Chem Pumps & Equipments	February 24, 2021
			Jet Fiber	January 25, 2021
			Forbs Marshel	February 13, 2021
			Paramount Polymer Products	February 24, 2021
			Stronglite Composites (Mihir)	January 30, 2021
			Daikin Airconditioning India Pvt. Ltd.	February 23, 2021
			K.K. Engineering	January 30, 2021
			Solex Enterprise	October 18, 2020
			Unimech Industries	February 24, 2021
			Tanisha	January 28, 2021
			Acmefil Engineering Systems Pvt Ltd	January 5, 2021
			Steelcon Engg	February 25, 2021
			Chemiquip Industries	January 30, 2021

S. No.	Particulars	Estimated cost (in ₹ million)(1)	Name of supplier / vendor	Date of quotation
			ATR Asahi	January 23, 2021
			HLE Glascoat Limited	February 23, 2021
			Perfect Engineering & Allied Works Pvt Ltd	February 24, 2021
			Kothari Pharma Technologies Private Ltd	January 23, 2021
			Jay Instruments & Systems Pvt. Ltd.	January 29, 2021
			Chemtech Fibre Glass Pvt Ltd	February 11, 2021
			Trimech Engineers Pvt Ltd	February 3, 2021
			Raccon (Thermax Make)	February 8, 2021
			Komal Industries	February 24, 2021
			Supernova Engineers Limited	February 15, 2021
			Chem Process Systems	January 29, 2021
			Radikale Engineering Pvt. Ltd.	January 30, 2021
			Polyplast	January 22, 2021
			Indibuilt Storage Systems	February 24, 2021
			Majboot Material Handling Pvt. Ltd.	February 23, 2021
			B.R. Equipments Pvt. Ltd.	February 11, 2021
			Gandhi Automation Pvt Ltd	January 25, 2021
			BOB Engineering	January 22, 2021
			Arundoday Engg. Works	January 29, 2021
			Nirma Steel Corporation	January 28, 2021
			Propylon Products	January 28, 2021
			Swami Plast Industries	January 23, 2021
			CVG Technocrafts India	January 25, 2021
			Umiya Sales Agency	January 23, 2021
			Power Engineers Company	January 23, 2021
			Raccon Services	August 1, 2020
			Unique MEP Projects Pvt Ltd	February 11, 2021
			Suntech Enterprise	January 24, 2021
			EIE Instruments Pvt Ltd	January 27, 2021
			EIE Instruments Pvt Ltd	January 29, 2021
			Spincotech Systems LLP	February 3, 2021
			Komal Scientific Co	February 9, 2021
			Thermolab Scientific Equipments Pvt. Ltd.	February 1, 2021
			Merck Life Science Pvt. Ltd.	February 1, 2021
3.	Mechanical	184.96	Nirma Steel Corporation	January 30, 2021
			Standered Hardware	February 8, 2021
			UNP Polyvalves	January 28, 2021
			Darling Muesco (India) Pvt. Ltd.	January 28, 2021
			Fidicon Devices India	February 23, 2021
			Shreeji Corro Care Inustries	February 24, 2021
			UNP Polyvalves	January 29, 2021
			Umiya Sales	February 23, 2021
			J&H	February 26, 2021
4.	Electrical	95.73	Highvolt Power & Control Systems Pvt. Ltd.	February 16, 2021
			Voltamp Transformers Limited	January 27, 2021
			Swati Switch Gear	February 22, 2021
			Polycab India Ltd	February 24, 2021
			Energy Trade	February 16, 2021
			Static Earthing Solution Pvt Ltd	February 2, 2021
			Piyush Electricals	February 10, 2021
5.	Consultancy	69.70	Project Plus Consultants	February 24, 2021
6.	Contingency	56.06	-	-
Total		**1,513.23**		

(1) Total estimated cost as per the report dated July 5, 2021 issued by Projectplus Consultants LLP.

Other expenses

If there is any increase in the estimated costs as mentioned above, the additional costs shall be met from our Company's internal accruals.

We are yet to place orders for 92.35% of the plant and machinery (in terms of the aggregate estimated cost of plant and machinery for the proposed expansion), amounting to ₹ 509.45 million. Further, the quotations received from vendors in relation to the proposed expansion are valid as on the date of this Prospectus. We have not entered into any definitive agreements with any of the vendors and there can be no assurance that the same vendor(s) would be engaged to eventually supply the machinery and equipment or we will get the machinery at the same costs. The quantity of equipment and other materials to be purchased is based on management estimates. For further details see "*Risk Factors – Our management has discretion in how it may use the proceeds of the Offer. Any variation in the utilisation of our Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.*" on page 28.

No second-hand or used machinery is proposed to be purchased out of the Offer proceeds.

Our Promoters, Directors, Key Managerial Personnel, and Senior Management Personnel do not have any interest in the proposed acquisition of the plant and machinery or in the entity from whom we have obtained quotations in relation to such proposed acquisition of the plant and machinery.

Government approvals

As on the date of this Prospectus, our Company has not commenced the civil and construction work in relation to the expansion of the Dahej Manufacturing Facility. The licenses and approvals that we have obtained in relation to Dahej Manufacturing Facility, such as the no objection certificate received on October 31, 2020 from the GPCB, water supply permission received on October 7, 2020 from the Gujarat Industrial Development Corporation, drainage permission received on October 7, 2020 from the Gujarat Industrial Development Corporation and the approval for electricity sourcing received on February 1, 2021 from Torrent Power, adequately cover the scope of the proposed expansion of the Dahej Manufacturing Facility. While we do not require any further licenses / approvals from any governmental authorities at this stage of the proposed expansion of our Dahej Manufacturing Facility, we will apply for all such necessary approvals that we may require at future relevant stages. For details, see "*Risk Factors - Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, results of operations and financial condition. Further, we may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business*." on page 30.

2. Funding capital expenditure requirements for upgradation at our R&D facility in Vadodara

We are currently in the process of upgrading our capabilities at our R&D facility located in Vadodara, Gujarat. Such upgradation is in furtherance of our strategy to develop enhanced in-house R&D capabilities toward the development of our product portfolio. For further details regarding our strategy please see "*Our Business -Our Business Strategies - Further develop our R&D capabilities*" on page 157.

Land and utilities

The land on which the proposed upgradation is to be undertaken is leased to our Company pursuant to agreements with the GIDC. The plot is spread across an area of 2,787.00 square meters, of which, 1,887.00 square meters is proposed to be utilised for the proposed upgradation. We also have pre-existing arrangements for regular power and water supply at this facility.

Schedule of implementation

The expected schedule of implementation of the proposed upgradation is set forth below:

S. No.	Particulars	Status	Expected date of completion
1.	Land acquisition	Acquired	-
2.	Civil and construction work	Expected to commence in Fiscal 2022	May 2022
3.	Installation of equipment	Expected to commence in June 2022	August 2022
4.	Commencement of lab	Expected to commence in September 2022	-

The aforementioned schedule of implementation is based on the report dated July 5, 2021 issued by Projectplus Consultants LLP. For further details see "*Risk Factors – We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements for the proposed expansion of the Dahej Manufacturing Facility and the upgradation at our research and development facility in Vadodara and if the costs of setting up and the possible time or cost overruns related to the said expansion and upgradation are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.*" on page 27.

Means of finance

The total estimated cost for the proposed upgradation is approximately ₹ 239.71 million. We intend to fund the estimated cost for the proposed upgradation in the following manner:

(₹ in million)

Particulars	Amount
Total estimated project cost (A)	239.71(1)
Less: Amount deployed as of June 30, 2021 (B)	0.00
Balance amount to be incurred (C) = (A – B)	239.71
Amount to be funded from Net Proceeds (D)	239.71

(1) Total estimated cost as per the report dated July 5, 2021 issued by Projectplus Consultants LLP.

Based on the aforementioned, except to the extent of amounts deployed as of June 30, 2021, we confirm that the entirety of the estimated project cost shall be funded from the Net Proceeds. Accordingly, we confirm that there are no requirements 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.

Estimated cost

The total estimated cost for the proposed upgradation, which is to be funded from the Net Proceeds, is approximately ₹ 239.71 million, as certified by Projectplus Consultants LLP, pursuant to their report dated July 5, 2021. The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for the proposed upgradation, as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers or purchase orders issued to suppliers / vendors, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution or any other independent agency.

The total estimated cost comprises the following:

(₹ in million)

S. No.	Particulars	Total estimated cost(1)	Amount proposed to be funded from the Net Proceeds
1.	Buildings	111.86	111.86
2.	QC equipments	102.98	102.98
3.	Electrical	9.01	9.01
4.	Consultancy	4.86	4.86
5.	Contingency	11.00	11.00
Total		**239.71**	**239.71**

(1) Total estimated cost as per the report dated July 5, 2021 issued by Projectplus Consultants LLP.

Break-up of the estimated cost

The total estimated cost for the proposed upgradation includes the following:

Buildings: Costs on buildings for the proposed upgradation includes costs towards RCC building and interior / exterior work. The total estimated cost for buildings for the proposed expansion is ₹ 111.86 million.

QC equipment: QC equipment cost for the proposed upgradation includes costs towards, among others, LC MS, SEM, GC, ICP MS, and surface area plus pore size. The total estimated cost for QC equipments for the proposed expansion is ₹ 102.98 million.

Electrical: This would include costs towards electrical / ELV work. The total estimated cost for electrical for the proposed upgradation is ₹ 9.01 million.

Consultancy: Consultancy for the proposed upgradation includes costs towards project engineering and services (civil), project engineering and services (other) and construction management services of ₹ 4.86 million.

Contingency: This has been computed as a percentage of estimated cost for the proposed upgradation. Accordingly, the total costs towards contingency have been estimated as ₹ 11.00 million.

A detailed break-up of such estimated costs towards the proposed upgradation is set forth below:

S. No.	Particulars	Estimated cost (in ₹ million)(1)	Name of supplier / vendor	Date of quotation / purchase order
1.	Buildings	111.86	National Builder & Infrastructure Pvt Ltd	May 18, 2021
			Nilam V Patel	February 23, 2021
2.	QC equipments	102.98	Toshvin Analyticals Pvt Ltd	December 30, 2020
			Spincotech Systems LLP	January 7, 2021
			AB Sciex Pte. Ltd.	January 8, 2021
			PerkinElmer Life and Analytical Sciences	January 8, 2021
			Carl Zeiss India (Bangalore) Pvt. Ltd.	January 11, 2021
			Kunash Instruments Pvt. Ltd.	January 2, 2021
			Waters (India) Private Limited	December 31, 2020
			Venus Electronics	January 8, 2021
			Kevin Scientific Instruments	January 9, 2021
			Citizen Industries	February 8, 2021
3.	Electrical	9.01	Power Control	February 18, 2021
4.	Consultancy	4.86	Project Plus Consultants	February 24, 2021
5.	Contingency	11.00	-	-
Total		**239.71**		

(1) Total estimated cost as per the report dated July 5, 2021 issued by Projectplus Consultants LLP.

Other expenses

If there is any increase in the estimated costs as mentioned above, the additional costs shall be met from our Company's internal accruals.

There is no plant and machinery sought to be acquired as part of the proposed upgradation. Further, the quotations received from vendors in relation to the proposed upgradation are valid as on the date of this Prospectus. We have not entered into any definitive agreements with some of the vendors and there can be no assurance that the same vendor(s) would be engaged to eventually supply the machinery and equipment or we will get the machinery at the same costs. The quantity of equipment and other materials to be purchased is based on management estimates. For further details see "*Risk Factors – Our management has discretion in how it may use the proceeds of the Offer. Any variation in the utilisation of our Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.*" on page 28.

No second-hand or used machinery is proposed to be purchased out of the Offer proceeds.

Our Promoters, Directors, Key Managerial Personnel, and Senior Management Personnel do not have any interest in the proposed acquisition of the plant and machinery or in the entity from whom we have obtained quotations in relation to such proposed acquisition of the plant and machinery.

Government approvals

As on the date of this Prospectus, our Company has not commenced the civil and construction work in relation to the upgradation at our R&D facility. We do not require any further licenses / approvals from any governmental authorities at this stage of the proposed upgradation of our R&D Facility, and we will apply for all such necessary approvals that we may require at future relevant stages. For details, see "*Risk Factors - Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely* *affect our business, results of operations and financial condition. Further, we may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business*.” on page 30.

3. General corporate purposes

Our Company intends to deploy the balance Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in accordance with Regulation 7(2) of the SEBI ICDR Regulations, to drive our business growth, including, amongst other things, (i) funding growth opportunities, including strategic initiatives; (ii) meeting any expenses incurred in the ordinary course of business by our Company, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (iii) servicing of borrowings including payment of interest; (iv) brand building and other marketing expenses; (v) meeting of exigencies which our Company may face in the course of any business; and (vi) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company’s management, in accordance with the policies of the Board, will have flexibility in utilizing surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Interim use of Net Proceeds

Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds 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.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it 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.

Means of finance

The fund requirements set out for the aforesaid Objects are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue, existing working capital funding from the banks and internal accruals as required under the SEBI ICDR Regulations.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds.

Appraising entity

The Objects for which the Net Proceeds will be utilised have not been appraised.

Offer expenses

The total expenses of the Offer are estimated to be approximately ₹ 377.40 million. The Offer expenses includes listing fees, fees payable to the BRLMs, underwriting fees, selling commission, legal counsels, advisors to the Offer, Registrar to the Offer, Banker(s) to the Offer including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

The fees and expenses relating to the Offer shall be shared in the proportion between our Company and the Selling Shareholders, in accordance with Applicable Laws. The Selling Shareholders, severally and not jointly, undertake to reimburse our Company for the expenses incurred by our Company on their behalf for the respective proportion of Equity Shares sold by each Selling Shareholders, upon successful consummation of the Offer. However, in the absence of any express regulatory requirement on the sharing of expenses, in the event that the Offer is withdrawn or not completed for any reason whatsoever, the Company and the Selling Shareholders have mutually agreed that all the Offer related expenses will be borne exclusively by our Company.

The break-up for the estimated Offer expenses are as follows:

Activity	Estimated expenses (₹ in million)*	As a % of total estimated Offer related expenses	As a % of Offer size
Fees payable to the BRLMs and commissions (including underwriting commission, brokerage and selling commission)	197.80	52.41%	3.96%
Selling commission payable to SCSBs for Bids directly procured by them and processing fees payable to SCSBs for Bids (other than Bids submitted by RIIs using the UPI Mechanism) procured by the Members of the Syndicate, the Registered Brokers, CRTAs or CDPs and submitted to SCSBs for blocking, Bankers to the Offer, fees payable to the Sponsor Bank for Bids made by RIBs (1)(2)	60.73	16.09%	1.21%
Selling commission and uploading charges payable to Members of the Syndicate (including their Sub-Syndicate Members), RTAs, CDPs and Registered Brokers (3)(4)(5)			
Processing fees payable to the Sponsor Bank (5)	13.64	3.61%	0.27%
Fees payable to Registrar to the Offer	4.72	1.25%	0.09%
Printing and stationery expenses	16.52	4.38%	0.33%
Advertising and marketing expenses	29.50	7.82%	0.59%
Listing fees, SEBI fees, BSE and NSE processing fees, book-building software fees, and other regulatory expenses	29.43	7.80%	0.59%
Fees payable to legal counsel	25.06	6.64%	0.50%
Total estimated Offer expenses	**377.40**	**100.00%**	**7.54%**

** Inclusive of applicable taxes.*

(1) *Selling commission payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:*

*Portion for RIBs**	*0.35% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*0.20% of the Amount Allotted (plus applicable taxes)*

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

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

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

Processing fees payable to the SCSBs on the portion for 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 Non-Institutional Bidders**	*₹ 10 per valid application (plus applicable taxes)*

(3) *Selling commission on the portion for RIBs (using the UPI mechanism), Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:*

Portion for RIBs	*0.35% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*0.20%of the Amount Allotted* (plus applicable taxes)*

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

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

Uploading Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or *using 3-in-1 accounts, would be as follows: ₹ 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.*

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

(4) *Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIBs procured through UPI Mechanism and Non Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:*

*Portion for RIBs**	*₹ 10 per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ 10 per valid application (plus applicable taxes)*

* *Based on valid applications*

(5) *Uploading charges/ Processing fees for applications made by RIBs using the UPI Mechanism would be as under:*

Members of the Syndicate / RTAs / CDPs	*₹ 30 per valid application (plus applicable taxes)*
Sponsor Bank	*₹ 8 per valid application (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws*

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

The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

Monitoring utilization of funds from the Offer

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company has appointed ICICI Bank Limited as the Monitoring Agency to monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency upon receipt before the Audit Committee without any delay.

Pursuant to the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Additionally, the Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in the Red Herring Prospectus and this Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds of the Offer from the Objects as stated above. The 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. We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and the applicable rules, and the SEBI ICDR Regulations, our Company shall not vary the Objects without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Notice**") shall specify the prescribed details as required under the Companies Act. The Notice shall simultaneously be published in the newspapers, one in English and one in Gujarati, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal, at a price as prescribed by SEBI, in this regard.

Other confirmations

There is no proposal whereby any portion of the Net Proceeds will be paid to our Promoters, Promoter Group, Directors, Key Managerial Personnel, or Senior Management Personnel, except in the ordinary course of business. Further, there are no existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel and / or Senior Management Personnel.

BASIS FOR THE OFFER PRICE

The Price Band, Floor Price and Offer Price have been determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10 and the Offer Price is 107.3 times the face value at the lower end of the Price Band and 108.3 times the face value at the higher end of the Price Band. The financial information included herein is derived from our Restated Consolidated Financial Statements. Investors should also refer to "*Our Business*", "*Risk Factors*", "*Financial Statements*", "*Management's Discussion and Analysis of Financial Position and Results of Operations*" and "*Other Financial Information*" on pages 151, 24, 198, 252 and 197, respectively, to have an informed view before making an investment decision.

Qualitative factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are:

- leading manufacturer of structure directing agents and phase transfer catalysts, with consistent quality;
- global presence with a wide customer base across various industries having high entry barriers;
- diversified specialised product portfolio requiring strong technical know-how;
- modern manufacturing facilities with a focus on 'green' chemistry processes;
- strong R&D capabilities;
- experienced Promoters with a strong management team; and
- robust financial performance.

For further details, see "*Our Business – Our Competitive Strengths*" on page 153.

Quantitative factors

Some of the information presented below relating to our Company is based on the Restated Consolidated Financial Statements. For details, see "*Financial Statements*" on page 198.

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

I. Basic and diluted earnings per share ("EPS")

Fiscal Year ended	Basic EPS (in ₹)(1)	Diluted EPS (in ₹)(2)	Weight
March 31, 2021	26.02	26.02	3
March 31, 2020	18.81	18.81	2
March 31, 2019	10.23	10.23	1
Weighted Average	20.99	20.99	-

(1) *Basic EPS (₹) = Net Profit as restated attributable to the owners of our Company divided by the weighted average number of equity shares outstanding during the year.*

(2) *Diluted EPS (₹) = Net profit as restated attributable to the owners of our Company divided by the weighted average number of diluted Equity Shares outstanding during the year.*

Notes:

1. *Basic and diluted earnings per Equity 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).*
2. *Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.*
3. *The above statement should be read with significant accounting policies and notes on Restated Consolidated Financial Statements as appearing in the Restated Consolidated Financial Statements.*

II. Price/Earning ("P/E") ratio in relation to Price Band of ₹ 1,073 to ₹ 1,083 per Equity Share:

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic and diluted EPS for Fiscal 2021	41.24	41.62

Industry Peer Group P/E ratio

Particulars	Industry P/E (number of times)
Highest	77.41
Lowest	58.15
Average	69.55

Note:
The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average of P/E for industry peer set disclosed in this section. All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2021, as available on the websites of the Stock Exchanges.

III. Return on Net Worth ("RoNW")

Derived from Restated Consolidated Financial Statements:

Fiscal Year ended	RoNW (%)[(1)]	Weight
March 31, 2021	31.49	3
March 31, 2020	32.11	2
March 31, 2019	25.78	1
Weighted Average	**30.75**	-

(1) *Return on net worth (%) = Restated profit for the year as divided by total equity as at the end of the year.*
Net Worth means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account, as per the restated statement of assets and liabilities of our Company in the Restated Consolidated Financial Statements.

IV. Net Asset Value per Equity Share (face value of ₹ 10 each)

Fiscal year ended/ Period ended	NAV per Equity Share (₹)[(1)]
As on March 31, 2021	82.62
After the completion of the Offer:	
(i) At Floor Price	176.23
(ii) At Cap Price	176.39
Offer Price[(2)]	1,083

(1) *Net Asset Value per Equity Share is calculated by dividing net worth (as restated) including share capital and reserves and surplus (as restated at the end of the year / period) by number of equity shares outstanding at the end of the period / year.*
(2) *Offer Price per Equity Share has been determined on conclusion of the Book Building Process*

V. Comparison with listed industry peers

Name of the company	Consolidated/ Standalone	Face value (₹ per share)	Closing price on July 2, 2021 (₹)	Total Revenue (in ₹ million)	EPS (₹)		NAV[(2)] (₹ per share)	P/E[(3)]	RoNW[(4)] (%)
					Basic	Diluted[(1)]			
Tatva Chintan Pharma Chem Limited#	Consolidated	10	N.A.	3,062.92	26.02	26.02	82.62	41.62	31.49
PEER GROUP									
Aarti Industries Limited*	Consolidated	5	873.35	45,068.00	15.02	15.02	48.48	58.15	15.23
Navin Fluorine International Limited	Consolidated	2	3,799.25	12,584.37	52.03	51.96	33.01	73.12	15.76
Alkyl Amines Chemicals Limited**	Consolidated	2	3,696.65	12,493.89	57.87	57.72	15.53	64.04	37.27
Vinati Organics Limited	Standalone	1	2,028.20	9,801.02	26.20	26.20	15.02	77.41	17.45

Name of the company	Consolidated/ Standalone	Face value (₹ per share)	Closing price on July 2, 2021 (₹)	Total Revenue (in ₹ million)	EPS (₹)		NAV(2) (₹ per share)	P/E(3)	RoNW(4) (%)
					Basic	Diluted(1)			
Fine Organics Industries Limited	Consolidated	5	2,944.10	11,503.16	39.25	39.25	23.86	75.01	16.45

Note: # Based on the Restated Consolidated Financial Statements for the year ended March 31, 2021
Peer group data is based on annual reports and Audited Financial Results for the year ended March 31, 2021 of the respective companies.

** The board of directors of Aarti Industries Limited recommended an issuance of fully paid up bonus shares in the ratio of 1:1 i.e. 1 (one) equity share for every 1 (one) fully paid up equity share of ₹ 5 each subject to approval of the shareholders of the company. The board of directors in its meeting held June 24,2021 approved the allotment with record date of June 23, 2021. This information is sourced from the announcements made by Aarti Industries Limited to the Stock Exchanges. Accordingly, the details of the EPS and NAV of the company above has been adjusted taking this into consideration.*

*** The board of directors of Alkyl Amines Chemicals Limited has considered and approved the sub-division of its equity shares of face value of ₹ 5 each fully paid up, to equity shares of face value of ₹ 2 each fully paid up on February 2, 2021. The record date as May 12, 2021 was fixed for the sub-division. This information is sourced from the announcements made by Alkyl Amines Chemicals Limited to the Stock Exchanges. Accordingly, the details of the EPS and NAV of the company above has been adjusted taking this into consideration.*

(1) Diluted EPS refers to the diluted earnings per share of the respective company
(2) NAV is computed as the net worth at the end of the year divided by the closing outstanding number of equity shares except for our Company as on March 31, 2021 and June 30,2021. For our Company, NAV per share has been calculated based on the following: Net worth at the end of the respective periods divided by number equity shares outstanding at the end of March 31, 2021. Net worth is share capital and other equity, except for our Company. For our Company, "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
(3) P/E Ratio has been computed based on the closing market price of the equity shares (Source: BSE) on July 2,2021 , divided by the diluted EPS provided under Note (1). For our Company, P/E has been computed based on the Offer Price i.e. ₹ 1,083
(4) RoNW is computed as net profit of the company divided by net worth at the end of the year.

The Offer Price of ₹ 1,083 has been determined by our Company in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Position and Results of Operations*" and "*Financial Statements*" on pages 24, 151, 252 and 198, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
Tatva Chintan Pharma Chem Limited
Plot No. 502/17, G.I.D.C Estate,
Ankleshwar G.I.D.C,
Ankleshwar, Bharuch – 393 002.

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg,
Churchgate, Mumbai,
400 020.

JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025.

(ICICI Securities Limited, JM Financial Limited, collectively, with any other book running lead managers that may be appointed in connection with the Offer, the"**Lead Managers**")

Dear Sirs,

Re: Proposed initial public offering of equity shares of face value Rs. ₹10 each (the "Equity Shares" and such offering, the "Offer") of Tatva Chintan Pharma Chem Ltd. (the "Company")

We report that the enclosed statement in the **Annexures**, states the possible special tax benefits under direct and indirect tax laws, available to the Company, its shareholders and to its material subsidiary identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended being M/s Tatva Chintan USA INC (referred to as "**Material Subsidiary**"). Several of these benefits are dependent on the Company, its shareholders or its Material Subsidiary, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders or its Material Subsidiary to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, its shareholders and its Material Subsidiary faces in the future, the Company, its shareholders and its Material Subsidiary may or may not choose to fulfill.

The benefits discussed in the enclosed **Annexures** are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither we are suggesting nor advising the investor to invest in the Offer based on this statement.

In respect of the material Subsidiary, M/s Tatva Chintan USA INC., we have relied on the certificate from their local professional that the Material Subsidiary is not eligible for any special tax benefits other than those which are mentioned in enclosed Annexures.

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

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

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

We hereby give consent to include this statement of special tax benefits in the red herring prospectus, prospectus and in any other material used in connection with the Offer (together, the "**Offer Documents**").

This certificate is issued for the sole purpose of the Offer, and can be used, in full or part, for inclusion in the Offer Documents, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the Lead Managers in connection with the Offer and in accordance with applicable law, and for the purpose of any defense the Lead Managers may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

This certificate may be relied on by the Lead Managers, their affiliates and legal counsel in relation to the Offer.

We undertake to update you in writing of any changes in the above mentioned position until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

We have relied upon the information/evidences provided by the company.

Yours faithfully,

For and on behalf of, M/s NDJ & Co.
FRN: 136345W

Authorized signatory
Name: CA. Mitali Shah
Designation: Partner
Membership Number : 143475
UDIN: 21143475AAAAGM6742

Place: Surat
Date: July 5, 2021

Encl: As Above

CC:

Domestic Legal Counsel to the BRLMs

IndusLaw
#1502B, 15th Floor,
Tower – 1C,
"One World Centre",
Senapati Bapat Marg,
Lower Parel,
Mumbai – 400 013.

Domestic Legal Counsel to the Company

Khaitan & Co
Max Towers,
7th & 8th Floors,
Sector 16B, Noida,
Gautam Buddh Nagar 201 301,
India.

ANNEXURE 1
STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS
UNDER THE APPLICABLE LAWS IN INDIA – INCOME-TAX ACT, 1961

Outlined below are the possible special tax benefits available to Tatva Chintan Pharma Chem Limited (the "Company") and its Shareholders under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to Assessment year 2022-23.

I. Special tax benefits available to the Company

(i) As per the provisions of section 80JJAA of the Act, a company subject to tax audit under section 44AB of the Act and whose gross total income includes any profit and gains derived from business shall be entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfillment of prescribed conditions specified in sub section (2) of section 80JJAA of the Act;

(ii) As per provisions of section 10AA of the Act, in computing the total income of an assessee being an entrepreneur as referred to in clause (j) of section 2 of the Special Economic Zones Act, 2005, from his Unit located in Special Economic Zones (SEZ) , who begins to manufacture or produce articles or things or provide any services during the previous year relevant to any assessment year commencing on or after the 1st day of April, 2006, but before the first day of April, 2021, deduction u/s 10AA of the Act shall be allowed in the manner provided in section 10AA of the Act. The eligibility to claim deduction is subject to fulfillment of conditions specified in section 10AA of the Act;

(iii) As per provisions of section 35(2AB) of the Act, a company engaged in any business of manufacture or production of any article or thing, not being an article or thing specified in the list of the Eleventh Schedule, shall be eligible for deduction under sub-section 2AB of section 35 of the Act if it incurs any expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility as approved by the prescribed authority. The eligibility to claim deduction is subject to fulfillment of conditions specified in sub-section 2AB of section 35 of the Act and conditions stipulated by Department of Scientific and Industrial Research ("DSIR"). It is to be noted that approval of DSIR to the in-house R&D unit was valid till March 31, 2021 only which is extended till September 30, 2021 by DSIR vide its order dated May 24, 2021. However for subsequent period, deduction will be subject to approval of DSIR to the recognition of in-house R&D unit for respective period.

II. Special tax benefits available to the Material Subsidiary (M/s Tatva Chintan USA INC)

i. Effective federal income tax rate for calendar year 2021 is 21% and effective state income tax rate for the calendar year 2021 is 6%;

ii. The financial statements of the Company are not subject to mandatory audit as per the applicable law, generally acceptable accounting principles and auditing standards applicable in the jurisdiction where the Company is incorporated; and

iii. The financial statements of the Company are not subject to mandatory application of any generally acceptable accounting principles or auditing standards as per the applicable law in the jurisdiction where the Company is incorporated.

Material subsidiary or its shareholder is not eligible for any special tax benefit.

III. Special tax benefits available to the Shareholders of the Company

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

Notes:

1. This Annexure sets out only the possible special tax benefits available to the Company and the shareholders under the current Income-tax Act, 1961 i.e. the Act as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to Assessment year 2022-23.

2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.
4. As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.168% (including applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). The Company has not adopted the said tax rate with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim any of the following deductions/exemptions:
   (i) Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone);
   (ii) Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation);
   (iii) Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund);
   (iv) Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
   (v) Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
   (vi) Deduction under section 35CCD (Expenditure on skill development)
   (vii) Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M
   (viii) No set off of any loss carried forward or depreciation from any earlier assessment year shall be allowed, if such loss or depreciation is attributable to any of the deductions referred from clause (i) to (vii) above
   (ix) No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A shall be allowed, if such loss or depreciation is attributable to any of the deductions referred from clause (i) to (vii) above

   Further, it was clarified by CBDT vide Circular No. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim brought forward MAT credit .

5. This Annexure 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 arising out of their participation in the Proposed IPO.

6. 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 Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.

7. No assurance is provided 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.

8. For and on behalf of, M/s NDJ & Co.

FRN: 136345W

Authorized signatory
Name: CA. Mitali Shah
Designation: Partner
Membership Number: 143475
UDIN: 21143475AAAAGM6742

Place: Surat
Date: July 5, 2021

ANNEXURE 2

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

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act, 2020 applicable for the Financial Year 2020-21, Special Economic Zones Act, 2005 ("SEZ Act"), Foreign Trade Policy 2015-20 as extended till 31.03.2021 vide Notification No. 57/2015-20 dated 31.03.2020 (unless otherwise specified), presently in force in India and Finance Act, 2021 applicable for FY 2021-22.

I.Special tax benefits available to the Company

The Company is availing the following benefits under Indirect Taxes:

1. In accordance with Section 54 of the CGST Act 2017 read along with Rule 96 of CGST Rules, 2017, input tax credit availed on inputs and input services used in manufacture of exported goods/ IGST paid at the time of export of goods are eligible for refund, subject to prescribed conditions;
2. The SEZ unit of the Company has availed exemption from the payment of Custom duties and has also availed zero-rated supplies under relevant Customs notification and Section 16 of IGST Act respectively.
3. Duty drawback of duty paid on import of materials used in manufacture of export goods under Section 75 of the Customs Act;
4. 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 30.09.2021 vide Notification No. 60/2015-20 dated 31.03.2021 (unless otherwise specified). However, the Cabinet has approved a WTO compliant scheme named "Remission of Duty and Taxes on Exported Products" ("RODTEP") to determine mechanism for reimbursement of taxes, duties/levies at central, state and local level. However, the benefits under the said scheme is not notified yet but there may be chances that the company will get benefits of the scheme subject to prescribed conditions. The said scheme will also replace MEIS in a phased manner. Further, the Directorate General of Foreign Trade ("DGFT") are yet to notify extension of Service Export from India Scheme for FY 2020-21 on which the decision will be taken and notified subsequently;
5. In terms of Notification No. 18/2015 – Customs dated 1st April 2015 (and as amended from time to time), materials imported against Advance Authorization License under Foreign Trade Policy 2015-20, are exempt from payment of customs duty, additional duty, safe-guarding duty and anti-dumping duty as levied under Tariff Act. Further, the said exemption has been extended till 31.03.2021 vide Notification No. 18/ 2020 dated 30.03.2020. Similar extension till 31.03.2021 under FTP has been provided vide Notification No. 57/2015-20 dated 31.03.2020. Similar extension till 30.09.2021 under FTP has been provided vide Notification No. 60/2015-20 dated 31.03.2021;
6. In terms of Notification No. 16/2015 – Customs dated 1st April 2015 (and as amended from time to time), capital goods imported under Export Promotion Capital Goods scheme ("EPCG") under Foreign Trade Policy 2015-20, are exempt from payment of customs duty, additional duty, safe-guarding duty and anti-dumping duty as levied under Tariff Act. Further, the said exemption has been extended till 31.03.2021 vide Notification No. 18/ 2020 dated 30.03.2020. Similar extension till 31.03.2021 under FTP has been provided vide Notification No. 57/2015-20 dated 31.03.2020. Similar extension till 30.09.2021 under FTP has been provided vide Notification No. 60/2015-20 dated 31.03.2021;
7. In line with Notification No. 79/2017 – Customs dated 13th October 2017 (and as amended from time to time), exemption is available from payment of IGST and Compensation Cess on goods imported under Advance Authorisation License and EPCG scheme. Further, the said exemption under Customs has been extended till 31.03.2021 vide. Notification No. 18/ 2020 – Customs dated 30.03.2020; the said exemption under Customs has been extended till 31.03.2022 vide. Notification No. 23/ 2021 – Customs dated 30.03.2021;
8. The Company has obtained a registration from the DSIR on **March 28, 2019** for its Research and Development Unit located at Plot No. 353, GIDC, Makarpura, Vadodara, Gujarat which is approved under section 35(2AB)

of the Act by the prescribed authority (Secretary, Department of Scientific and Industrial Research), vide Order No F. No. TU/IV-RD/4456/2019 dated 28th March, 2019. On the basis of the said certificate, the in-house R & D units will be able to avail of customs/excise duty exemption on purchase of equipments, instruments, spares thereof, consumables, etc. that are used for research and development subject to relevant Government policies in force from time to time and subject to separate applications being made under the relevant regulations.

II.Special tax benefits available to the Material Subsidiary (M/s Tatva Chintan USA INC)

Sales tax is not applicable to the company in the U.S.A. Non-applicability of the sales tax is, NOT the special tax benefit available to the U S Subsidiary or its shareholders in the USA. The material subsidiary is not eligible for any special tax benefit.

III.Special tax benefits available to the Shareholders of the Company

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

Notes:

1. This Annexure sets out only the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 applicable for the Financial Year 2021-22, Special Economic Zones Act, 2005 ("SEZ Act"), Foreign Trade Policy 2015-20 as extended till 30.09.2021 vide Notification No. 60/2015-20 dated 31.03.2021 (unless otherwise specified), presently in force in India.
2. This Annexure 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, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Proposed IPO.
3. Our comments are based on our understanding of the specific activities carried out by the Company from 1 April 2021 till the date of this Annexure as per the information provided to us. Any variation in the understanding could require our comments to be suitably modified.
4. We have been given to understand that during the period from 1st April 2021 to the date of this Annexure, the Company intends to:
   i. avail above mentioned exemption, benefits and incentives under indirect tax laws
   ii. export goods and services outside India
   iii. import goods and services from outside India
5. This annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
6. These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
7. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of, M/s NDJ & Co.
FRN: 136345W

Authorized signatory
Name: CA. Mitali Shah
Designation: Partner
Membership Number: 143475
UDIN: 21143475AAAAGM6742

Place: Surat
Date: July 5, 2021

SECTION VI - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

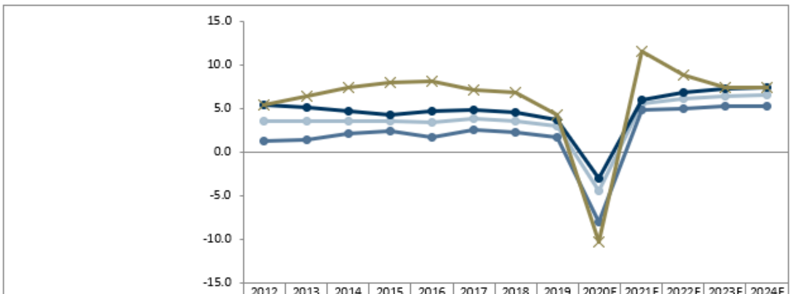
Unless otherwise indicated, the information in this section is obtained or extracted from the report dated March 30, 2021 and titled "Independent Market Report – India Chemicals and Specialty Chemicals Markets" prepared and issued by Frost & Sullivan. Neither we nor any other person connected with the Offer have independently verified industry related information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

Macroeconomic Overview – Global

Gross Domestic Product (GDP) Growth

The baseline forecast envisions a ~4.4% contraction in global GDP in 2020. Using market exchange rate weights—this has been the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support. The deep recession triggered by this pandemic is expected to have short-term repercussions like low investments with the erosion of human capital and fragmentation of the global trade linkages. However, the medium-long term health of the economy will be healthy, with the demand expected to soar back to its pre-COVID levels. This is expected to be driven by the increased government investments and incentive schemes.

Real GDP Growth (%) 2012 - 2024F



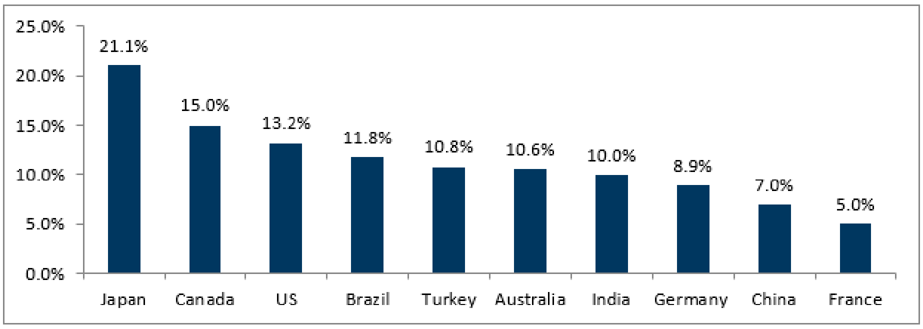
	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021F	2022F	2023F	2024F
World	3.5	3.5	3.6	3.5	3.4	3.9	3.6	2.9	-4.4	5.5	6.1	6.4	6.5
Advanced Economies	1.2	1.4	2.1	2.3	1.7	2.5	2.2	1.7	-8.0	4.8	5.0	5.3	5.3
Emerging markets & developing economies	5.3	5.1	4.7	4.3	4.6	4.8	4.5	3.7	-3.0	5.9	6.8	7.3	7.4
India	5.5	6.4	7.4	8.0	8.2	7.2	6.8	4.3	-10.3	11.5	8.8	7.4	7.4

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

COVID-19 fiscal stimulus packages in G20 countries

In order to address these issues, most of the large global economies have announced several stimulus packages to revive demand.

COVID-19 fiscal stimulus packages in G20 countries, as a share of GDP



Source: IMF

Macroeconomic Overview of India

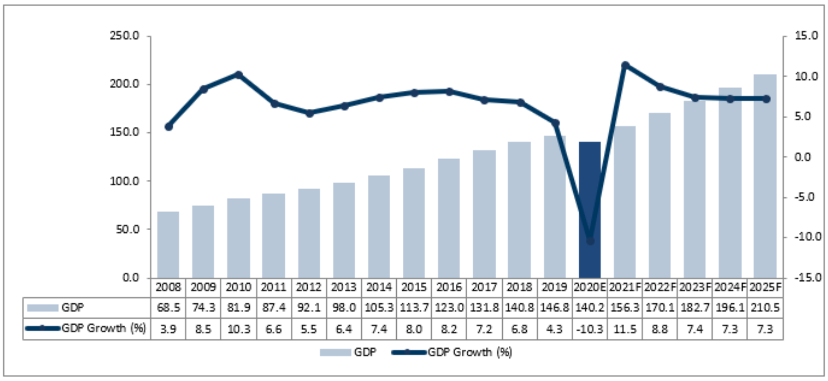
Gross Domestic Product (GDP) Growth and Outlook

An already-slowing Indian economy has been derailed from its growth track after a stringent shutdown was imposed in March to halt the spread of Covid-19. India's GDP is expected to contract by 10.3% in FY21 – for the first time in four decades.

However, the medium term growth outlook is expected to improve and record a growth rate of ~7.3% by 2025F, on an account of the strong macroeconomic fundamentals which include moderate inflation, the implementation of key structural reforms and the improved fiscal and monetary policies. Meanwhile, the recent moves by the government to improve balance sheets of state-owned banks, through an augmented re-capitalization plan worth INR 2,110 Bn for public sector banks spread over two years, is expected to support the capital shortages of the public sector banks that have hindered the bank's lending capacity.

Due to Covid-19, the GDP of Q1 of FY21 GDP declined by 23.9% at INR 26,895 Cr as compared to INR 35,353 Cr for the same period last year (Q1 FY20). The Private Final Consumption declined by 24% in Q1 FY21 as compared to Q1 FY20 and the Gross Final Capital Formation reduced by 48% for the same tenure.

Real GDP Value, at constant price (INR 000'Bn) and Growth %, India, 2008 to 2025F



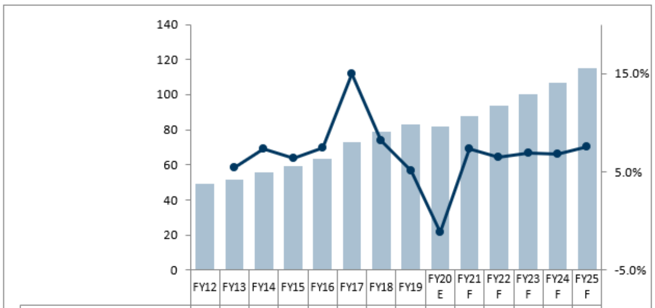
Source: Moody's Outlook (Nov 2019) Moody's press release 2020, International Monetary Fund Estimate, Dun and Bradstreet, Frost & Sullivan

Private Final Consumption Expenditure (PFCE) growth in India

The Private Final Consumption Expenditure has been showing a subdued growth over past couple of years. However, the PFCE growth decelerated in 2019 due to the reduced rural and urban income growth, the waning Pay Commission effect and the NBFC (Non-Banking Financial Company) crunch.

In 2019-20, Private Final Consumption Expenditure (PFCE) had a share of ~57% in India's GDP. PFCE growth collapsed to 2.7% in the March 2020 quarter, with the year average estimated to be as low as -0.5% - the lowest since June 2006. Real private final consumption expenditure (PFCE) is expected to decline by 0.5 % owing to the impact of covid-19 pandemic during 2020-21 but likely to record 7.3 % growth during FY21. Going ahead, PFCE is expected to stabilize between 6.9% - 7.5% through 2023-25.

Private Final Consumption (INR 000'Bn) and Growth (%), India, FY12 to FY25F



	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20 E	FY21 F	FY22 F	FY23 F	FY24 F	FY25 F
Private Final Consumption Expenditure (PFCE)	49	52	56	59	64	73	79	83	82	88	94	100	107	115
PFCE growth %		5.5%	7.3%	6.4%	7.4%	14.9%	8.2%	5.1%	-1.2%	7.3%	6.5%	6.9%	6.8%	7.5%

Source: MOSPI - First Advance Estimates of National Income, 2019-20, at 2011-12 prices; estimates of GDP for the first quarter (April - June) 2020-2021(Published on 31st August); Revised outlook based on covid-19 not published by MOSPI

Strong Growth Path

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

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

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

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

- Govt. announced a production linked incentive (PLI) scheme for the promotion and manufacturing of pharmaceutical raw materials in India. The government's move is aimed to boost domestic manufacturing and cut dependence on imports of critical Active Pharmaceutical Ingredients (APIs). Further, the government has also decided to develop three mega bulk drug parks in partnership with states. These schemes will likely appeal more to the smaller players and should foster more investments. The government is soon planning to roll out such a scheme for the chemicals sector as well.

- The government is also in the process of launching a production-linked incentive (PLI) for the chemical sector to increase self-reliance in the country. This move is to reduce country's dependency on imports of basic chemicals. The PLI scheme will help the sector to identify import-dependent chemicals and work towards producing them within the country.

- Specialty chemical companies will look at import substitution along with export opportunities to further drive their business. Historically, domestic consumption has been the driving metric for Specialty chemicals manufacturing in India, with exports playing a much smaller part – owing to reduced raw material availability, higher utility tariffs and a stricter regulatory structure. However, owing to the current geo-political issues, India's focus on being a manufacturing hub for exports of specialty chemicals will increase, subsequently increasing the share of exports in the overall market.

- **Preferred Destination for Foreign Investment:** Lately, India has become an attractive destination for foreign investment owing to its large and rapid growing consumer market in addition to a developed commercial banking network, availability of skilled manpower and a package of fiscal incentives for foreign investors

- **Strong and Diversified Industrial and Infrastructural Base:** India has established a strong and diversified manufacturing base for the production of a wide variety of basic and capital goods to meet the requirements of various sectors; and systematically rolled out a public-private partnership (PPP) programme for the delivery of high-priority public utilities and infrastructure.

- **Burgeoning Foreign Exchange (Forex) Reserves:** India's foreign exchange reserves (currently USD 500 Bn, the highest ever) provide confidence in the country's ability to manage the balance of payments.

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

- **Aatmanirbhar Bharat Abhiyan- 02:** These announcements were made on 12th Oct 2020:

- Rs 25,000 crores provided as additional capital expenditure to Ministry of Road Transport and Ministry of Defence

- 11 States were sanctioned Rs. 3621 crores as interest free loan towards capital expenditure

- **Aatmanirbhar Bharat Abhiyan- 03:**

- Prime Ministers Rozgar Protsahan Yojana (PMRPY) was implemented upto 31.3.2019 to incentivize formalization and creation of new employment

- Total benefit of Rs. 8300 Crore has been given to 1,52,899 Establishments covering 1,21,69,960 Beneficiaries under PMRPY

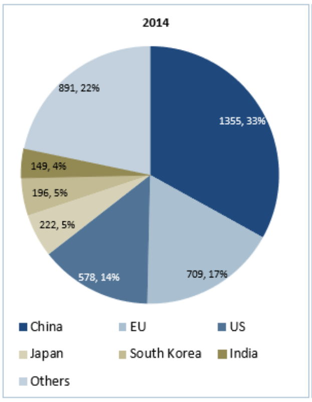
To sum up, India's growth story at a fast pace is likely to continue because of its strong macroeconomic fundamentals. The way forward is too uncertain and it is not possible to have a precise road map for the foreseeable future. However, given India's strong fundamentals and a clear roadmap to maintain the growth trajectory, the country will remain at the forefront of global economic growth.

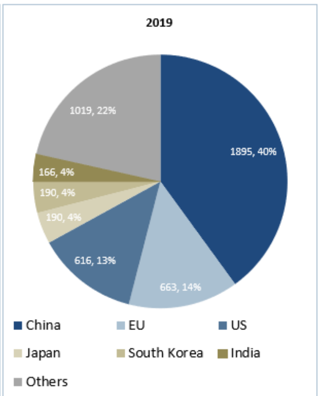
Global Chemical Industry Overview

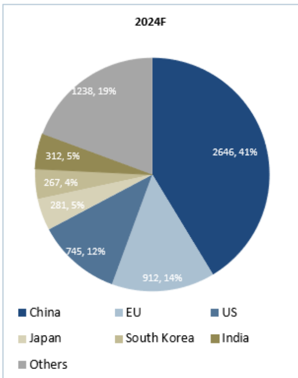
Global Chemicals Market

The global chemicals market is valued at around USD 4,738 Bn with China accounting for major market share (37%) in the segment followed by European Union (17%) and United States (14%). India accounts for ~3.5% market share in the global chemicals market. The global chemicals market is expected to grow at 6.2% CAGR; reaching USD 6,400 Bn by 2024. Going forward the APAC is anticipated to grow at the fastest rate of 7-8% during the forecast period (2019-24F). The chemicals markets in Western Europe, North America, and Japan are relatively mature and hence would record slow growth rates of around 3-4%.

Global chemicals market, 2014, 2019 and 2024F, USD 4,100, USD 4,738 Bn and 6,400 Bn

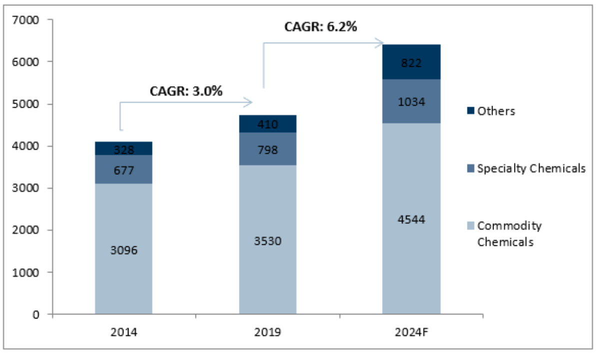






Source: Frost & Sullivan

Global chemicals market, 2014, 2019 and 2024F (USD 4100 Bn, USD 4738 Bn and USD 6400 Bn)



Source: Frost & Sullivan

Note: Others mainly include Biotech chemicals among others. Also note that the Indian chemical industry generally showcases Agrochemicals & Fertilizers and Pharmaceuticals API outside of Specialty chemicals and Petrochemicals outside of Commodity Chemicals. In the above graph the specialty chemicals section, however, is inclusive of the 2 categories (Agrochemical and Fertilizers and Pharmaceuticals API) and the Commodity Chemicals section is inclusive of Bulk chemicals and Petrochemicals.

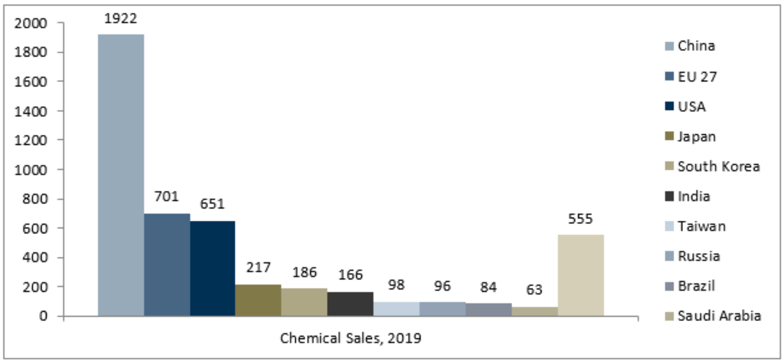
	Commodity Chemicals	Specialty Chemicals	Other Chemicals
2014-19	**2.6%**	**3.4%**	**-3.9%**
2019-24F	**5.1%**	**5.3%**	**13.2%**

Commodity Chemicals: The commodity chemicals market includes companies that manufacture basic chemicals in large volumes. These include plastics, synthetic fibres, films, certain paints and pigments, explosives, and petrochemicals. There is limited product differentiation within the sector; products are sold for their composition. The commodities market is highly fragmented. The end user markets include other basic chemicals, specialties, and other chemical products; manufactured goods such as textiles, automobiles, appliances, and furniture; and pulp and paper processing, oil refining, aluminium processing, and other manufacturing processes. Markets also include some non-manufacturing industries. The sector is presently valued at ~USD 3,700 Bn and is expected to grow at 5%-6% globally in the next five years.

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

World chemicals sales were valued at USD 4738 Bn in 2019. China is the largest chemicals producer in the world, contributing to 40.6% of global chemical sales in 2019. With 14.8%, the EU27 chemical industry ranked second in total sales and United States ranked third with 13.8%. Worldwide, the competitive landscape has changed significantly over the last ten years. Today, next to the EU 27, US and Japan mostly emerging countries from Asia rank in the top 10 in terms of sales. The BRICS countries (Brazil, Russia, India, China and South Africa) accounted for 47.2% of global chemical sales in 2019. Together with the EU27 and the USA the BRICS accounted for more than three quarters of global chemical sales, in 2019. The remaining quarter of global chemical sales were generated mainly by emerging countries in Asia, including the Middle East. The global landscape of the chemical industry is changing rapidly. China is taking its chemical industry to the next stage of development and is looking to move from “following the lead” to “taking the lead” and from a “big country” to a “great power” of the petroleum and chemical industry, leading in technology innovation and trade, and prevailing in international markets.

Global Chemicals Sales, 2019 USD 4738 Bn

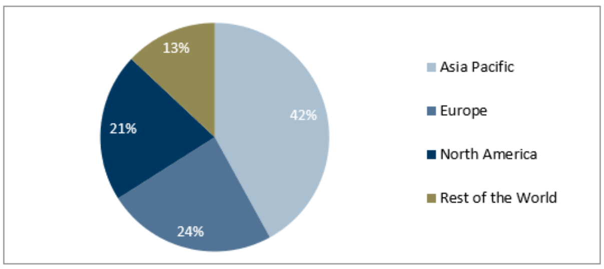


Source: CEFIC, IBEF

Global Specialty Chemicals Market

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

Global Specialty Chemicals Market by Geography, 2019, Value (USD 798 Bn)

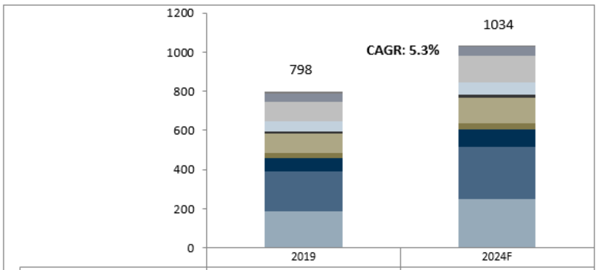


Source: Frost & Sullivan

Market Segmentation – by Industry and Application Type

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

Global Specialty Chemicals Market, Value (USD Bn), 2019 and 2024F



	2019	2024F
Others	11	3
Flavours & Fragrances Ingredients	40	52
Construction Chemicals	103	132
Water Treatment Chemicals	51	66
Textile Chemicals	10	12
Home & Personal Care	99	131
Paints & Coatings Additives	28	36
Dyes and Pigments	68	85
Pharma API	199	267
Agrochemicals & Fertilizers	189	250

Others include: Sealants and Adhesives, Polymer Additives etc.
Source: Frost & Sullivan

Growth Drivers

The COVID-19 pandemic has had an unprecedented impact on the global economy. Chemical companies in North America and Europe have specifically started focusing on operational efficiency, asset optimization, and cost management. On a short term basis, most companies are considering to implement a series of targeted, strategic initiatives across major functional areas such as R&D and technology. Companies are also keen on addressing long-term opportunities like investing in innovation, emerging applications, adopting new business models that generate sustained growth, analysing temporary vs. permanent customer buying behaviour patterns across geographies.

The industry is expected to see the following trends in the next 2-5 years:

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

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

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

5 year growth forecast split by key industries highlighting key factors driving growth

Segments	Key Growth Drivers	(2019-24 CAGR)
Agrochemicals & Fertilizers	Increasing global population, Decreasing arable land, and consequent requirement to improve crop yields. New demand for agricultural products would also be created by the use of agricultural products for industrial applications such as in fuel blending and polymer manufacturing, opening up new avenues of applications for agrochemicals	5.8%

Pharmaceuticals Chemicals (API)	Growing demand for generic drugs globally and India being the largest provider of generic drugs results in higher demand for domestic consumption of Pharmaceuticals chemicals.	6.1%
Construction Chemicals	Rise in construction projects across emerging markets and increased adoption of construction chemicals for improvement in quality of projects	5.1%
Home Care Ingredients	Growth in Household and Industrial & Institutional Cleaners market. Growing consumption of Environmentally Friendly Products	5.7%
Personal Care Ingredients	Growth in demand for personal care products is driven primarily by emerging markets in the Asia-Pacific region, particularly China and India which are expected to grow at around 9-10% CAGR.	6.2%
Paints & Coatings Additives	Demand driven by growing automotive industry, increasing urban population, rising household consumption expenditure and improving economic conditions	5.1%
Water Treatment Chemicals	Strengthening environmental regulations and rising water quality standards for municipal consumption in matured markets of North America and Europe In emerging markets, strong economic growth resulting in greater municipal and industrial spending in water treatment effort will drive growth of this segment.	5.4%
Textile Chemicals	Increasing demand for finishing chemicals that allow a variety of beneficial properties like anti-microbial properties, wrinkle-free properties, stain-resistance, etc. to be imparted to the textile	3.9%
Flavours and Fragrances Ingredients	Strong growth in low-fat and low-carbohydrate foods and beverages in North America Higher consumer willingness to experiment with new flavours and fragrances Increased production of processed foods in developing countries causing a spurt in the demand for flavours A shift in perception of fragrance from being a nonessential attribute to an indispensable part of personal care	5.2%
Dyes and Pigments	Growth is demand for high performance pigments (HPP) which are highly durable pigments, resistant to UV radiation, heat and chemical Use of eco-friendly colorants such as low impact dyes is emerging	4.7%

In addition to the above, a lot of emphasis is laid upon green chemicals. With an increasing awareness of the ill-effects of certain chemicals on humans and the environment, there is a growing trend in the chemicals industry to shift towards what is known as “green” chemicals or more accurately sustainable chemistry. These are products which are bio-degradable and which show a significant reduction in environmental impact when applied – this can be either through reducing energy and water consumption in the process or reducing the chemical and biochemical oxygen demand of the waste generated which reduces treatment costs and is kinder to the environment.

The evolution of green chemistry in the chemical industry will be a critical trend fuelling the growth of the green chemicals market. The Global Green Chemicals market is expected to grow by ~40-50 Bn by 2024 at a CAGR of 10.5% from ~25-27 Bn in 2019.

Impact of COVID 19

Many leading chemical manufacturers have reduced capital and operational expenditure to address the crisis. Capacity utilizations had scaled down to 40%-60% capacity due to labour shortages and disruptions in the supply of raw material since March, however companies are slowly getting back to pre-Covid levels. The supply chains are being reconfigured as competitive order of chemicals producers in the US, Middle East, China and Europe has changed. The demand for chemicals for automotive, transportation and consumer products sectors have fallen by ~20%-30% with the automotive industry almost coming to standstill in April-May. The products that have been less exposed to the prices of oil have seen stable prices whereas the crude dependent ones like petrochemicals have been highly impacted.

Given that companies are now transitioning their operations away from China to other geographies like India, Vietnam among others, the overall capacity utilization and labour issues are also expected to be resolved. India's strategic advantage in this regard has been elaborated in the ensuing section. Most companies in the chemical industry have stepped up to produce raw materials for sanitization and safety products which have been the need of the hour. The companies are also looking at innovations around 3D printing, polymer recycling, green hydrogen as a source of energy, bio-based products etc. to have better sustainability and higher margins.

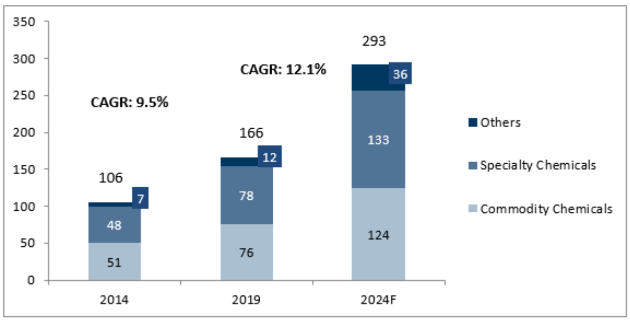
With Covid-19, China is facing an unprecedented global backlash and many companies are not considering it the first preferred location for setting up factories. Companies are considering migrating to countries like India, Vietnam and others. China's weakened position is a blessing in disguise for India. Taking advantage of this situation, the Indian government has taken policy interventions to attract companies looking to shift their manufacturing base to India in the post COVID-19 scenario.

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

India Chemical Industry Overview

The Indian chemicals market is valued at USD 166 Bn (~4% share in the global chemical industry) with the commodity chemicals accounting for almost 46%. It is expected to reach ~USD 280-300 Bn in the next 5 years, with an anticipated growth of ~12% CAGR. The specialty chemical industry forms ~47% of the domestic chemical market, which is expected to grow at a CAGR of around 11-12% over the same period. Agrochemicals and Fertilizers account for 18-20% of the domestic chemicals market and around 38% of the specialty chemicals domain which constitute of various differentiated chemicals used in the agro space including pesticides, herbicides etc. Pharmaceutical API make up for the second largest share of around 20% of the specialty chemical market with an anticipated growth of over 11% by 2024F.

Indian Chemicals Market, 2014, 2019 and 2024F (USD Bn)



Source: Frost & Sullivan

Note: Indian chemical industry generally showcases Agrochemicals & Fertilizers and Pharmaceuticals API outside of Specialty chemicals. In the above graph the specialty chemicals section, however, is inclusive of the 2 categories to maintain consistency with the Global section. Agrochemical & Fertilizer and Pharmaceuticals API contribute to more than 55% of the specialty chemical space in India.

	Commodity Chemicals	Specialty Chemicals
2014-19	**8.5%**	**10.3%**
2019-24F	**10.1%**	**11.2%**

The Specialty chemicals industry is driven by both domestic consumption and exports. India's specialty chemical companies are gaining favour with global MNCs because of the geopolitical shift after the outbreak of Covid-19 as the world looks to reduce its dependence on China. Currently China accounts for ~15-17% of the world's exportable specialty chemicals, whereas India accounts for merely 1-2% indicating that the country has large scope of improvement and widespread opportunity. It is anticipated that Specialty chemicals will be the next great export pillar for India.

The "Make in India" campaign is also expected to add impetus to the emergence of India as a manufacturing hub for the chemicals industry in the medium term. Through incentives, subsidies and grants under this campaign, Indian companies could gain further ground as companies would want to reduce dependence on China after the COVID-19 pandemic and shift their supply chains. The decline in raw materials prices could also help the margins and reduce working capital need. However, input costs are a pass through for most companies and benefits could be limited. Overall, the specialty chemicals industry is likely to continue to perform well in the near to medium term and is expected to capitalize on the Make in India benefits to assume leadership position in the market.

The exports are on the rise as India is becoming a central manufacturing hub for such chemicals. Tightening of environmental norms (e.g. REACH Registration, Evaluation, Authorisation and Restriction of Chemicals Regulations) in developed countries and the slowdown of China are contributing to the growth of exports.

Owing to shutdowns in China and lack of capacity additions in other developed countries, India stands to benefit in the export market. Also supporting the growth in India is its ability to manufacture at a lower price compared with its western counterparts. Moreover, the specialty chemicals consumption in the country is low compared with the global average. The increasing availability of basic chemicals is likely to support investments in the specialty chemicals segment further.

Specialty chemical companies will prosper in India because of its chemistry, R&D skillset and economies of scales achieved by the country. Additionally, India's Environmental and Health Safety practices are much more stringent than other manufacturing centres like China, providing a significant strategic advantage. This is evident from the stock performance of the specialty chemical companies. Stocks of specialty chemical companies have fared better than companies in other sectors. Since the start of 2020, even as the benchmark indices, Nifty and the Sensex have shed over 25%, specialty chemical companies have posted a growth of ~4% till August 2020. This indicates the growth prospects and opportunities for specialty chemical companies in India.

High Barriers to Entry Industry

Due to the involvement of complex chemistries in the manufacturing of products and complex production processes requiring high levels of technical knowledge and Research and Development capabilities, the Specialty Chemicals industry observes a high barrier to new entrants.

Given the nature of the application of products and the complex processes involved, the products are subject to very sensitive and rigorous product approval systems with stringent impurity specifications. Typically, the requirement has to be enlisted as a supplier with customers after lengthy qualification for the products, particularly with the customers in industries such as automotive, petrochemical refineries and pharmaceutical industries where stringent regulatory and industry specific acts as an entry barrier. As a consequence of this, approval of any such product typically takes a few years.

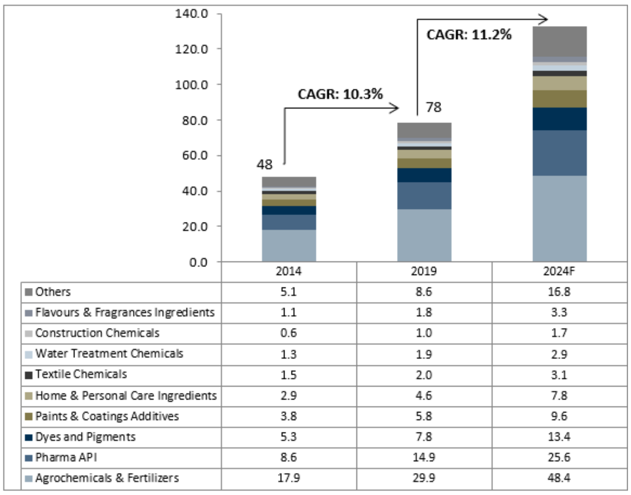
Further, the costs involved of approving any change in suppliers of such products are relatively high, consequently disincentivising any such change in suppliers. Customers typically select suppliers after carefully reviewing them and tend to develop long-term relationships with them as well as limit the number of such suppliers.

The Specialty Chemicals companies enjoy the strong entry barriers in the form of vendor acquisition, lengthy and complex product approval, registration process, customer loyalty among others. These barriers help the companies to ensure sustainable growth. Further, a distinguished and resilient business model is also a unique driver for these companies. Companies specifically catering to FMCG, HPC and food ingredients enjoy strong entry barriers due to their differentiated models and higher levels of product customization. The level of technical skill and expertise that is essential for developing in-house innovative processes, undertaking complex chemistries and handling some of the raw materials and intermediates, requires a significant amount of training that can only be achieved over a period of time thereby creating a further entry barrier for new entrants.

Market Segmentation– by Industry and Application Type

Traditionally, low cost labour and raw material availability were the advantages enjoyed by Indian manufacturing companies. Increasingly, though, specialty chemicals companies are focusing beyond these traditional cost advantages. Product development capabilities have become progressively more important across various segments and differentiate the top and bottom performers.

Indian Specialty Chemicals Market, Value (USD Bn), 2014, 2019 and 2024F



	2014	2019	2024F
Others	5.1	8.6	16.8
Flavours & Fragrances Ingredients	1.1	1.8	3.3
Construction Chemicals	0.6	1.0	1.7
Water Treatment Chemicals	1.3	1.9	2.9
Textile Chemicals	1.5	2.0	3.1
Home & Personal Care Ingredients	2.9	4.6	7.8
Paints & Coatings Additives	3.8	5.8	9.6
Dyes and Pigments	5.3	7.8	13.4
Pharma API	8.6	14.9	25.6
Agrochemicals & Fertilizers	17.9	29.9	48.4

Others include: Sealants and Adhesives, Polymer Additives etc.

Note: Indian chemical industry generally showcases Agrochemicals & Fertilizers and Pharmaceuticals API outside of Specialty chemicals. In the above graph the specialty chemicals section, however, is inclusive of the 2 categories to maintain consistency with the Global section. Agrochemical & Fertilizer and Pharmaceuticals API contribute to more than 55% of the specialty chemical space in India.

Source: Frost & Sullivan

The rise of environmentally friendly specialty chemicals in India

The concept of Green Chemicals in India is evolving. The rising pollution and harm caused to water bodies owing to emission of harmful chemical effluents into water is leading to rise in concern of sustainability.

The classification as green or sustainable is measured across the life cycle of any chemical product, including its design, manufacture, application, and disposal. The products can be used for various applications such as food ingredients, home and personal care products, water treatment, and industrial cleaning products. The demand for green chemicals is particularly high from the textile industry which is one of the major end-users of chemicals.

5 year growth forecast split by key industries highlighting key factors driving growth

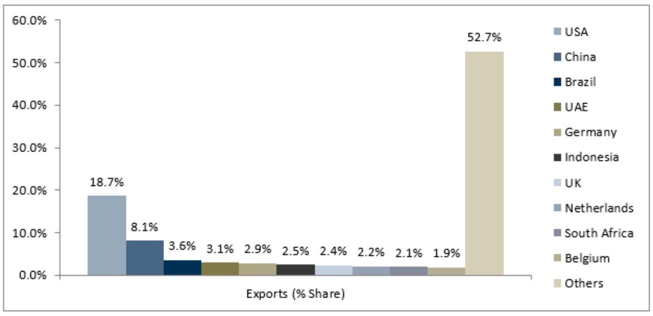
Segments	Key Growth Drivers	India Market, (2019-24 CAGR)
Agrochemicals & Fertilizers	Increase in awareness levels of farmers Improvement in rural income encouraged by various government schemes Need to improve agricultural yields at a faster pace compared to the growth in demand to be able to meet food sufficiency targets	10.1%

Pharmaceuticals Ingredients (API)	India supplying key drugs for treatment of Covid-19 across the world Growing demand for generic drugs globally and India being the largest provider of generic drugs results in higher demand for domestic consumption of Pharmaceuticals chemicals.	11.3%
Construction Chemicals	Growth in Indian construction industry over the next five years, driven by housing and infrastructure projects Increase in adoption of global standards of construction in India will lead to growth of this market	10.5%
Paints & Coatings Additives	Growth in per capita paint consumption in India Strong growth in automotive industry	10.8%
Water Treatment Chemicals	The growing urban population is adding to the demand for water purification and waste water management 'Namami Gange Programme' - an Integrated Conservation Mission to accomplish the twin objectives of effective abatement of pollution, conservation and rejuvenation of National River Ganga	8.6%
Textile Chemicals	Driven by domestic demand and exports of high quality textiles	8.9%
Flavours & Fragrances Ingredients	Marketing by FMCG companies has created demand for categories like deodorants, room fresheners and perfumed soaps in rural markets Increasing demand for processed food	12.8%
Home & Personal Care Ingredients	Growth in population and per capita income to drive growth in this segment Rapid increase in the adoption of personal care products, especially in rural markets	11.2%
Dyes & Pigments	The current strategy of most European pigment producers is to use their local facilities for high-end performance colorants for new and niche markets and source non differentiated dye, pigments from low-cost facilities based in China and India	11.4%

India Trade Scenario

According to World Integrated Trade Solution (under World Bank), in 2018, the top partner countries and regions to which India exported Chemicals were United States, China, Brazil, United Arab Emirates and Germany. While India exported chemicals worth USD 44.6 Bn in 2018, over 35% of the exports were to the mentioned 5 countries. Moreover, in 2018, the top countries and regions to where most chemicals were exported across the globe were United States, China, Germany, Belgium and Switzerland contributing to ~37% of the world's exported chemicals.

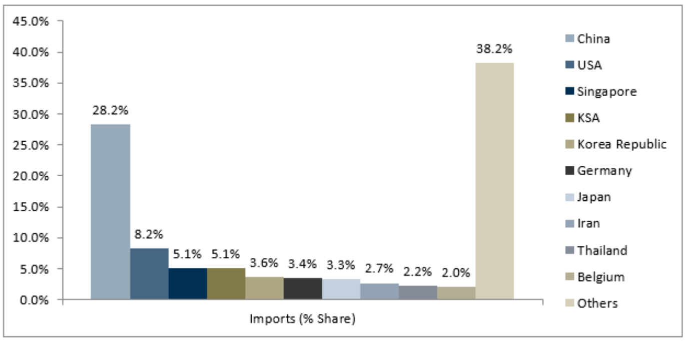
Indian Chemical Exports by Country, 2018, Value (USD 44.6 Bn)



Source: wits.worldbank.org

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

Indian Chemical Imports by Country, 2018, Value (USD 57.9 Bn)



Source: wits.worldbank.org

The government has started various initiatives such as mandating BIS-like certification for imported chemicals to prevent dumping of cheap and substandard chemicals into the country.

The Indian government recognises chemical industry as a key growth element and forecast to increase share of the chemical sector to ~25% of the GDP in the manufacturing sector by 2025. A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.

India – Racing Ahead of China

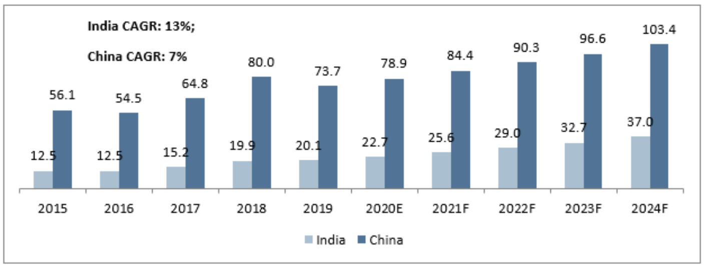
China's specialty chemicals market has seen a downturn in recent years due to various factors. Most prominent amongst these are the recent environmental norms introduced by the Chinese government, which have led to shutdown of a number of chemical plants.

The Chinese government started implementing stricter environmental protection norms from January 2015. With the focus on controlling pollution, the Chinese Ministry of Environmental Protection enforced strict penalties on polluting industries, including chemicals. Some of the major steps taken were:

- Shift towards gas-based power plants from coal-based ones
- Implementation of strict penalties for noncompliance
- Construction of compulsory effluent treatment plants
- Mandatory for all polluting industries to operate from industrial clusters away from habitat
- Small to mid-size chemicals plants to relocate by the end of 2020
- All larger plants must relocate by the end of 2025 and start the process by no later than 2020
- Taxes to be levied on polluting industries based on pollution type, location and severity

As a result of all of the above, the Chinese chemical companies are witnessing a rise in capex and opex costs, making them less competitive in the export market. In 2017, an estimated 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.

Chemicals Exports Trend – India vs China (Calendar year 2015 – 19 Actuals, Calendar year 2020 – 24 Forecast), USD Bn



Source: World Bank, Frost & Sullivan

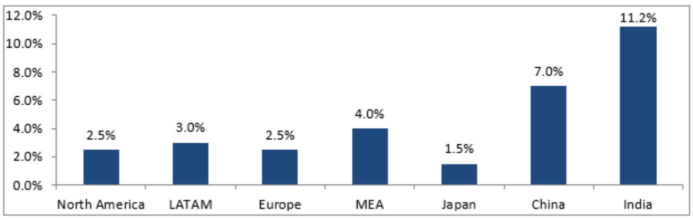
Note: The forecasted data is not published by World Bank; it has been calculated considering the same CAGRs for both the countries. The actual CAGR for India and China respectively for the period 2015-2019 stood at around 13% and 7%; as World Bank does not forecast the export trends, the same CAGR (13% for India and 7% for China) has been considered for the forecast period 2020-2024.

The domestic chemicals industry in China is also witnessing a slowdown, as a result of slower economic growth. China's economic growth is expected to slow down further in the coming years, thus resulting in reduced domestic demand and several plants shutting down in the last three years. This has also resulted in China's overall exports of chemicals growing at a slower rate than India. There is an ample replaceable export market for India to capitalize on, and weave a strong growth story for chemicals – led by Specialty chemicals.

Several global players prefer a "China + 1 offshore strategy", with capacities shifting to cost efficient markets with strong technology capabilities like India. Stringent environmental regulations and increased cost of labor have already stifled growth in China, which contributes 35-40% to the global chemical industry. The pandemic has compounded the situation further as companies across the world are looking for alternate supply solutions. Japan's announcement to offer incentives to companies shifting base from China to India further proves the desperation engulfing countries to reduce dependence on China and develop local supply chains. JVs/ Technology transfers will drive the knowledge wave for the Indian industry, given stronger IP protection rights. The spillover impact of China's declining competitiveness has set the stage for India to intensify its effort to capture larger market share.

Currently Indian companies are experiencing wave of bigger orders from Global companies who previously used to purchase from Chinese counterparts. Many customers have been dependent on China for a long time and they are looking for an alternative and India is their preferred choice. Many small and large companies are experiencing surge in demand form global companies who are shifting their source from China to India.

Region-wise Specialty Chemicals Growth, 2019-24, %



Source: Frost & Sullivan

Impact of COVID 19

With a longer shut down and delayed response in market opening up, demand in 2020 is expected to drop by almost 50% of normal growth for most chemicals in India. Regulatory pressures to ensure standardized quality will take a significant toll on supply moving forward. ~65% of the key raw materials are imported from China; this will affect supplies around 3-4 months even after markets open up.

Opportunity for domestic capacity scale-up, developing alternative sources of supply and Investment in backward integration have opened up, so are the markets for exports where companies are looking for alternatives for China.

Although India witnessed a significant downturn in 2020, it is expected to rebound to ~9% in 2021. Despite lock down there are several economic indicators which brings good news, in terms of e-way bills, electricity, and registrations of cars and two-wheelers, container traffic have risen up.

The chemical industry also serves as a feeder for many other industries, which may play an important role in our economic revival. The industry is adapting to changing needs and modifying supply chains, catering to new demands. Chemical companies now provide a wide range of products required for the production of sanitizers, disinfectants, test kit sets, ventilator parts, face shields, masks and PPE apart from supporting the pharmaceutical industry in key ingredients and packaging materials.

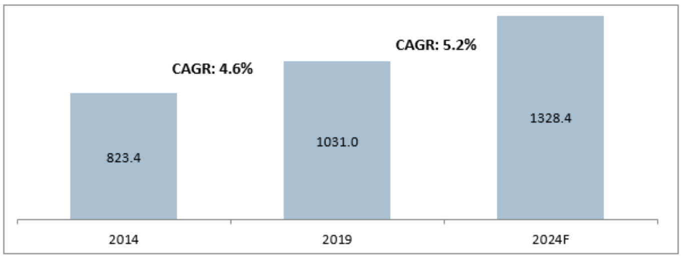
At present, Indian Government's well thought through and ambitious growth target for the Chemical sector – $304 billion by 2025, may seem challenging in the wake of the pandemic. Chemicals sector turned a net exporter with a trade surplus in FY 2019-20 after decades of deficits. This feat looked insurmountable just a couple of years ago but the Industry rose to the challenge. It is well within the chemical Industry's reach to regain its growth momentum and contribute to all other industries to put the Indian economy back on its growth path.

Global Phase Transfer Catalysts (PTC) Market

A phase-transfer catalyst facilitates the migration of a reactant from one phase into another where the reaction occurs. The catalyst functions as a detergent for solubilizing the salts into the organic phase. Phase-transfer catalyst offers faster reactions, higher conversions or yields makes fewer by-products, eliminates the need for expensive or dangerous solvents, eliminates the need for expensive raw materials, and minimize waste problems. Phase-transfer catalysts, like ammonium salts among others have applications in pharmaceuticals and agrochemicals, which is likely to drive this market.

During the forecast period, the global phase transfer catalyst market is projected to expand at a CAGR of more than 5% globally. Rising demand and adoption of green chemistry in organic synthesis is expected to drive the growth of the phase transfer catalyst market across the globe.

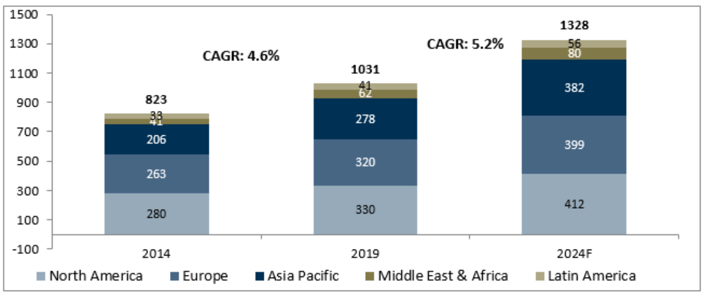
Global Phase Transfer Catalysts, Growth Trend, 2014, 2019, 2024F (USD Mn)



Source: Frost & Sullivan

Phase transfer catalysts are widely used in green chemistry applications. Therefore, the increasing global focus of the chemical industry on reducing residual waste and reducing the use of organic solvents is boosting the market for catalysts for phase transfer.

Global Phase Transfer Catalyst Market by Geography, 2014, 2019, 2024F (USD Mn)



Source: Frost & Sullivan

CAGR	North America	Europe	Asia Pacific	Middle East Africa	Latin America
2019-24	4.5%	4.6%	6.5%	5.2%	6.3%

Europe follows North America in the demand for phase transfer catalyst market; this is driven by the growth in pharmaceutical, chemical, and agrochemical industry is this region.

The growth in demand from Asia Pacific region is driven by the increased demand for these catalysts from countries such as China, Japan, Australia, South Korea, and India. Industrialization and booming end-use industries such as pharmaceuticals and agrochemicals in emerging economies such as China and India are heavily driving the growth of the phase transfer catalyst market in the Asia Pacific region.

In addition, a growing demand for pharmaceuticals from Asia Pacific and the Middle East & Africa is also expected to drive the growth of the pharmaceuticals segment of the phase transfer catalyst market. The phase transfer catalyst market in South Africa is anticipated to expand at a sluggish pace compared to that in other countries, due to the undeveloped economy and lack of technological advancements in the country.

The overall demand for phase transfer catalyst is rapidly growing due to their usage in a wide range of applications, including cosmetic, agrochemical, pharmaceutical, and others.

CAGR	North America	Europe	Asia Pacific	Middle East Africa	Latin America	India
2019-24	4.5%	4.6%	6.5%	5.2%	6.3%	6.6%

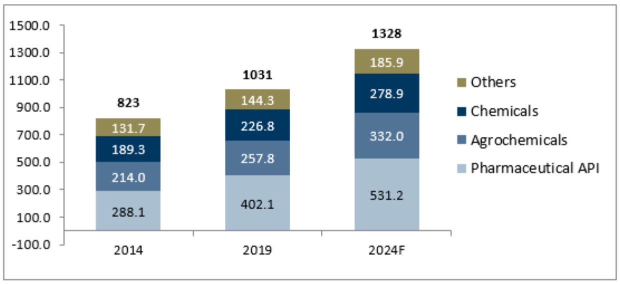
The rapid development of pharmaceuticals and agrochemicals manufacturing sector in India is expected to boost this growing demand for the phase transfer catalysts. With a growing population and thereby growing demand for food and agricultural produce, India will contribute to almost 3-3.5% of the total global demand.

Global Phase Transfer Catalyst Market Segmentation - by Application and Usage

Phase transfer catalysts are extensively used by the pharmaceuticals industry for synthesis, R&D, formulation, and laboratory applications. The imposition of stringent regulations in the western regions on the use of harmful compounds in the pharmaceuticals industry is also leading to the increased consumption of phase transfer catalysts in the pharmaceuticals industry as they eliminate the requirement of using organic solvents and dangerous, inconvenient, and expensive reactants. These catalysts also reduce the generation of industrial wastes. Active Pharmaceutical Ingredients makes up for the largest market share; the segment is also expected to show a significant growth in the market due to the demand for green chemistry as pharmaceutical ingredients.

The growth of modern agricultural techniques and herbicides allows Phase Transfer Catalysts to find huge applications in agro business; it is used to stop the growth of weed in some cases. Phase Transfer Catalysts promote herbicide production in an efficient manner with improved purity.

Global Phase Transfer Catalyst Market Segmentation by Application, 2014, 2019, 2024F, USD 823 Mn, USD 1031 Mn, USD 1328 Mn



Source: Frost & Sullivan
**Others includes personal care and disinfectants*

CAGR	Pharmaceuticals	Agrochemicals	Chemicals	Others
2019-24	5.7%	5.2%	4.2%	5.2%

Global Growth Drivers and Key Players

With multiple players across the globe and no substantial market share, the global phase transfer catalyst market is highly fragmented in nature. A few manufacturers operating in the global phase-transfer catalyst market are:

- US: SACHCEM Inc.
- Japan: Tokyo Chemical Industry Co. Ltd., Nippon Chemical Industrial Co. Ltd.
- India: Tatva Chintan Pharma Chem Ltd., Dishman Group, Central Drug House Pvt. Ltd., Pacific Organics Private Limited, Otto Chemie Pvt. Ltd.
- China: Volant-Chem Corp.
- Germany: Evonik Industries, Sigma Aldrich
- Belgium: Solvay

An increase in R&D activities in addition to the launch of innovative products is making firms stand out in the global phase transfer catalysts market. To gain market share, companies are adopting various strategies like launching new products, better formats of existing products, M&A, marketing and promotional activities among others.

The demand for Phase Transfer Catalysts is expected to grow owing to an increase in demand for the adoption of green chemistry in organic synthesis. The rising demand for technologically advanced environment-friendly and natural, chemical-free catalysts supports the evolution of the phase transfer catalyst, which is helping the market growth of such chemicals. The developing regions are promptly investing in the international healthcare & medicine, chemical, cosmetic, and agrochemical market. India, China, Japan, Indonesia, and Taiwan are some of the major manufacturers of catalyst products which are propelling the market growth. The growth of the PTC market is hugely dependent on the growth in the Healthcare and Agrochemical sector.

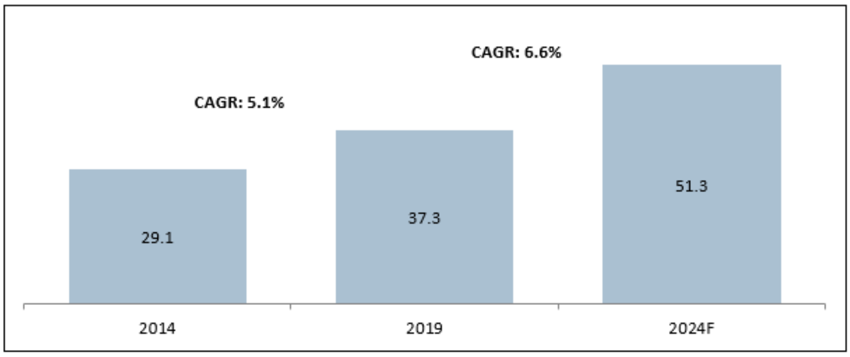
5 year growth forecast split by key industries highlighting key factors driving growth – Global

End use Industry	Growth drivers	2019-24 CAGR
Pharmaceuticals and API	Increased size of the global aging population boosts the demand for long-term treatments for chronic diseases, and better access to healthcare in emerging economies in turn drives the pharmaceutical market.	6-8%
Agrochemicals	Increasing population and demand for food production, an increasing awareness in health and hygiene are some of the factors driving the growth of Agrochemicals and Pesticides.	5-7%
Healthcare Industry	The growth in the healthcare industry arises from the rapid growth in the elderly population Increasing awareness about personal health and hygiene will boost the healthcare industry.	7-9%
Personal care products & Disinfectants	With the growth in global cases of COVID-19, there has been a massive demand for sanitizing and disinfecting. The global demand for cleaning products and disinfectants has considerably increased.	7-9%

India Phase Transfer Catalyst Market - Overview

The growth of end industries like pharmaceuticals and agrochemicals are driving the development of the Phase Transfer Catalyst market in India. India accounts for ~3.5% of the global Phase Transfer Catalyst market. With a few large manufacturers in India, India is keen on exports thereby aiming to improve its market share. With multiple initiatives from the government favorable for the growth of the Pharmaceutical and Agrochemical industries, India will see a growth in demand for Phase Transfer Catalysts of CAGR 6.6% thereby increasing its market share to ~4% by 2024F. The Indian Phase Transfer Catalyst market is currently valued at a little over USD 37 Mn.

Indian Phase transfer catalyst Market Market, 2014, 2019, 2024F (USD Mn)



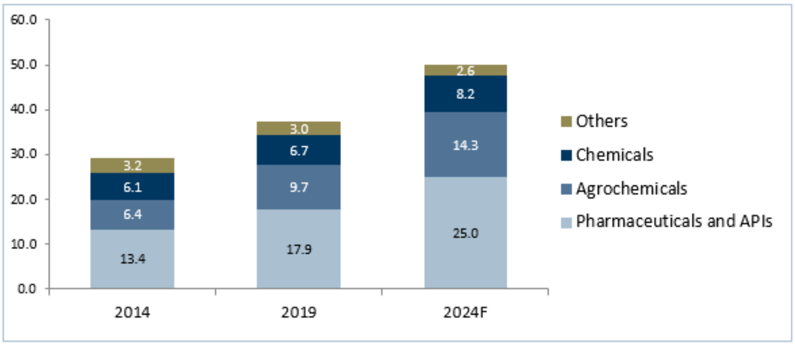
Source: Frost & Sullivan

India Phase Transfer Catalyst Market - by Application and Usage, USD 37.3 Mn

India's presence in global pharmaceuticals is prominent and rapidly growing. It is the world's largest supplier of vaccines and generic drugs, accounting for 20% of global supply by volume. Low cost production and a boost in R&D investment has improved the efficiency of Indian exports. Government initiatives like PLI, 100% FDI and Pharmaceuticals vision 2020 were aimed at making India a global leader in end-to-end drug delivery. With the positive growth that the industry experienced, the demand for Phase Transfer Catalysts has also grown in India.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry.

India Phase Transfer Catalyst Market segmentation by Application, 2014, 2019, 2024F, USD 29.1 Mn, USD 37.3 Mn, USD 51.1 Mn



Source: Frost & Sullivan
**Others includes personal care and disinfectants*

India is also focusing on organic and green chemicals. The demand for these from the end industries has been continuously growing. This is driving the Phase Transfer Catalysts market as they minimize the need for organic solvents by enabling the use of water. Phase Transfer Catalysts are not only limited to systems with hydrophilic and hydrophobic reactants, but also used in liquid/solid and liquid/gas reactions.

India Growth Drivers and Key Players

The demand for Phase Transfer Catalysts is expected to grow owing to their advantages in realizing faster rate of reactions, achieving better yields or conversions, form a lesser number of by-products, eliminating the requirement for unsafe solvents and minimizing concerns associated with waste production. The increase in demand for the adoption of green chemistry in India will also boost the Phase transfer catalyst market. The growth of the Pharmaceutical and Agrochemical sector in India will drive the growth of the PTC market.

The key manufactures in the Indian market are Tatva Chintan, Dishman Group, Delta Finochem, Pacific Organics Private Limited, Otto Chemie, TCI Chemicals and a few other smaller players.

5 year growth forecast split by key industries highlighting key factors driving growth – India

End use Industry	Growth drivers	2019-24 CAGR
Pharmaceuticals and APIs	Growing demand for generic drugs globally and India being the largest provider of generic drugs results in higher demand for domestic consumption of Pharmaceuticals chemicals.	11-13%
Agrochemicals, Pesticides and Fertilizers	High proportion of agricultural land, diverse agro-climatic conditions, high investments in crop production is driving the India market.	9-11%
Healthcare Industry	Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services and increasing expenditure by public as well private players.	15-17%
Personal care and disinfectants	Rising disposable income, demand for enhanced products and increasing desire to accommodate beauty products in day-to-day life; Herbal cosmetics and organic products are driving growth due to increasing adoption.	8-10%

Trade scenario for India – Key geographies for export

Tatva Chintan, Delta Finochem, Dishman group and Pacific Organics Private Limited are the major players in the export market with Europe being the leader in terms of imports from India. Most chemical and pharmaceutical companies import from the market leaders from India. Indian players also have their establishments across the globe for ease of trade. While India's Ammonium salts' imports contributed to around USD 5-5.5 Mn in 2019, India was one of the leaders in the export market contributing to around USD 11-12 Mn sales as exports.

Trend of evolution of products in the industry highlighting the drivers for the industry

Phase Transfer Catalysts have evolved over the years from merely being an agent used during chemical transformation to a more useful catalyst which is following a still sharply-increasing learning curve, with the development of new uses, methods, concepts, theoretical development, and world-wide recognition. The future of the product is expected to be bright, not through its simple extension to old chemical reactions but because it provides a tool to handle future chemical problems in highly material- and energy-efficient ways. Phase Transfer Catalysts are widely used for simple organic reactions, steps in synthesis of pharmaceuticals, agricultural chemicals, perfumes, flavorants, and dyes; for specialty polymerization reactions, polymer modifications, and monomer synthesis; for pollution and environmental control processes; for analysis of trace organic and inorganic compounds; and for many other applications. Phase Transfer Catalysts often offer the most suitable practical technique to obtain certain products.

The growth of the global market for phase-transfer catalysts is driven mainly by the adoption of green chemistry in organic synthesis. In order to achieve high conversions or yields and reduce the by-products, the catalyst is responsible for accelerating the reaction.

The increasing investments in R&D for the development of new pharmaceuticals are likely to drive the demand for the product in the coming years.

Market position of the Company

Tatva Chintan is one of the leading global producers of an entire range of Phase Transfer Catalysts in India and one of the key producers across the globe. With a growth in the Pharmaceuticals and allied sectors, the phase transfer catalyst section will see a huge demand from across the globe.

Tatva Chintan's key products will enable it to gain a larger market share. A quaternary ammonium salt with a bromide counter ion is a tetra butyl ammonium bromide widely used as a component transfer catalyst. It typically occurs in the form of a powder or white crystal. In chemical research, tetra butyl ammonium bromide is commonly used.

In various organic transformations, tetra butyl ammonium bromide, a quaternary ammonium salt, has emerged as a common phase-transfer catalyst. It is used through salt metathesis reactions to prepare several alternative tetra butyl ammonium salts. The salt composed of tetra butyl ammonium is a valuable nursing source of bromide associate, typically used as an ionic liquid. Tetra butyl ammonium is low cost, conjointly environmentally friendly, operationally easy, and non-corrosive. Tetra butyl ammonium bromide is used in the pharmaceutical and agrochemical industry. The implementation of rigorous government regulations to reduce the use of hazardous chemicals is also supporting recycling in the global tetra butyl ammonium bromide market. However, even with these implications the market is expected to grow at over 5% CAGR.

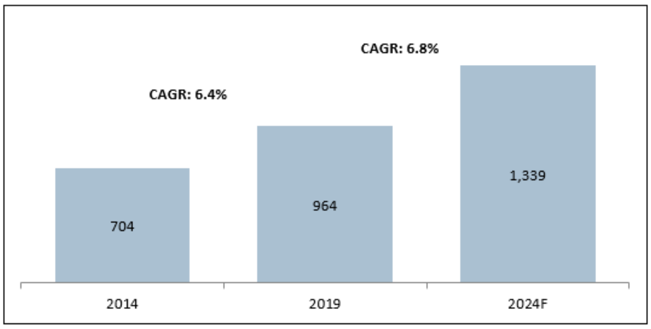
Benzyl triethyl ammonium chloride is a lipophilic phase-transfer catalyst that can be used to catalyse poly condensation reactions in phase-transfer catalysis (PTC) to form polymers of high molecular weight under bi-phasic conditions and is expected to grow at over 4% CAGR. Tatva Chintan's key products like methyl tributyl ammonium chloride and methyl triocyl ammonium chloride are expected to grow at over 3% CAGR globally.

Tatva Chintan is the largest producer of Phase Transfer Catalysts in India and one of the leaders across the globe. Tatva Chintan is also among the top 2 manufacturers producing an entire range of Phase Transfer Catalysts. The company has set up its wholly owned subsidiaries in North America and Europe as their marketing & distribution arms which will allow it to cater to the demand of the domestic as well as international market.

Global Quats (Quaternary Ammonium Compounds) Market

The global market for Quats (Quaternary Ammonium Compounds) is expected to grow at a CAGR of 6.8% from USD 963.7 Mn in 2019 to USD 1.4 Bn in 2024F. The growth in hospital-acquired infections, an increase in the geriatric population, growth in the prevalence of chronic disease, and the rise in the number of surgical procedures are fostering the demand for the Quats market. The market demand is driven by the increase in the prevalence of hospital-acquired infections (HAIs) and the introduction of strict regulations and favorable government policies on disinfection and sterilization. The developing economies are expected to give market players ample growth opportunities.

Global Quats (Quaternary Ammonium Compounds) Market, 2014, 2019, 2024F (USD Mn)



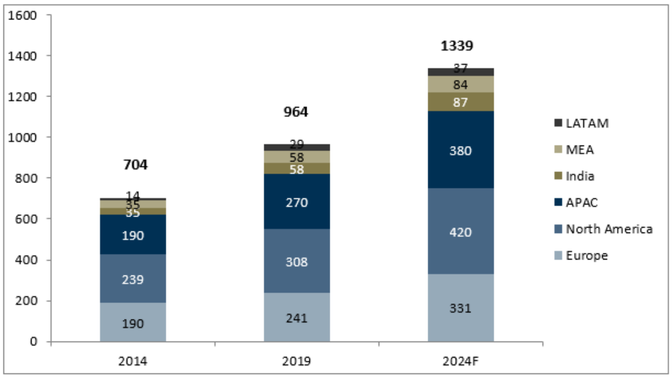
Source: Frost & Sullivan

Fabric softeners, disinfectants, surfactants, antistatic agents, and wood preservation, among others act as quaternary ammonium compounds. The different application of the product is expected in the coming period to increase its demand. In personal care products, quaternary ammonium compounds are typically used as conditioning agents during the manufacture of skin, fabric, and hair softeners and also as a conditioning agent during the manufacture of the skin, cloth, and hair softeners and also as disinfectants in the food industry.

Global Market segmentation by geography – highlighting India

India represents ~6% of the global Quats market standing at USD 61 Mn. APAC represents ~28% of the market excluding India. The demand for quaternary ammonium compounds is growing in the Asia Pacific region owing to the increasing disposable income of the people in China, and India, which is increasing the sales of personal care products. The Asia Pacific region is forecasted to grow with the highest CAGR of 7-8% during the forecast period.

Global Quats (Quaternary Ammonium Compounds) Market by geography, 2014, 2019, 2024F, USD 704 Mn, USD 964 Mn, USD 1339 Mn



Source: Frost & Sullivan

CAGR	Europe	North America	APAC	India	MEA	Latin America
2019-24	6.6%	6.4%	7.1%	8.5%	7.7%	5.1%

QACs are used both as disinfectants and as pesticides in Europe. However, following the potential squandering of QAC-based pesticides in foodstuffs resulting in unacceptably high residues, assistance was obtained from the European Food Safety Authority (EFSA) and both a 0.1 mg/kg cap was feasible and a health-based risk assessment was advocated. Europe is forecasted to grow with a CAGR of 6.5-7.0% during the forecast period.

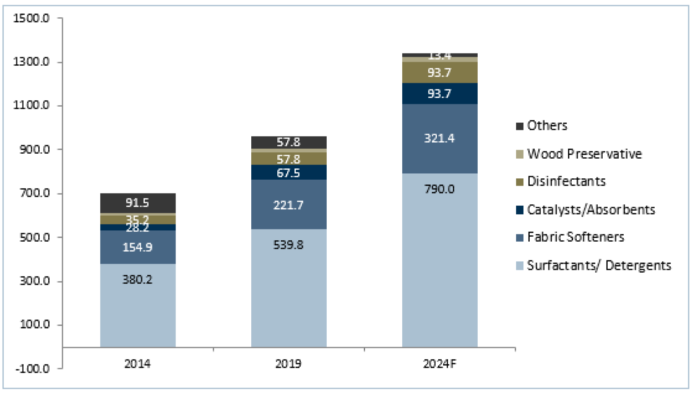
They are the largest class of disinfectants sold into European and the UK food industries and are widely used because they are effective, non-tainting, have some detergency properties, so they can be used as single stage cleaning and disinfection agents in low soiling conditions. They cause minimal corrosion of materials of construction used in food processing equipment and are cost-effective.

In the coming years, North America is expected to see an increase in demand for quaternary ammonium compounds, due to the multiple applications of compounds in various fields, such as agricultural chemicals, oil & gas, textiles & leather. Asia Pacific would fuel demand in the end-use industries such as food and beverage, paints and coatings, and agricultural chemicals.

Rising disposable income and rapid expansion of end use industries such as food processing, wastewater treatment, and agricultural chemicals in emerging economies such as India and China, is expected to favour growth of the quaternary ammonium compounds market in Asia Pacific. Asia Pacific is projected to be the fastest growing market over the forecast period.

India is expected to be a favorite market with the market gaining traction with the rise in the utility of keeping the frequently touched surfaces sanitized due to the augment of global pandemic. Increasing consumer awareness pertaining to maintaining health and hygiene conditions in surroundings and households has fostered the market growth. Apart from this, increasing healthcare associated infections (HAI), rising safety and health standards in industries, and new product launches are increasing the market for surface disinfectant in India.

Global Market segmentation by Application 2014, 2019, 2024F, USD 704 Mn, USD 964 Mn, USD 1339 Mn



Source: Frost & Sullivan
Note: The above is inclusive of its use in manufacturing of zeolites as SDAs and further in zeolite catalysts

Growth Drivers and Key Players – Global

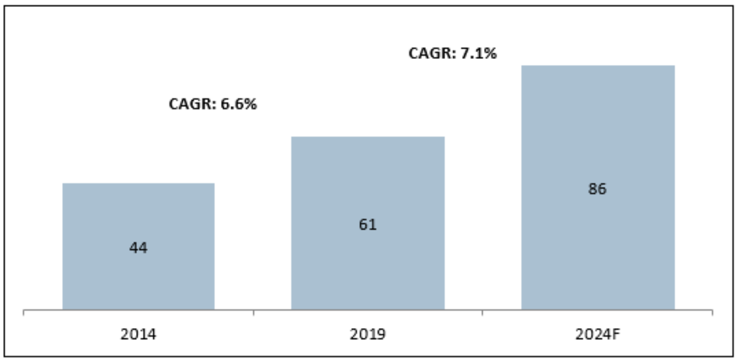
5 year growth forecast split by key industries highlighting key factors driving growth

End use Industry	Growth drivers	2019-24 CAGR
Antiseptic & Disinfectant	Huge demand for sanitizing and disinfecting, due to the spike in the COVID-19 pandemic will drive the market. As standard household goods, some antimicrobial products are being stockpiled. The current pandemic prioritized the public health priority of the government, and security issues have contributed to an increase in the consumer product.	8-10%
Detergents	The growing importance of healthier lifestyles with rising concerns among individuals about health and hygienic living, free of germs, bacteria, dust, and dirt has led to rise in per capita spending on household cleaning products including laundry detergents.	5-7%
Personal care / fabric softeners - FMCG	In the Asia-Pacific region, the demand for quaternary ammonium compounds is rising due to the increasing disposable income of people in China and India, which is boosting sales of personal care items. With the highest CAGR of over 7% during the forecast period, the Asia Pacific region is forecast to rise.	5-7%
Wood preservatives	Wood preservation has gained critical importance in the recent years owing to stringent regulations that limit wood usage. Wooden products are protected by chemicals and several treatment methods that elongate their operational life and lower maintenance cost.	4-6%
Paints & Coatings	Rapid urbanization and industrialization in the emerging countries, such as India, China, and Southeast Asia, are anticipated to fuel the product demand in various applications.	4-6%
Agro chemicals	Increasing global population, Decreasing arable land, and consequent requirement to improve crop yields.	5-7%
Zeolites	High demand for catalysts, adsorbents, and detergent builders has resulted in a significant growth of the zeolite market.	3-5%

India Quats (Quaternary Ammonium Compounds) Market, USD 61 Mn

The demand for quaternary ammonium compounds is growing in the Asia Pacific region owing to the increasing disposable income of the people in China, and India, which is increasing the sales of personal care products. India is forecasted to grow with a CAGR of 7.1% during the forecast period. Quaternary ammonium compounds are usually used in personal care products, as conditioning agents during the production of the skin, cloth, and hair softeners and also as disinfectants in the food industry. With a rising concern over health and hygiene in addition to the support from the government in numerous ways to focus on disinfection, the market for QACs in India will see a boom.

India Quats (Quaternary Ammonium Compounds) Market, 2014, 2019, 2024F (USD Mn)



Source: Frost & Sullivan

Growth Drivers and Key Players – India

5 year growth forecast split by key industries highlighting key factors driving growth in India

End use Industry(India)	Growth Drivers (India)	2019-24 CAGR
Disinfectant	Due to the growing awareness among the general public about health & hygiene, along with improvement in people's living standards, India's disinfectant market is expected to record significant growth over the coming years.	8-10%
Detergents	Increased awareness about health and hygiene, escalating population, and considerable increase in per capita disposable income are among the major driving forces for the detergents market growth in India.	8-10%
Personal care/ fabric softeners - FMCG	Fabric whiteners have become more popular in rural areas and are registering more growth as compared to urban as urban consumers are now upgrading to premium detergents which do not require any additional whitener.	8-10%
Wood preservatives	The wooden furniture market is dominating the furniture market in India. The wooden furniture industry uses both indigenous wood and imported wood. India is one of the largest importers of timber in the world. It is expected that engineered wood and laminate floors will be implemented to boost development as cost-effective alternatives to hardwood flooring.	5-7%
Agrochemicals & Fertilizers	Need to improve agricultural yields at a faster pace compared to the growth in demand to be able to meet food sufficiency targets	9-11%
Paints & Coatings	Growth in per capita paint consumption in India Growth in the construction and automotive industry	9-11%
Zeolites	Over the next five to six years, China and India are serving potential zeolite markets in the Asia Pacific region. The growth of the zeolite market is likely to be driven by increased consumption of zeolite as a detergent manufacturer and absorber, especially in China and India, along with marketing initiatives for zeolite as an absorber in various end-use industries.	3-5%

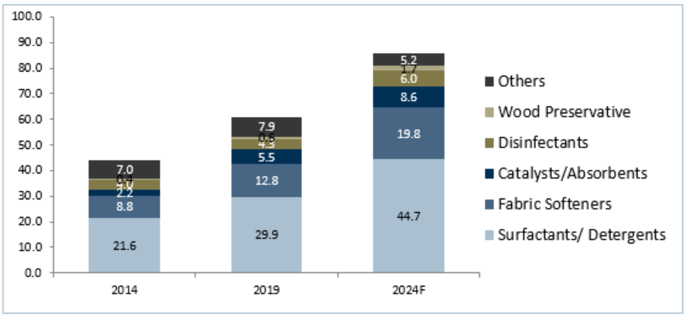
India Market by Application segments Applications and Usage, USD 61 Mn

The market in India is driven by the growing population, economic growth, increasing industrialization, and infrastructure development. With the country witnessing remarkable growth in the agriculture, architectural materials, automotive, aerospace, aviation, chemicals, and water filtration sectors, the demand for adsorbents is also growing in the country.

Major applications for QACs are found in detergents due to the rising hygiene awareness among consumers. Growing demand for builders in detergents owing to its enhanced cleaning property is expected to augment market growth. Furthermore, development of the detergents industry is expected to fuel product demand over the forecast period. Due to their high cation-exchange ability as well as to the molecular sieve properties, they have been widely used as adsorbents in separation and purification processes over the last few years.

QACs are known for their antiseptic qualities and have been used in products such as antiseptic creams, liquids, and gels. Being odorless, colorless and having an ability to blend well both in aqueous and oily phases, they are used as antimicrobial ingredients in disinfectants.

Market segmentation by Application, 2014, 2019, 2024F, USD44 Mn, USD 61 Mn, USD 86 Mn



Source: Frost & Sullivan

Note: The above is inclusive of its use in manufacturing of zeolites as SDAs and further in zeolite catalysts

Applications - Refining Catalyst and Emission Control

Highly prolific approach for synthesis of novel zeolites is the use of tailor-made structure-directing agents (SDA). This method resulted in many new and interesting zeolites; however, some of these large and exotic structure-directing agents are rather expensive. To address this, a small amount of the particular structure-directing agent was used to drive the nucleation towards the desired structure, and other structuring functions such as pore-filling and control of pH were fulfilled by an additional, low-cost SDA.

Zeolites are indispensable in many catalytic processes like fluid catalytic cracking, hydrocracking, dewaxing, production of octane boosters, hydrodesulphurization, Fischer–Tropsch synthesis, methanol-to-olefin reaction, aromatic alkylation, nitration, halogenation, nucleophilic substitution and addition, and many others. There are a number of hydrocarbon conversion processes that stand out as instances where the appropriate selection of a zeolite catalyst for use with indirect liquefaction products could in future lead to more efficient conversion and/or improve on current refinery designs. Catalytic naphtha reforming using Pt/K/LTL zeolite catalysts benefit from the high linear hydrocarbon content and sulfur-free nature of indirect liquefaction products. Hydroisomerisation of distillate using Pt/AEL (SAPO-11) zeolite catalysts has the potential to increase the yield of jet fuel from Fischer–Tropsch refineries. Zeolite-based catalysts for wax hydrocracking hold promise, but there is not a clear zeolite type, or clear benefit derived from a specific zeolite type that stands out at present. However, sulfur-free wax with a high n-alkane content is an ‘ideal’ feed for hydrocracking. Hydrocracked distillate has desirable properties for jet fuel and diesel fuel, but hydrocracked naphtha requires further extensive refining to have desirable properties for motor-gasoline. A zeolite that could regulate cracking position would constitute a breakthrough in hydrocracking catalysis.

More recently, zeolites have also been introduced for catalytic emission control, e.g., reducing the emission levels of nitrogen oxides (NOx) from both stationary and mobile sources. In particular, zeolites promoted with transition metals such as copper and iron have been proven to be active for the selective catalytic reduction of NOx by ammonia, which is currently considered as one of the preferred technologies for NOx removal from lean exhaust gases in automotive applications.

Areas in which zeolites show strong environmental potential are:

- Reduction of atmospheric NOx
- Reduction of atmospheric VOC's (including automotive cold start)
- Process improvements in the chemical industry

Vehicular engines and fuels are redesigned to reduce the creation of pollutants, similarly zeolites are being designed and employed to handle the new concentrations, combinations, and conditions of combustion products. One example involves the use of efficient, oxygen-rich, lean-burn diesel engines, which produce less CO2, a greenhouse gas. Metal-exchanged zeolite catalysts have been employed on these vehicles as a less costly and more effective option for NOx removal than the three-way catalytic converter.

Another emerging zeolite technology is lean NOx, a catalytic process that uses hydrocarbons such as methane and higher hydrocarbons as the redundant, making it practical for automotive and other mobile sources.

With a great focus on green technology and a healthy environment, industries are evaluating new technologies by investing in R&D. New and innovative applications are driving the growth of the zeolite market, in turn driving the QAC market.

Back in September 2016, the Government of India announced a leapfrog to Bharat Stage (BS) VI emission standards. India is the first to leapfrog from Euro IV-equivalent emission standards directly to Euro VI-equivalent standards. India completed its mission of producing BS VI-compliant fuel and vehicles on time.

One of the crucial features of BS VI fuel is its limit of 10 parts per million (ppm) sulphur content. This is recommended for the operation of modern after treatment technologies such as diesel particulate filters, gasoline particulate filters, and selective catalytic reduction systems that are required to meet BS VI emission limits. The National Capital Territory (NCT) started to receive 10 ppm sulphur fuel as early as April 2018. Additionally, several cities in the National Capital Region (NCR) started to switch to 10 ppm fuel at the beginning of 2019, and by October, the entire NCR was supplied with BS VI fuel. Almost all refineries in the country started producing the ultralow-sulphur fuel by the end of 2019, to ensure the fuel needed for BS VI was on the market as scheduled.

The Indian auto industry has proved its ingenuity, as well. Tata and Mahindra & Mahindra rolled out BS VI-certified models three to four months before April 1, and Maruti Suzuki launched its first BS VI-compliant gasoline vehicle in April 2019, a whole year prior to the deadline. By January 2020, the company had sold more than 500,000 BS VI vehicles. Not only that, but the domestic brands completed BS VI research and development work mostly in-house.

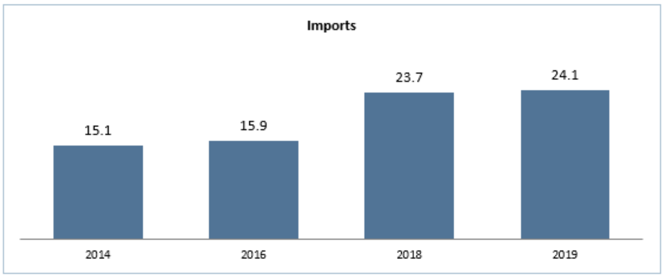
Manufacturers of two- and three-wheelers made similar progress. Ahead of April 2020, Bajaj Auto launched 14 BS VI-compliant three-wheelers and Honda launched three scooters and two motorcycles that are BS VI compliant. The auto industry also ramped down production of BS IV vehicles before the deadline, knowing those vehicles would be mere scrap by April 2020.

As a result of BS VI standards, India’s vehicle manufacturers are moving away from small diesel cars, which have become less attractive to consumers. This is because BS VI diesel vehicles are costlier, require more maintenance, and the government removed its subsidy on diesel fuel. The impact of these changes on the value proposition for diesels is particularly evident for those with smaller engines, because gasoline vehicles are an attractive and cost-effective alternative. Although sales of small diesel cars are expected to drop, as announced by Toyota, Tata, and Maruti Suzuki, the diesel share of large cars might still increase because larger cars like multi-purpose and sport utility vehicles remain popular and the diesel engine dominates this segment.

Sulphur content in fuel is a major cause for concern. Sulphur dioxide released by fuel burning is a major pollutant that affects health as well. BS-VI fuel's sulphur content is much lower than BS-IV fuel. It is reduced to 10 mg/kg max in BS-VI from 50 mg/kg under BS-IV.

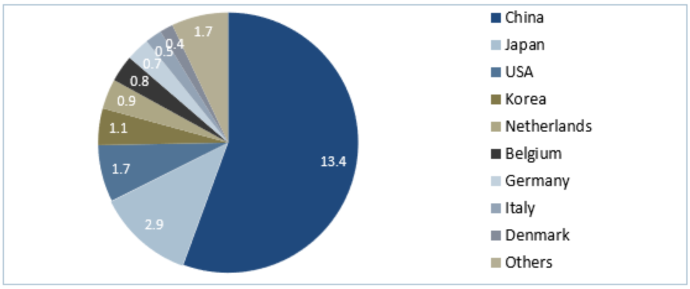
This reduction makes it possible to equip vehicles with better catalytic converters that capture pollutants. However, BS-VI fuel is expected to be costlier that BS-IV fuel. Vehicles that are compliant with BS-VI will also be more expensive.

Quaternary ammonium salts and hydroxides - Imports (excluding choline and its salts)
2014, 2016, 2018, 2019 (USD Mn)



Source: Trade Map

Countries exporting to India, Quaternary ammonium salts & hydroxides, 2019 (USD 24.1 Mn)

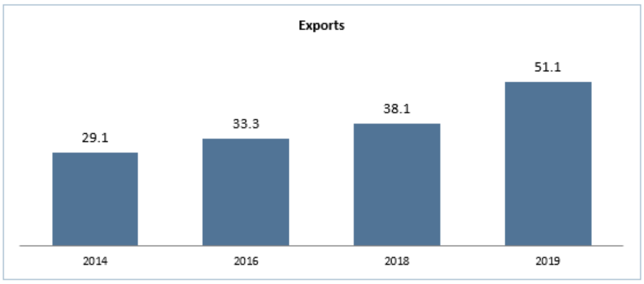


Source: Trade Map

Key geographies for export

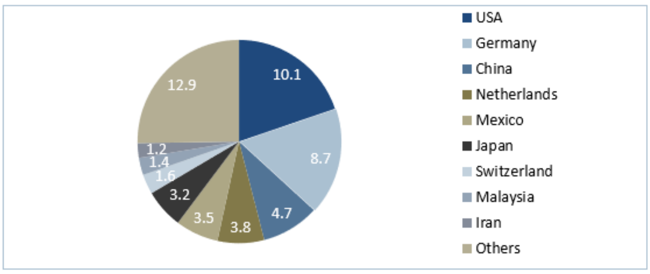
The value of exports of commodity Quaternary ammonium salts and hydroxides from India totaled to USD 51.1 Mn in 2019. The exports from India went up by 34% as compared to 2018 (exports went up by USD 13 Mn). As the production and focus on these chemicals is increasing, domestic production is expected to increase thereby reducing India's dependence on imports.

Quaternary ammonium salts and hydroxides - Exports (excluding choline and its salts) 2014, 2016, 2018, 2019 (USD Mn)



Source: Trade Map

Countries Importing from India- Quaternary ammonium salts and hydroxides, 2019 (USD 51.1 Mn)



Source: Trade Map

__Market position of the Company__

Post Covid-19, the detergents and disinfectants market experienced a huge growth in turn helping the QAC market. Tatva Chintan saw a rise in product sales by over 2.5 times of in FY 20. The volume sales grew to 1265.91 MT in FY 20 as against 493 MT in FY19.

With extremely few players in the Indian and global market, the company is the largest and only commercial manufacturer of SDA for Zeolites in India. It also enjoys the second largest position globally. The advanced chemistries also make it extremely difficult for new players to enter the market chemistry. With the recent developments in emission control and refining catalyst applications, Tatva Chintan's deep knowledge about the SDA for Zeolites market helps it to gain the market position.

Tatva Chintan's key chemistries and products are gaining importance in the global market. The global production of Tetramethyl Ammonium Hydroxide was valued at around USD 1.2 Bn in 2019. Having multiple applications, to inhibit nanoparticle aggregation, the Tetramethyl Ammonium Hydroxide market is expected to grow at over 7% CAGR through 2020-25F with Korea and China dominating the market, however, with just 2-3 players in the domestic market, Tatva Chintan stands an opportunity to expand and explore the global market.

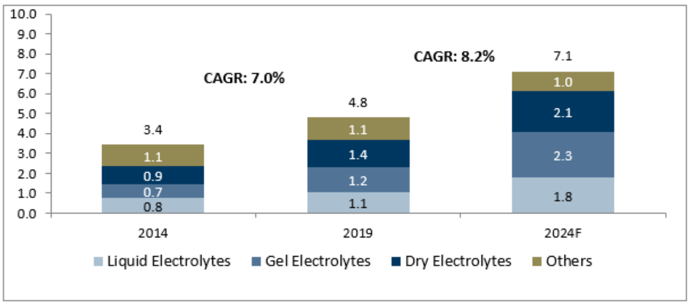
The SDA market remains highly consolidated with a handful of players operating at the global level. Leading players continue to exploit their already strong distribution and employ strategies that include collaborations and partnerships with regional players to further their footprint in overseas territories. Fluctuations in raw material prices remains a key challenge for the players, as they try to sustain by directly passing on the added cost on to the finished products. Opportunities in the automotive industry continue to grow, as compliance with the regulations regarding the emission control in commercial vehicles becomes a mandate worldwide. Tatva Chintan has managed to build a market for itself in India and across the globe with its in-depth knowledge of the chemistry. On a domestic level, the company is the only manufacturer in India.

Tetrapropylammonium bromide and Tetraethyl Ammonium Hydroxide, Tatva Chintan's key products are used as reagents in the synthesis of zeolite. Tatva Chintan's products are critical in the manufacturing of zeolites as the charge distribution and the size and geometric shape of a template are the causes of including structure-directing agents. This growth in the demand for zeolites as a catalyst is in turn driving the growth of these products. Tatva Chintan is the only company which manages the entire value chain across the globe.

Global Battery Electrolyte Market Overview

The global Battery Electrolyte market is valued at USD 4.80 Bn in 2019 and is forecasted to reach USD 7.1 Bn by 2024F with a growing CAGR of 8.2%. The growing number of applications of battery electrolyte predominantly in the automotive sector is major growth driver. The applicability of battery electrolytes is found largely in electrical devices like electrolytic cells and batteries among other devices. Emerging countries like China, India and Japan among other economies are pouring excessive investments in the automotive sector's international market. It is noted that developing regions are prominent importers of the global battery electrolyte market.

Global Battery Electrolyte Market, Growth Trend, 2014, 2019, 2024F (USD Bn)



Source: Frost & Sullivan

There is also a shift seen from chemicals to bio based chemicals due to the growing concerns regarding the effect of battery electrolytes. Bio based chemicals are extensively produced by using fats and oils extracted from plants and animals. Along with being environment friendly, these are also cost efficient if compared with their predictable equivalents. In industries like automotive medical and manufacturing among other industries, the demand for battery electrolytes is up surging mainly due to its properties in wide variety of applications.

Liquid, gel and dry are the main forms of battery electrolytes, where gel electrolytes are gaining a lot of market acceptance. They are also anticipated to hold the largest position in the market in the upcoming years due to their high employability in the in flexible solid-state batteries together with Super-Capacitors.

Global Battery Electrolyte Market growth by market segments

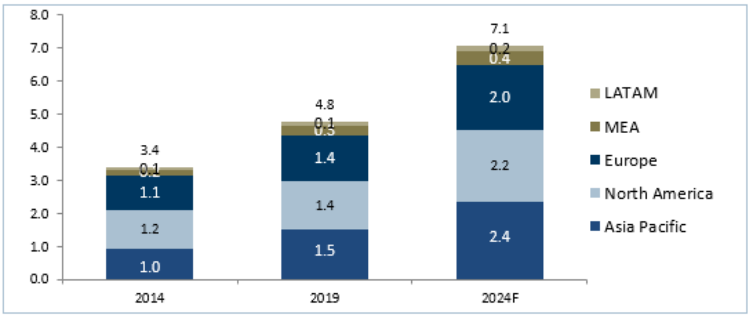
Intermediates	CAGR 2019-24F (%)
Liquid Electrolytes	10-11%
Gel Electrolytes	11-12%
Dry Electrolytes	9-10%
Other (Sodium Chloride, Nitric Acid, Sulphuric Acid, Zinc Bromide)	-2 to -3%

Global Battery Electrolyte Market by Geography

Increasing adoption of EV to reduce carbon footprint, rapid increase in automotive sales, high demand from replacement market of batteries, and increasing share of alternative energy sources in the energy mix are the key factors driving the growth of the battery electrolyte market.

Increased production of lithium-ion battery for EVs is the main reason for the growth of this segment. The Electric Vehicles Initiative (EVI) is a multi-government policy to accelerate the adoption of electric vehicles worldwide. The current EVI members list includes Canada, China, Finland, France, Germany, India, Japan, Mexico, the Netherlands, Norway, Sweden, the UK, and the US. These countries have set an ambitious target to change 30% of its total vehicles fleet to electric vehicles. Investments are being done in the lithium-ion battery electrolytes market owing to the increasing production of lithium-ion batteries.

Global Battery Electrolyte Market segmentation by Geography, 2014, 2019, 2024F - USD 3.4 Bn, USD 4.8 Bn, USD 7.1 Bn



Source: Frost & Sullivan

CAGR	Asia Pacific	North America	Europe	MEA	Latin America
2019-24	8.9%	8.8%	7.1%	6.2%	4.8%

The Asia Pacific region is the largest market for battery electrolyte in the world. The market for electrolyte is growing due to the increased demand from various end-use industries, such as EVs, energy storage, and portable consumer electronics. The demand is also driven by the increasing number of telecom towers, increasing awareness on clean energy generation, rising electrification drive in developing countries, growing automobiles sales, rising demand for industrial storage, dropping solar energy prices, etc.

The production of electrolytes is dominated majorly by Asian suppliers, with China leading the market, followed by Japan and South Korea. As battery deployment is the key to tackling intermittency associated with renewable power generation, the expansive renewable energy sector has created ample opportunities for the electrolyte in batteries. The electric vehicles industry in the region is expanding on targets fixed by the governments which are fostering the demand for batteries.

As of 2018, China was the largest market for the electric vehicle and had registered 30 times faster growth in 2017 when compared to 2016. The extensive deployment of batteries in the Asia-Pacific region creates a large regional market for battery electrolyte across the world.

Global Battery Electrolyte Market by Type

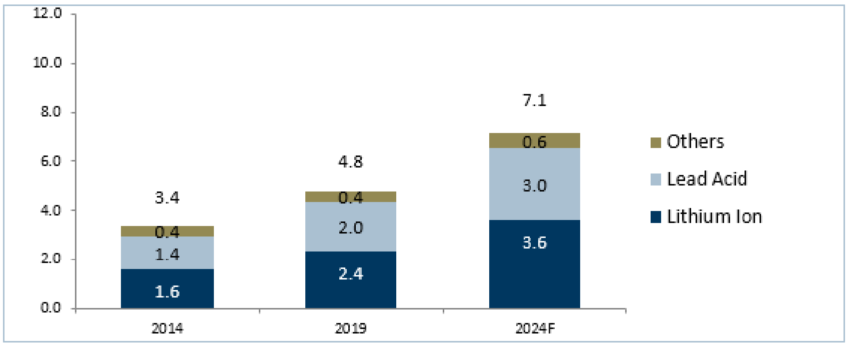
The electrolytes used in lithium-ion battery market are expected to witness a significant growth, with rising opportunities from the formulation and production of newly advanced electrolytes and increasing demand for energy storage systems and hybrid electric vehicles.

The rising use of consumer electronics, such as laptops, smart phones, and other portable equipment, is expected to drive the demand for electrolytes.

Globally, there is a significant oversupply of electrolyte for lithium-ion batteries, with China producing more than half of the total market share. Moreover, less than half of the available production capacity is being utilized in Japan and South Korea, while the United States and Europe utilize merely 5% and 1%, respectively. The Chinese lithium-ion batteries market is witnessing significant growth, and expanded rapidly over the past ten years, on account of cheap labour and favourable government support, in the form of initiatives, like subsidies of USD 10,000 for purchasing electric vehicles.

Massive investments, predominantly in lithium-ion batteries, are driving down costs, while project developers are continuously getting better at designing and building customized storage systems, which is expected to further supplement the growth of battery electrolyte market.

Global Battery Electrolyte Market segmentation by Type, 2014, 2019, 2024F - USD 3.4 Bn, USD 4.8 Bn, USD 7.1 Bn



Source: Frost & Sullivan

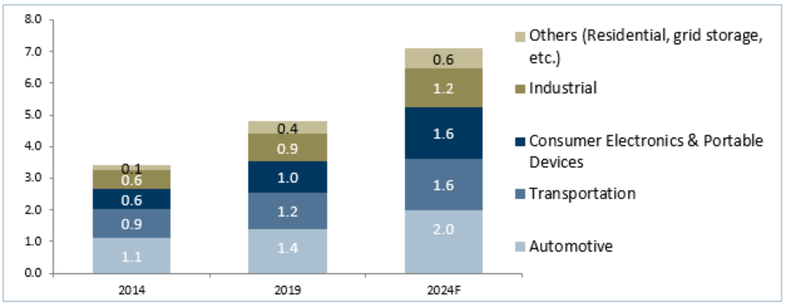
CAGR	Lithium Ion	Lead Acid	Others
2019-24	9.0%	7.9%	5.3%

Global Battery Electrolyte Market by Application segments (end use)

In the end use industry, automotive along with the transportation (Aerospace, locomotive, and marine) industry hold a significantly large market share. This share is attributed to increasing demand of battery electrolytes in the automotive and transportation industry. Moreover, the automotive industry is trying to focus on the environment friendly products; therefore, the increase in use of bio-based chemicals can be seen on large scale in this industry.

This is followed by the consumer electronics segment. The Consumer electronics segment is anticipated to have the considerable compounded annual growth rate during the forecast period in the battery electrolytes market across the globe.

Global Battery Electrolyte Market segmentation by Application, 2014, 2019, 2024F - USD 3.4 Bn, USD 4.8 Bn, USD 7.1 Bn



Source: Frost & Sullivan

CAGR	Automotive	Transportation	Consumer Electronics	Industrial	Others
2019-24	7.4%	7.2%	10.1%	6.9%	10.7%

The market is essentially made up of the USA, parts of Europe, China, and India, which have a massive potential for some applications in the battery electrolyte market. China being a worldwide automotive producing center holds a great potential for the development of the market. Additionally, China is likely to be one of the world's prominent manufacturers of electronic gadgets. The companies are focusing to extend their market by increasing their supply and production. For instance, Panasonic is a leading supplier of lithium-ion batteries, and has around 20% market share in automotive lithium-ion batteries globally.

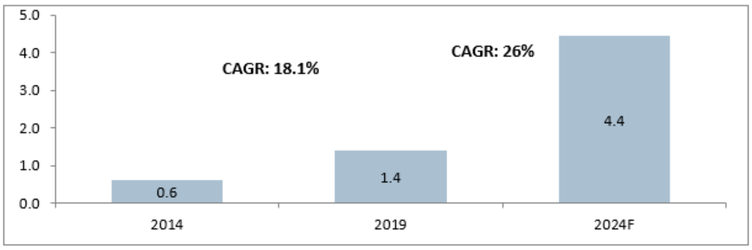
The awareness level of cleaner transportation system has increased in recent years majorly attributed to growing concerns about environmental hazards due to climate changes. The governments across the world have formulated policies to favor the adoption of electric vehicles to offset the pollution caused by conventional vehicles. The deployment of electric vehicles has witnessed huge growth in recent years, in countries such as China, India, the US and European nations. Apart from that, the decline in the cost of batteries improvises the business case for electric vehicles. As batteries are an integral part of electric vehicles, growth in electric passenger cars are likely to propel its demand which in turn, is expected to proliferate the battery electrolyte market across the world in coming years.

Global Super-Capacitor Market Overview

Super-Capacitors are also known as ultra-capacitors or electrochemical capacitors which utilize high surface area electrode materials and thin electrolytic dielectrics to achieve capacitances several orders of magnitude larger than conventional capacitors. In a conventional capacitor, energy is stored by moving charge carriers and electrons from one metal plate to the other metal. This charge separation creates a potential between the two plates which can be harnessed in an external circuit. The total energy stored in the circuit will increases the amount of charge stored and also increase the potential between the plates.

The global Super-Capacitors market was valued at USD 1.4 Bn in 2019 and is anticipated to grow at a CAGR of 26% to reach USD 4.4 Bn by 2024F. This growth which in turn is driving the electrolyte market is primarily driven by the increased use of Super-Capacitors in energy harvesting applications, vehicles such as aircraft & trains and large storage capacity of the Super-Capacitor. The high prices of raw materials, the availability of low priced substitutes, customer traditionalism and high level competition from the established high capacity batteries vendors are posing a hindrance to the market.

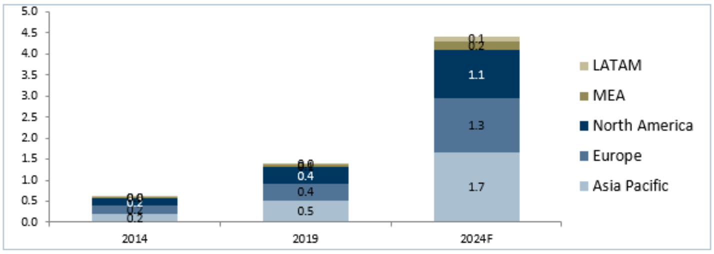
Global Super-Capacitor Market, Growth Trend, 2014, 2019, 2024F (USD Bn)



Source: Frost & Sullivan

The demand for Super-Capacitor has been increasing in the consumer electronics and energy and utility sector for the last few years. The growth is driven by the revolution in the storage technology with the introduction of new market segments such as hybrid electric vehicles (HEV), smart grids, and renewable energy systems. This has been also supported by the advanced features provided by Super-Capacitor such as capability of Super-Capacitor to provide backup power to low power equipment such as RAM, SRAM, micro-controllers and PC Cards at a time of power shutdown. Additionally, rising demand for stabilized power supply to electronic products such as laptop computers, GPS, portable media players, hand-held devices are some of the factors driving the growth.

Global Super-Capacitor Market segmentation by Geography, 2014, 2019, 2024F, USD 0.6 Bn, USD 1.4 Bn, USD 4.4 Bn

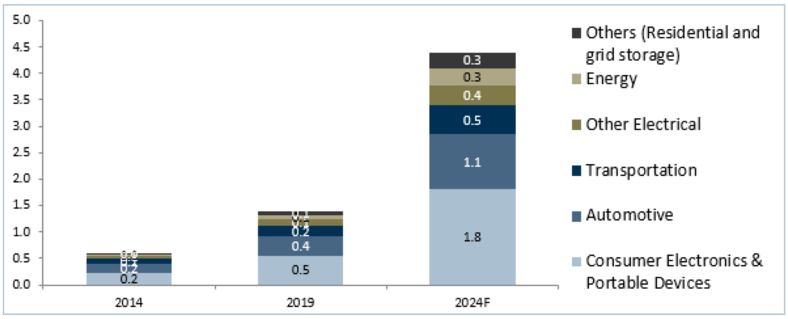


Source: Frost & Sullivan

Asia-Pacific holds the largest market share for Super-Capacitors, due to the increased usage as they are extensively used as power back-up for memory functions in a wide range of consumer products such as mobile phones, laptops and radio tuners. The high demand for electronics like mobile, tablets, and others are also driving for the region in the forecast period. Hence, there is a rise in the production of electronics in countries like India.

Europe is the leader after Asia-Pacific in terms of market share in the global Super-Capacitors market, due to rise in the demand for electric vehicles with new advanced power-driven technology. With the growth in urbanization, rise in the disposable income and the improvement in the infrastructure for electric charging stations and the favourable government policies coupled with the advancement in the technology in the region will be the major drivers for the Super-Capacitors in the region. With a y-o-y growth of almost 34%, an outstanding expansion of all-electric cars brought a healthy growth for passenger plug-in electric cars in Europe.

Global Super-Capacitor Market segmentation by Application, 2014, 2019, 2024F, USD 0.6 Bn, USD 1.4 Bn, USD 4.4 Bn



Source: Frost & Sullivan

Growth Drivers

The continuous growth in the Consumer Electronics segment and the growing automotive segment is expected to drive the double digit growth of the battery electrolyte market.

5 year growth forecast split by key industries highlighting key factors driving growth

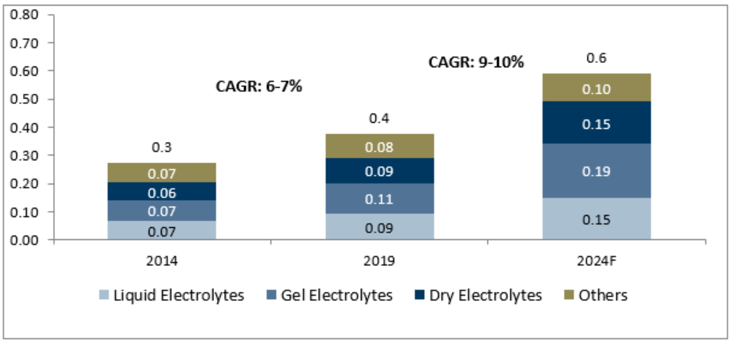
Segments	Key Growth Drivers	(2019-24 CAGR)
Automotive & Transport	Advent of fuel efficient technology to have a significant impact on hybrid electric and battery electric vehicles, in turn driving the automotive market.	5-7%

Segments	Key Growth Drivers	(2019-24 CAGR)
Consumer Electronics	Rapidly increasing penetration of internet connectivity & services in several developed and developing economies across the globe.	7-9%
Energy Storage	Battery energy storage system market to be driven by on-grid connection system.	30-32%
Infrastructure and Residential properties	Growth in urbanization in developing countries will help boost the infrastructure in sectors such as transport and power.	6-8%

India Battery Electrolyte Market

India Battery Electrolyte market stands at USD 0.35-0.4 Bn in 2019 projected to grow at 8-9% CAGR over the next half decade to reach USD 0.55-0.65 Bn by the year 2024F. India battery electrolyte market is approximately 6-8% of the global battery electrolyte market. Automotive and Consumer Electronics comprise of more than half of the India’s market. The Automotive segment saw a drop in sales in the last 2 years; it is however, expected to bounce back and grow exponentially. The demand for Hybrid vehicles and Electric Vehicles will in turn boost the demand from the Automotive and Transport industry. With growing technological savvy population and better standards of living, the demand for consumer electronics in forms of Phones, Mobiles, Laptops, Music Players, Audio Assistants and Reading Tablets among others is driving the Consumer Electronics market.

India Battery Electrolyte Market, Growth Trend, 2014, 2019, 2024F (USD Bn)



Source: Frost & Sullivan

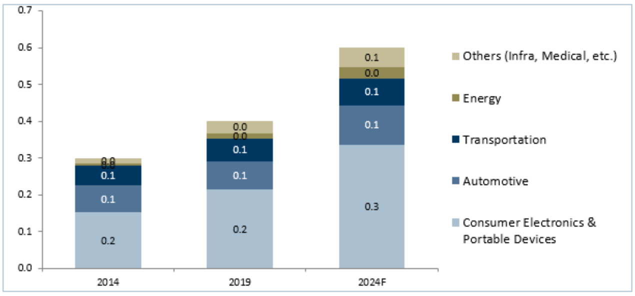
India Battery Electrolyte Market growth by market segments

Intermediates	CAGR 2019-24F (%)
Liquid Electrolytes	9-10%
Gel Electrolytes	12-14%
Dry Electrolytes	10-11%
Other (Sodium Chloride, etc.)	3-4%

India Battery Electrolyte Market by Application segments

In India, the growing automobile sector, increasing number of solar power projects and continuous expansion of telecommunication infrastructure is expected to drive the demand for lead-acid batteries in the country, in turn driving the battery electrolyte market. The rising penetration of smart devices and growing demand for renewable energy sources will drive the market as they use inverters to convert DC power to AC power. Moreover, rising focus of the government on domestic manufacturing under the 'Make in India' initiative is further positively influencing India electrical capacitor market in turn driving the electrolyte market.

India Battery Electrolyte Market segmentation by Applications, 2014, 2019, 2024F, USD 0.25-0.3 Bn, USD0.35-0.4 Bn, USD 0.55-0.65 Bn



Source: Frost & Sullivan

CAGR	Automotive	Transportation	Consumer Electronics	Energy	Others
2019-24	7.3%	3.8%	9.2%	13.4%	11.0%

India Super Capacity Market Overview

Super-Capacitors or ultra-capacitors are charge storage devices that store electrical charges via electrochemical and electrostatic processes. These have an unusually high energy density as compared to common capacitors. Due to their beneficial properties like fast charging ability, superior low temperature performance, long service and cycle life, and reliability, Super-Capacitors hold the potential to replace or complement traditional batteries and capacitors in several applications. These are already being used worldwide in a number of applications ranging from automotive, renewable energy to electronics.

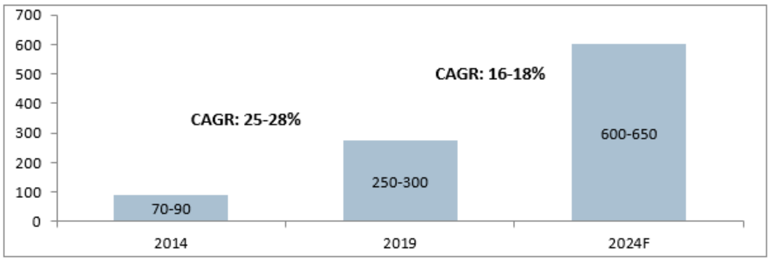
Super-Capacitors are steadily paving the way for hybrid power storage applications, such as complementary batteries especially in two-wheeler applications. Various market reports estimate the global demand for Super-Capacitors to grow tremendously, primarily driven by different consumer electronics and automotive applications, to provide backup power. Super-Capacitors provide the necessary power backup required for the smooth functioning of applications such as video calling, cameras, wireless communications and GPS navigation.

Other industrial handheld devices—such as GSM/GPRS and radio frequency identification (RFID) communication tools, LED flashlights, thermal printers, barcode scanners and GPS chips—can also be operated more conveniently with the help of Super-Capacitors , to provide the required power boost. Using Super-

Capacitors in line with batteries in these electronic devices increases the life cycle of conventional batteries, by reducing the load of voltage drops. Thus, battery runtime and operational life is improved extensively by using Super-Capacitors. The current practice, across the globe, of upgrading to power generation from renewable resources to reduce rapid depletion of natural resources is also expected to drive the market for Super-Capacitors in the coming years.

Although Super-Capacitor technology is at a nascent stage in India, opportunity for this technology is huge considering the various application sectors. The Indian Super-Capacitors market was valued at around USD 250-300 Mn and is projected to grow at a CAGR of around 16-18% by 2024F on account of huge demand for Super-Capacitors from the consumer electronics segment. Super-Capacitors are used in several devices in consumer electronics category including smartphones, laptops, TVs, cameras, lighting appliances and GPS devices. Moreover, evolution of Super-Capacitors as a sustainable energy storage solution, growth of EVs market and increasing capacities of Super-Capacitors resulting in their applications in wind and solar power sectors is anticipated to boost their demand in India in the next five years. The major demand for Super-Capacitors has been major from consumer electronics, EVs, renewable energy, railway, and defence among others.

India Super-Capacitor Market, Growth Trend, 2014, 2019, 2024F (USD Mn)

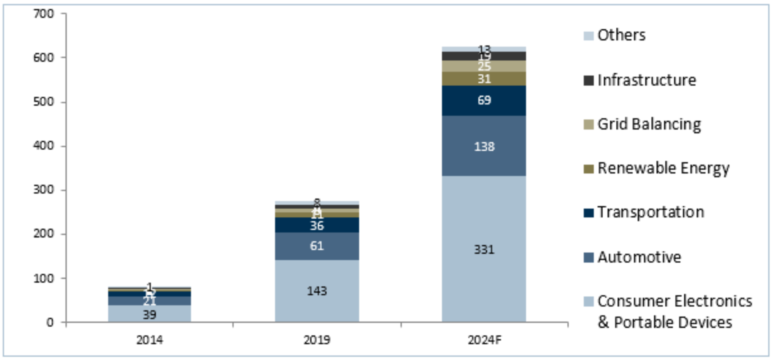


Source: Frost & Sullivan

Furthermore, a team of Indian scientists have developed a low-cost Super-Capacitor device with excellent capacitive retention using a novel electrode material they synthesized which can pave the way for the next generation of high power-high energy storage devices. The discovery could be an effective alternative to the existing carbon-based electrodes for Super-Capacitors to achieve high energy density. The new Super-Capacitor exhibited excellent capacity retention and stability. The device could power devices like an LED lamp and a DC fan. Scientists have also developed a new material for Super-Capacitors, which can store electrical energy by electron charge transfer. This material can be used as an alternative to batteries as it offers a low-cost, highly scalable energy storage solution.

India Super-Capacitor Market by Application segments (end use)

India Super-Capacitor Market segmentation by Application, 2019, USD 275 Mn



Source: Frost & Sullivan

Key Application Segments	Major Development Areas	2019-24 CAGR
Automotive	National Electric Mobility Mission Plan (NEMMP) 2020 in India has projected a high growth of over 40% for EVs and Super-Capacitors stand a strong chance to be utilised in this sector.	5-7%
Transport and Infrastructure	Indian Railways is one of the world's largest rail networks, with metro trains also rapidly increasing in urban cities. With major thrust on safety, efficiency, energy conservation, power quality and freight wagon tracking, Super-Capacitors are poised to play a key role in Indian Railways.	10-12%
Renewable Energy	In India, leading wind turbine manufacturer, Suzlon, is reportedly working with Super-Capacitors for their wind turbines. Increasing awareness and proven efficiency of Super-Capacitors for wind turbines across the world might trigger the usage of Super-Capacitors in India very soon. Solar PV panels and solar lighting are potential areas where Super-Capacitors can find immediate use in India.	16-18%

Key Application Segments	Major Development Areas	2019-24 CAGR
Consumer electronics	In India, since there are a limited number of consumer electronics manufacturers, opportunities for Super-Capacitors to be integrated directly into devices like cell phones and laptops is a bit difficult. A possible solution could be the power bank, wherein fast-charging and high-power-density features of Super-Capacitors can be well utilised.	12-14%
Grid Balancing	There is demand for smart Super-Capacitor-based storage systems, which can balance supply and demand across segments that comprise the value chain. New control points offered by Super-Capacitor-based storage systems enable operators to selectively and instantly respond to fluctuations in grid inputs and outputs.	16-18%

Market position of the Company

Tatva Chintan is among the key players in the battery electrolyte segment. With a growth in the Automobile and Electronics segment, the battery electrolyte segment across the globe is expected to witness a huge growth. Tatva Chintan, with its expertise in Organic Battery Electrolytes has witnessed upward sales over 21% in FY 20 as compared to FY 19. Tatva Chintan is the largest producers of organic Battery Electrolytes for super capacitors in India.

There is a rising environmental concern over pollution due to growth in Automobile and other such industries. Being cognizant of this issue, Tatva Chintan has collaborated with Ecovadis, which is an independent agency auditing member company on behalf of Together for Sustainability (TFS), which audits Chemical companies for sustainability and sustainable solutions. Tatva Chintan, over the years, has focussed on sustainable supply chain solutions by managing the entire value chain. Its sustainability performance as audited by Ecovadis has been above the industry average score on their Sustainability performance towards the environment and procurement.

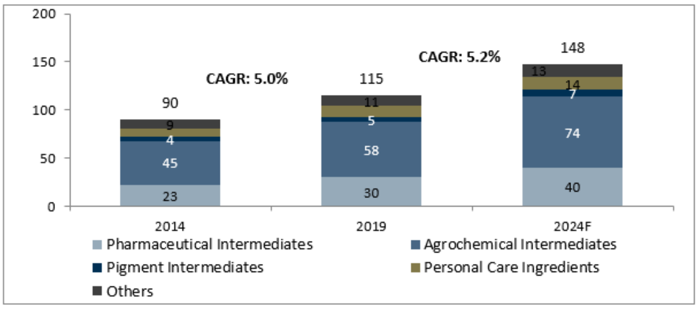
Tatva Chintan also partnered with “Together for Sustainability”, a joint initiative of chemical companies for sustainable supply chains.

Global Pharma & Agro Intermediates and other Specialty Intermediates Market Overview

The global specialty intermediates market stands at USD 115 Bn in the year 2019, and is projected to grow at 5.2% CAGR by 2024F and estimated to reach USD 148 Bn. This growth is primarily driven through the high growth end-use segments such as pharmaceuticals, agrochemicals, paints and coatings, personal care, flavour & fragrances, etc. Some of the countries like China and India have been actively catering to export led demand in the application segments of specialty intermediates, which is making these regions attractive (within Asia Pacific) in intermediates space.

Intermediates refer to the substances that are semi-finished products and used as catalysts. Chemical intermediates are generated during each and every step of the chemical reaction that is meant to change a reactant into a final product. Intermediates come in various forms such as solid, liquid as well as gas. Specialty intermediates are highly consumed in application segments like manufacturing, API, crop protection active ingredients, paints and coatings, detergents, textiles, etc.

Global Specialty Intermediates Market, Growth Trend, 2014, 2019, 2024F (USD Bn)



Source: Frost & Sullivan

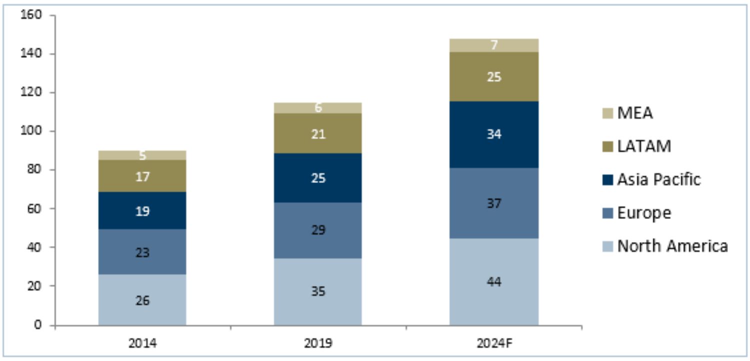
Specialty Intermediates growth by market segments globally

Intermediates	CAGR 2019-24F (%)
Pharmaceutical intermediates	6-7%
Agrochemical intermediates	5-6%
Pigment intermediates	5.5-6.5%
Personal Care Ingredients	4-5%
Other Intermediates	4.5-5.5%

Global Specialty Intermediates market by Geography

More than half of the specialty intermediates market is concentrated in developed regions such as United States, Western European nations, etc. The presence of multinational conglomerates is prominent in these regions and some quantities of specialty intermediates are also exported to high demand centers such as Asia Pacific. Due to a shift in the manufacturing base towards east, APAC holds significant market share in the specialty intermediates market.

Global Specialty Intermediates market segmentation by Geography, 2019, USD 115 Bn



Source: Frost & Sullivan

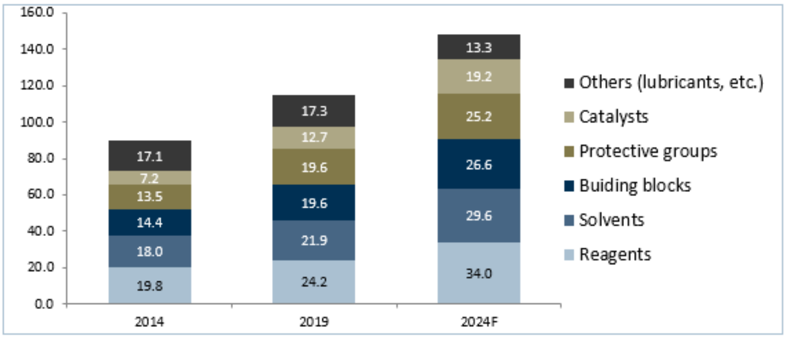
CAGR	North America	Europe	Asia Pacific	Latin America	MEA
2019-24	5.2%	5.1%	6.1%	4.0%	5.2%

Global Specialty Intermediates market by Type

Various chemistries are prominently used across end-use application segments of specialty intermediates which include reagents, solvents, building blocks, protective groups, lubricants, etc. Reagents are typically consumed in the reactions which are nothing but reactants. On the other hand, solvents do not take part into the reaction but facilitate the reaction. Building blocks are the key materials which are responsible for the formation of specific property to the final product. Protective groups protect the delicate organic substances from breaking. In many preparations of delicate organic compounds, some specific parts of their molecules cannot survive the required reagents or chemical environments. Then, these parts, or groups, must be protected through addition of protective groups.

Reagents/reactants, solvents, protective groups and buildings blocks account for around 75% of the market of specialty intermediates across the globe. The remaining 25% comprises of lubricants, catalysts and other chemistries.

Global Specialty Intermediates market segmentation by Type, 2014, 2019, 2024F, USD 90 Bn, USD 115 Bn, USD 148 Bn



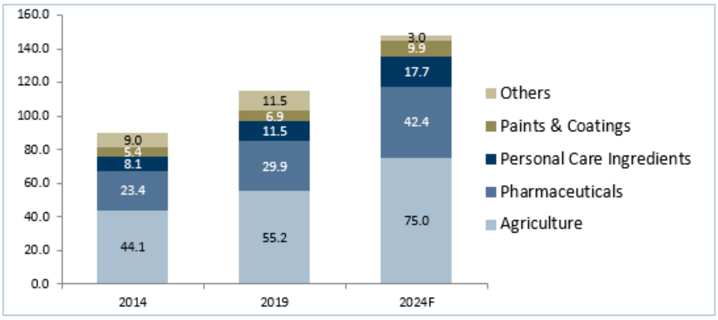
Source: Frost & Sullivan

CAGR	Reagents	Solvents	Building Blocks	Protective Groups	Catalysts
2019-24	7.1%	6.3%	6.4%	5.2%	8.7%

Global Specialty Intermediates market by Application segments (end use)

The major application segments of specialty intermediates constitute of agrochemicals, pharmaceuticals, coatings, personal care, flavor and fragrances, etc. Agriculture is the largest end application making up for almost half of the total market. Some of the high volume specialty intermediates constitute of the basic synthetic building blocks for producing active ingredients, these intermediates include organic acids, esters, amines, nitriles, aldehydes, anhydrides, ketene and diketene derivatives, ketones and others.

Global Specialty Intermediates market segmentation by Applications, 2014, 2019, 2024F, USD 90 Bn, USD 115 Bn, USD 148 Bn



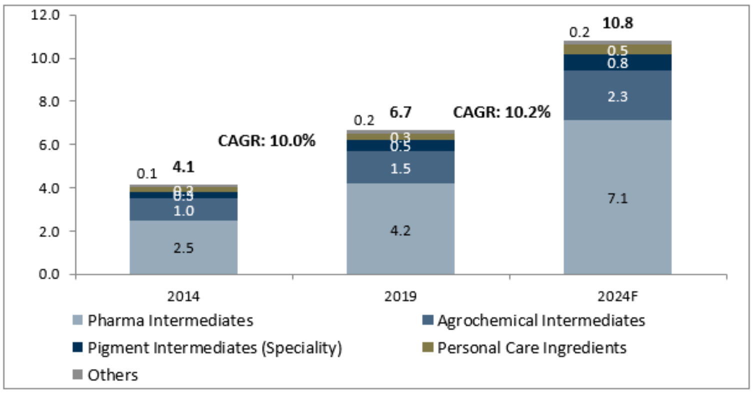
Source: Frost & Sullivan

CAGR	Agriculture	Pharmaceuticals	Personal Care Ingredients	Paints & Coatings
2019-24	6.3%	7.3%	9.1%	7.4%

India Specialty Intermediates Market

India specialty intermediates market stands at USD 6.7 Bn in 2019 projected to grow at 10.2% CAGR over the next half decade to reach USD 10.8 Bn by the year 2024F. India specialty intermediates market is approximately 5-6% of the global specialty intermediates market. Pharmaceutical intermediates market comprise of more than half of the India specialty intermediates market. Some of the large volume specialty intermediates used in pharmaceutical application are amides, chlorides, organic acids, hydrochlorides, amines, hydroxides, etc. Pharmaceutical and agrochemical segments are expected to grow exponentially in India leading to a growth in the market size of these application segments as well.

India Specialty Intermediates Market, Growth Trend, 2014, 2019, 2024F (USD Bn)



Source: Frost & Sullivan

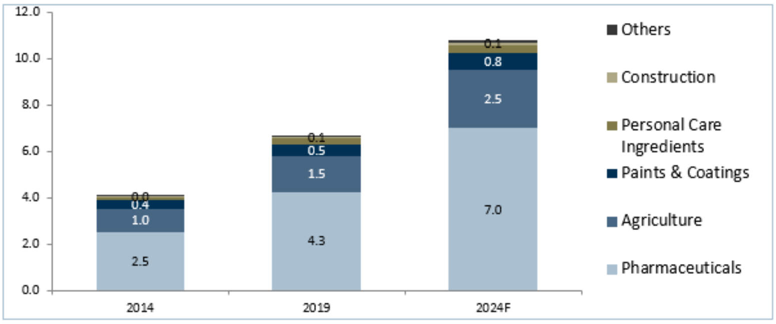
Growth by market segments in India

Intermediates	CAGR 2019-24F (%)
Pharmaceutical intermediates	11.3%
Agrochemical intermediates	8.9%
Pigment intermediates	9.2%
Personal Care Ingredients	9.3%
Pyridinium salts and Pyridine derivatives	5-7%
Other Intermediates (Personal care, etc.)	2.8%

India Specialty Intermediates market by Application segments

API and bulk drugs are the key markets for specialty intermediates in India. This market constitutes of >50% of the total India specialty intermediates market (64%). Some of the chemistries of pharmaceutical intermediates are as follows:

India Specialty Intermediates market segmentation by Applications, 2014, 2019, 2024F, USD 4.1 Bn, USD 6.7 Bn, USD 10.8 Bn



Source: Frost & Sullivan

Pyridinium salts and pyridine derivatives are widely used in the production of agrochemicals and food additives, and in manufacturing various herbicides, pesticides, and insecticides. The key factors that boost the growth of the global pyridine market include increase in pest control activities and surge in awareness about pyridine among farmers. Furthermore, an increase in demand of pyridine as a denaturant is anticipated to drive the market growth. An increase in R&D activities in reducing the toxicity of pyridine due to its beneficial usage in pharmaceuticals, chemicals, agrochemicals, and food & beverages is expected to provide lucrative opportunities in the pyridine industry. The global Pyridine, Pyridinium salts and pyridine derivatives' market is expected to grow at around 5-6% to reach USD 760-770 Mn by 2024F from USD 580-585 Mn in 2019. Pyridine, pyridinium salts and pyridine derivatives' demand in India is anticipated to grow at a healthy CAGR of over 5% from USD 25-30 Mn to USD 35-40 Mn by 2025. Increasing use of Pyridinium salts and pyridine derivatives in agriculture and pharmaceutical sector along with its usage as a solvent in paint and coating applications is anticipated to spur the demand for Pyridine in India. Jubilant Life Sciences is the leading manufacturer of Pyridine in India having a market share of around 97%. Owing to its humongous and quality production, a large share of Pyridine produce is exported to other countries. In 2019, in response to the plea from Pyridine manufacturers in China, Ministry of Commerce terminated the anti-dumping duty on Pyridine imports from India. This reform is anticipated to boost the domestic production of Pyridine, especially in Jubilant Life Sciences since it's the major exporter of Pyridine and its derivatives globally. The key players are Jubilant Life Sciences, Resonance Specialties Limited, Lonza Group Ltd., Vertellus Specialties Inc., Red Sun Group, Shangdong Luba Chemical Co. Ltd., Koei Chemical Company Limited, Weifang Sunwin Chemical Company Limited, Mitsubishi Chemical Company, and Bayer AG.

Trend of Evolution - Specialty Intermediates

The development of specialty chemicals and intermediates (which includes additives, paints and coatings) is driven by the need for application-specific chemicals of various industries. Dynamic advancements in end-user industries demand for a change in product formulations using additives. In India, with emphasis on product innovation, brand building and environmental friendliness, the Specialty intermediates and additives industry is moving toward greater customer orientation. India's strengths in organic chemicals' synthesis and process engineering along with global reliance on Intellectual property protection are key aspects of differentiation.

Key Application Segments	Major Development Areas	CAGR 2019-24 %
Agrochemicals	Exploring and developing new feedstock and chemical compositions with bio-based materials to reduce wastage and improve efficiency.	9-11%
Personal Care Ingredients	Environment friendly / Green products; Current share of natural active ingredients in the market is 25-30%, which is expected to double to 50-55% by 2030.	6-8%
Building & Construction	Growth-influencing factors include population increases in developing countries, required infrastructure improvements in developed countries, trends towards increased residential development, and anticipated investment in renewables and telecommunications.	6-8%
Paints & Coatings	Use of nanotechnology, novel ingredients, specialty solvents, high performance additives and polymers, composites, modified chain extenders etc.	9-11%
Pharmaceuticals	Emergence of Specialty Segments (Biologics) As the market is facing fierce competition, companies have started exploring the specialty segment and biosimilars which could provide higher efficacy at lower dosage	11-13%

Market position of the Company

Tatva Chintan is among the key players in the specialty chemicals segment, with its range of products finding applications among the high growth segments mentioned above. Engaged in manufacturing of a variety of Disinfectants, Catalysts, Agro and Pharmaceuticals intermediates and other specialty intermediates, Tatva Chintan has a good product mix across sectors of Agrochemicals, Pharmaceuticals, Personal care, etc.

Glyme is used in various applications of drug research, battery research, biological research and others. The Global glyme market is estimated to register growth at a rate of 15-17% during 2020-25F; India will contribute significantly to this growth with government initiatives and investments supporting the Pharmaceutical sector generously. Currently, very few players in India produce this, namely, Tatva Chintan, Prasol Chemicals, Sanjay Chemicals, Tolani Chemicals. Tatva Chintan is one of the largest producers of Glymes across the globe. It is the largest producer of Glymes in India and third largest in the world. In terms of sales, Tatva Chintan has managed to see a positive double digit growth in sales of Pharma, Agro Intermediates & other Specialty Chemicals in the past 3 years. Having surpassed a sales figure of ~4.9 KT in FY 20, Tatva Chintan managed to clock 11% Y-o-Y growth.

In the Asia Pacific (APAC) region, the production of pesticide & food additives has grown progressively over the past few years owing to a growing need for food security in various countries in this region. Rising demand of the soil fumigants in the region is also anticipated to lead to growth of the regional market. The Indian market is expected to contribute significantly towards the growth of global dimethyl disulphide market due to its high dependence on agriculture and related industries.

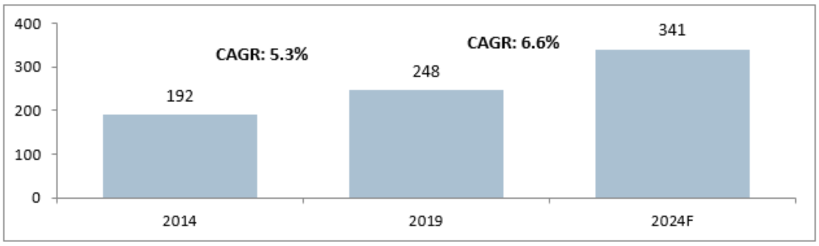
With a high demand for Personal Care and Home care products like soaps, surfactants and disinfectants post Covid-19, India's personal care and disinfectant market is expected to experience a boost and grow exponentially. Tatva Chintan received an FDA approval from Gujarat State for manufacturing cetrimide and cetyl pyridinium chloride in 2004 which allowed it to expand its market in this portfolio. Tatva Chintan has also expanded its geographical reach to other regions by setting up and expanding its warehousing facilities in USA and Netherlands. in addition to its ISO certified manufacturing sites at Ankleshwar and Dahej.

Tatva Chintan is best positioned to reap the benefits of the on-going government incentives and initiatives to revive the Agrochemicals and Pharmaceutical API industry and decrease over reliance on Chinese imports. India's continued growth in the both these markets, in particular through increased exports, are set to directly benefit the country's producers of excipients and intermediates.

Global Personal Care Market

The Global Personal Care market has shown a steady growth of 5.3% till 2019 and is anticipated to grow at 6.6% in the coming years. The main drivers are increasing disposable income, growing middle class and other trends such as men's grooming and increased hygiene awareness. With the penetration of internet and social media, cosmetics and skin care products are expected to drive the market of personal care products across the globe.

Global Personal Care Market Overview (USD Bn)

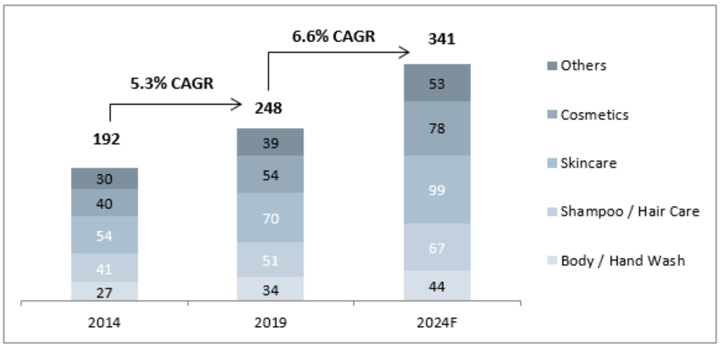


Source: Frost & Sullivan

Asia Pacific holds a 36% market share globally. In the region, countries like China, India, and Vietnam present considerable growth opportunities for the market players, primarily due to the growing millennial population. The region's market growth is propelled by the growing number of upgraded products providing enhanced efficacy, consistent investments by international companies, and the retailing environment's development. Sales in the region is being fuelled mainly by population growth, urbanization and increased per capita spending power.

Global Personal Care Market – Forecast

Global Personal Care Market Forecast, Value (USD Bn), 2014, 2019 and 2024F

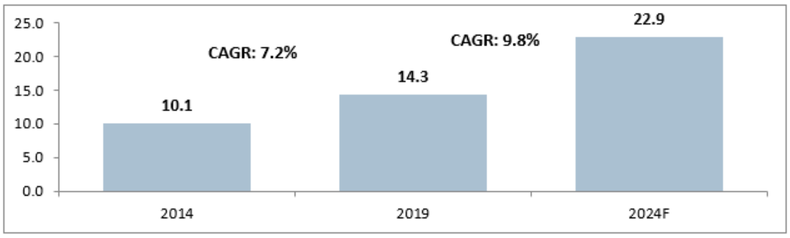


Source: Frost & Sullivan

India Personal Care Market Overview

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

India Personal Care Market Overview (USD Bn)

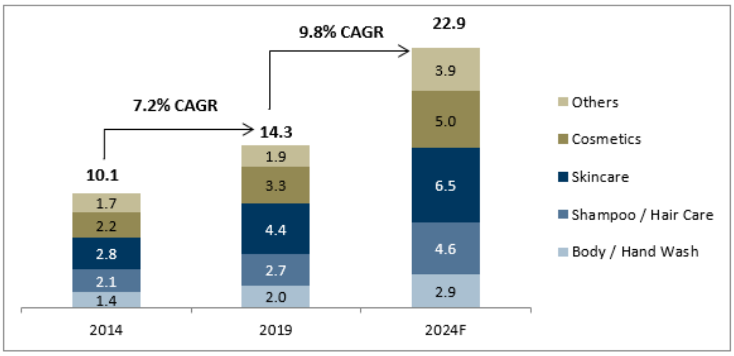


Source: Frost & Sullivan

The overall the market is moving towards premiumization, with the premium segment growing at 6.3%. Indian brands have a sizeable presence in the mass category, while the premium markets are largely dominated by the international brands.

India Personal Care Market Overview – Forecast

Indian Personal Care Market Forecast, Value (USD Bn), 2014, 2019, 2024F



Source: Frost & Sullivan

The Indian skin care market stood at USD 4.4 Bn in 2019 and is projected to grow to reach USD 6.5 Bn by 2024. Rising disposable income and rising number of working women has led to an increased demand for skin care products across all age groups, especially in the younger population in India. Emergence of online brands such as Nykaa and Purple and an increasing penetration of internet are resulting in a growing presence of online retail in the skin care market. Online purchase and growing importance of peer feedback and product reviews facilitate purchase decisions.

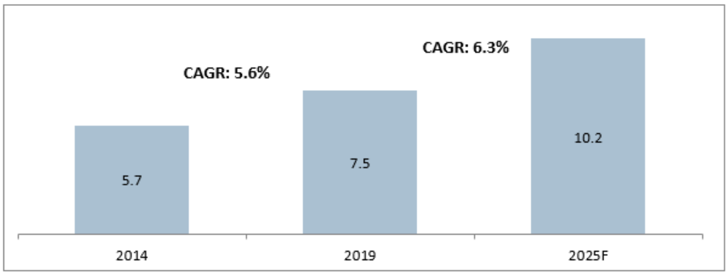
Untapped rural markets represent potential opportunity for the players in the Indian market, with around 50% of rural population aged below 25 years. With an improved internet connectivity and increased awareness, the rural habits have started to mirror urban aspirations lifestyle. All these factors positively affect the growth of the personal care market. While the Cosmetics, Skin care and Hand & Body wash market are expected to grow at a CAGR of over 8%, the hair care market will experience the highest growth of over 11% CAGR through the forecast period.

Global Epoxy Resin Market

The global market size for epoxy resin was estimated at USD 7.5 Bn in 2019 and is projected to rise during the forecast period at a CAGR of 6.3%. Epoxy resins have the property of containing one more than one epoxy group

per molecule and are thermosetting resins that, for greater reactivity, make use of sufficient cross-linking agents. Epoxy resins are respected by being the largest raw material used for different chemical formulations.
Highly beneficial properties of epoxy resins, including high thermal stability, mechanical strength, resistance to moisture, adhesion, heat resistance, make epoxy resins the resin of choice for a range of end-user applications, such as laminates, jewelry and insulators.

Global Epoxy Resin Market, Growth Trend, 2014, 2019, 2024F (USD Bn)



Source: Frost & Sullivan

A growth in demand for paints & coatings is driving the growth of the epoxy resin market with a growth observed in the construction and automotive industries. The global market is also to benefit from the growth of end-use industries, including transport, marine coatings, aerospace, electrical & electronic laminates, composites and decorative powder coatings, especially in the Asia Pacific region. New avenues are expected to be developed by growing R&D initiatives by key participants in accordance with technological advancement in the field of modified resins. The global demand is fuelled by rapidly expanding wind energy capacity installation on account of a shift towards the development of renewable energy. The key drivers of the market are increasing penetration of composites, emerging demand from developing countries, and revolutionary advancements in weight reduction and safety.

Global Epoxy Resin Market by Application and Usage

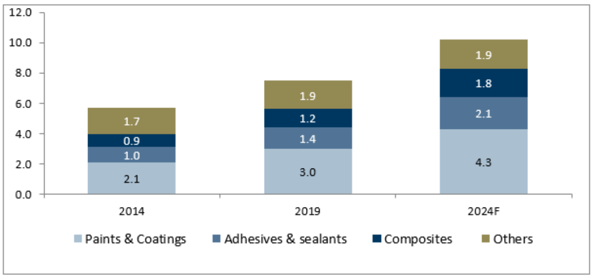
The main application segments of epoxy resins include paints & coatings, adhesives & sealants, and composites. In the application of paints & coatings, epoxy resins are commonly used for their mechanical and defensive properties. The epoxy resin market is experiencing the fastest growth in the application category of composites.

Epoxy resins are mostly used in the production of paints & coatings. The paint & coatings segment accounted for ~40% market share in 2019, and is expected to grow at a CAGR of 6-8% through 2020-24F. Being a major epoxy resin consumer, paints & coatings industry directly affects the global epoxy resin market. Paints & coatings market is dependent on automotive and construction industries that are directly affected by economic conditions in the world. Stable economic conditions are expected to have a positive impact on the growth of construction and automotive industries. This is further expected to result in increased paints & coatings demand.

Increasing demand can be associated to a strong acceleration in construction spending, particularly in residential construction, which is expected to rebound in North America and Western Europe. Healthy growth in the global manufacturing activity will also fuel demand for paints & coatings used in the production of motor vehicles and other durable goods, as well as industrial maintenance applications.

Epoxy resins based Adhesives & sealants are widely applicable in the building, automotive among other sectors. Electrical & electronics is also expected to have remarkable penetration on account of increasing use of epoxy-based electronic adhesives. Growing electrical & electronics industry is expected to have a positive influence on the epoxy resin demand in this application segment. Epoxy resin-based adhesives are most extensively used on account of their superior adhesion properties. They are mainly used in automotive, construction and aerospace industries to join different parts together. Increasing acceptance of epoxy-based adhesives is expected to augment epoxy resin demand from this application segment. Epoxy resins also find application in various other end-use industries such as powder coating, industrial tooling, flooring, and consumer applications. These segments are expected to exhibit moderate growth over the forecast period.

Global Epoxy Resin Market segmentation by Application, 2014, 2019, 2024F, USD 5.7 Bn, USD 7.5 Bn, USD 10.2 Bn



Source: Frost & Sullivan

Key Products for Tatva Chintan

Ethyltriphenylphosphonium Bromide (ETPB) is a phase transfer catalyst that is used to speed up the treatment of epoxy resins based on phenolics, some fluoroelastomer resins and powder coatings. During the forecast era, a decent growth in the automotive and construction industry in the country is expected to drive the epoxy resin market and thereby the demand for ETPB.

Benzyl Trimethyl Ammonium Chloride (BTMAC) is used as a cellulose solvent, a polyester resin gel inhibitor, a chemical intermediate, a rubber industry paint dispersant, and as an acrylic dyeing assistant. Growing demand from the construction industry, coupled with rising infrastructure activities, is driving the demand for paints and coatings thereby benefitting BTMAC.

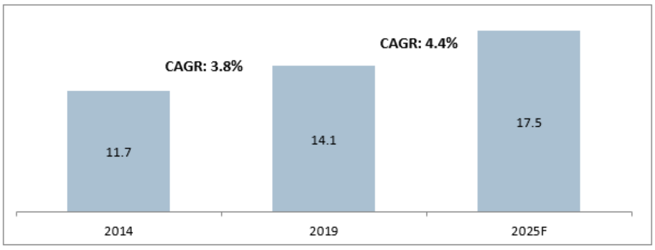
Global Speciality Amines Market

In 2019, the global Amines market size was over USD 14 Bn and due to an increased awareness of personal health and hygiene and the use of high-quality personal care products; the specialty amines market is expected to increase at a CAGR of over 4% between 2019 and 2024.

Specialty amines are colorless or light yellow liquids that are soluble in water. Specialty amines are chemical intermediaries with excellent synthesizing properties. Products synthesized with specialty amines exhibit characteristics such as electric insulation and resistance to radiation, abrasion, and heat. Specialty Amines are used in detergents, specialty cleaners, gas-treating chemicals, and personal care products.

With customers gaining an additional purchasing power in China, India, and other emerging markets, the demand for higher-quality cleaning and personal care products that use amine-based surfactants is expected to increase.

Global Speciality Amines Market, Growth Trend, 2014, 2019, 2024F (USD Bn)



Source: Frost & Sullivan

The demand for specialty amines as an essential ingredient in pharmaceutical formulations is expected to grow due to an increasing prevalence of chronic health conditions, such as diabetes, blood pressure, cholesterol and heart diseases across the globe. The increasing demand for amines as a solvent in manufacturing paint and coatings coupled with the surging use of paint and coatings in automotive and construction industries is also expected to drive the market growth.

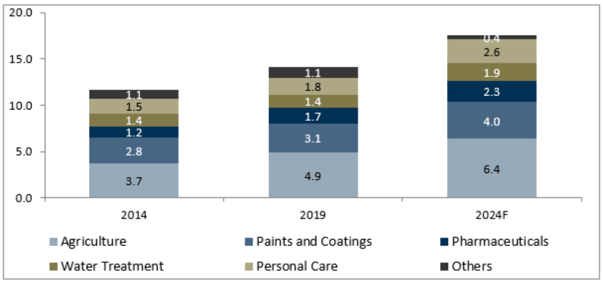
Global Speciality Amines by Application and Usage

Specialty amines help in improving the efficiency of soaps or surfactants. The specialty amines play a vital role in curing of the epoxy resins. The petroleum and oil industry uses the specialty amines for as additives in fuel oil or petroleum. A variety of specialty amines are used in the manufacture of the herbicides and pesticides in the fertilizer industry. Specialty amines also act as catalysts in the synthesis of various chemicals and used for the treatment of water used in the boilers. The specialty amines used in dyestuffs act as pigment or optical brighteners.

They are also used in the manufacturing of rubber chemicals, coatings and agricultural chemicals.
The growing population has created a growth in demand for pharmaceutical products. The growth of pharmaceutical industry will thus help in creating more demand for the specialty amines. The growth of the fertilizer and pesticide industry resulted due to declining soil quality will help in the growth of specialty amines market.

Growing customer perception of the need for personal grooming combined with the increasing use of cosmetic products in personal & professional life to look more presentable is likely to create challenging opportunities for personal care products. In addition, a growth in consumer awareness for the need to preserve personal health and hygiene due with the onset of the pandemic is likely to draw the consumer’s attention to the use of amine-containing cleaning agents and disinfectants.

Global Speciality Amines by Application, 2014, 2019, 2024F, USD 11.7 Bn, USD 14.1 Bn, USD 17.5 Bn



Source: Frost & Sullivan

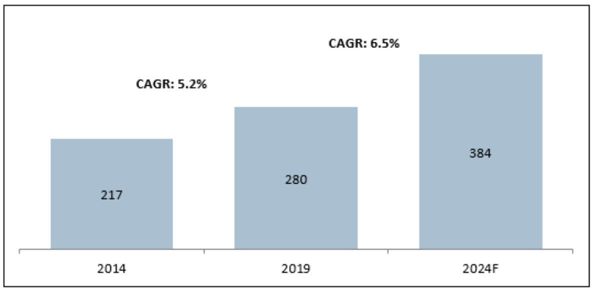
CAGR	Agriculture	Paints & Coatings	Pharmaceuticals	Water Treatment	Personal Care
2019-24	5.2%	5.1%	6.3%	6.2%	7.1%

India Speciality Amines Market

The Indian Specialty Amines Market size was valued at over USD 280 Mn in 2019 and is estimated to grow over 6.5% CAGR between 2019 and 2025 owing to increasing awareness regarding personal health and hygiene and use of high-quality personal care products.

The Indian specialty amines industry is broadly oligopolistic with Alkyl Amines Chemicals and Balaji Amines being two of the leading players in the market.

Indian Speciality Amines market, 2014, 2019, 2024F (USD Mn)



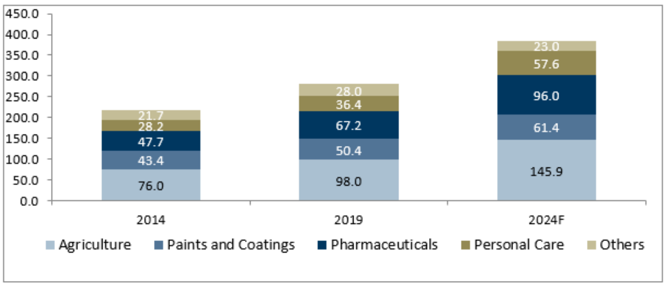
Source: Frost & Sullivan

Indian Speciality Amines market by Application and Usage

With a rising focus on improved crop quality, the growth in use of Specialty Amines in Agrochemicals is expected to drive the market. With an improved focus on health and hygiene, India will also observe a growth in the use of

Disinfectants and Surfactants or cleaning agents. Specialty Amines are also heavily used in the Pharmaceutical industry and the growing industry will in turn drive the demand for Specialty Amines.

Market segmentation by Application, 2014, 2019, 2024F, USD 217 Mn, USD 280 Mn, USD 384 Mn



Source: Frost & Sullivan

Competition Analysis

Financials

Specialty chemical companies have a distinguished and differentiated business model. Players like Fine Organics catering to user industries like FMCG, HPC and food ingredients, enjoy strong entry barriers and higher level of product customisation. This creates a resilient business model with stable growth. Companies following green chemistry like vegetable oil-based oleo chemical derivatives—Fine Organics—are better placed than petrochemical-based players like AIL, PI, etc. Companies with commodity nature of products like Vinati Organics and AIL face tough competition compared to those with complex processing like Fine Organics and PI Industries. However, companies like AIL, which cater to diversified user industries, are better placed than those with concentration in one sector like PI who have suffered in the past due to weakness in the global agrochemical market.

Aarti Industries has a diversified presence in various chemistries like Benzene, chlorination, nitration, hydrogenation, toluene etc. and continue to have a large growth opportunity due to this diversified product basket and capabilities. Fine Organics on the other hand concentrates its expertise on application based oleo chemical derivatives driving moderate growth opportunities with the former hugely dependent on F&B and Home and Personal Care industry.

Net Revenue from Operations (INR Cr)

	Aarti Industries	PI Industries	Atul Limited	Navin Fluorine	Fine Organics	Alkyl Amines	SRF Ltd.
FY18	3813.8	2337.3	3321.7	1007.5	871.8	618.8	5704.2
FY19	4707.6	2900.4	4072.7	1030.3	1080.2	848.7	7127.6
FY20	4195.2	3415.4	4171.1	1094.9	1058.3	999.3	7258.5

Source: Company Websites, Frost & Sullivan

PAT (INR Cr)

	Aarti Industries	PI Industries	Atul Limited	Navin Fluorine	Fine Organics	Alkyl Amines	SRF Ltd.
FY18	332.9	367.6	276.5	179.8	95.3	66.0	461.7
FY19	491.7	410.2	432.2	149.1	136.2	86.1	641.6
FY20	536.1	456.6	666.5	408.6	164.7	201.3	1019.1

Source: Company Websites, Frost & Sullivan

Net Profit Margin (%)

	Aarti Industries	PI Industries	Atul Limited	Navin Fluorine	Fine Organics	Alkyl Amines	SRF Ltd.
FY18	8.7	16.1	8.4	19.6	11.1	10.7	8.3
FY19	10.4	14.4	10.7	14.9	12.8	10.2	9.0
FY20	12.8	13.6	16.3	38.5	15.9	20.3	14.1

Source: Company Websites, Frost & Sullivan

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the chapter "Forward-Looking Statements" on page 17 for a discussion of the risks and uncertainties related to those statements and the section "Risk Factors" on page 24 for a discussion of certain risks that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements.

Unless otherwise indicated, industry data in this section has been derived from the F&S Report. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. For details, see "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page 14.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Consolidated Financial Statements included in this Prospectus on page 199.

Overview

We are a specialty chemicals manufacturing company engaged in the manufacture of a diverse portfolio of structure directing agents ("**SDAs**"), phase transfer catalysts ("**PTCs**"), electrolyte salts for super capacitor batteries and pharmaceutical and agrochemical intermediates and other specialty chemicals ("**PASC**"). Our Company is the largest and only commercial manufacturer of SDAs for zeolites in India. It also enjoys the second largest position globally. (*Source: F&S Report*) In addition, our Company is one of the leading global producers of an entire range of PTCs in India and one of the key producers across the globe. (*Source: F&S Report*) As a manufacturer of specialty chemicals, we focus on application of our products which form a key ingredient to our customers' manufacturing and industrial processes. For instance, our SDA and PTC products have various applications in green chemistry, which is pertinent considering the growing focus on green and sustainable technologies. For further details, see " - *Our Products and Operations*" on page 158. We continuously strive to improve our processes and infrastructure to help reduce our impact on the environment and have accordingly, undertaken various 'green' chemistry processes such as electrolysis. Considering the wide application of our products, we serve customers across various industries, including the automotive, petroleum, pharmaceutical, agro chemicals, paints and coatings, dyes and pigments, personal care and flavour and fragrances industries. Apart from our customers in India, we also export our products to over 25 countries, including the USA, China, Germany, Japan, South Africa, and the UK. During the Fiscals ended March 31, 2019, 2020, and 2021, exports of products amounted to ₹ 1,435.19 million, ₹ 2,020.20 million and ₹ 2,119.92 million, which accounted for 69.57%, 76.74%, and 70.58%, of our revenue from operations, respectively.

As on March 31, 2021, we manufactured over 154 products which can be divided into the following four broad categories:

- ***Structure Directing Agents***: Our SDAs are quarternary salts which are chemicals which helps in the formation of particular channels and pores during the synthesis of zeolites. Zeolites have varied applications including as catalysts and adsorbents. In particular, zeolites promoted with transition metals such as copper and iron have been proven to be active for the selective catalytic reduction, which is currently considered as one of the preferred technologies for emission control in automotive applications. With a great focus on green technology and a healthy environment, industries are evaluating new technologies by investing in R&D. New and innovative applications are driving the growth of the zeolite market, in turn driving the quaternary ammonium compounds market. (*Source: F&S Report*) During the Fiscals ended March 31, 2019, 2020, and 2021, our revenue from sale of SDAs was ₹ 253.83 million, ₹ 1,016.54 million, and ₹ 1,202.43 million, respectively, which accounted for 12.30%, 38.62% and 40.03% respectively, of our revenue from operations.

- ***Phase Transfer Catalysts***: Our PTCs are used to facilitate the migration of a reactant from one phase into another phase where the reaction occurs, in a heterogeneous multi-phase system. PTCs are used for a variety of industrial processes.

  Phase transfer catalysts are a type of catalyst that allows a reactant to be migrated from one phase to another where the reaction takes place eliminating the need for costly and unsafe solvents that can dissolve all reactants in one phase, and costly raw materials minimizing the issue of waste. Phase transfer catalysts are widely used in green chemistry applications. Therefore, the increasing global focus of the chemical industry on reducing residual waste and reducing the use of organic solvents is boosting the market for catalysts for phase transfer. (*Source: F&S Report*)

During the Fiscals ended March 31, 2019, 2020, and 2021, our revenue from sale of PTCs was ₹ 864.06 million, ₹ 749.11 million, and ₹ 816.12 million, respectively, which accounted for 41.88%, 28.46% and 27.17% respectively, of our revenue from operations.

- ***Electrolyte salts for super capacitor batteries***: Our electrolyte salts are used in the manufacture of super capacitor batteries, which are used in automobile batteries and other batteries. Our Company is the largest producer of electrolyte salts for super capacitor batteries in India. (*Source: F&S Report*). During the Fiscals ended March 31, 2019, 2020, and 2021, our revenue from sale of electrolyte salts for super capacitor batteries was ₹ 32.02 million, ₹ 46.29 million, and ₹ 30.35 million, respectively, which accounted for 1.55%, 1.76%, and 1.01% respectively, of our revenue from operations.

- ***Pharmaceutical and agrochemical intermediates and other specialty chemicals***: The products manufactured by us under this category are used in the manufacture of various pharmaceutical and agrochemical products as intermediates, disinfectants and catalysts, and solvents. In addition, we also manufacture specialty chemicals under this category that are used in dyes and pigments, personal care ingredients, flavour and fragrance sectors. During the Fiscals ended March 31, 2019, 2020, and 2021, our revenue from sale of PASC was ₹ 874.58 million, ₹ 764.91 million, and ₹ 912.18 million, respectively, which accounted for 42.39%, 29.06%, and 30.37% respectively, of our revenue from operations.

Our customers include Merck, Bayer AG, Asian Paints Ltd., Ipox Chemicals KFT, Laurus Labs Ltd., Tosoh Asia Pte. Ltd., SRF Limited, Navin Fluorine International Limited, Oriental Aromatics Ltd., Atul Limited, Otsuka Chemical (i) Pvt Ltd., Meghmani Organics Limited, Divi's Laboratories Limited, Hawks Chemical Company Limited, Firmenich Aromatics Prod.(I) Pvt. Ltd., Jiangsu Guotai Super Power New Materials Co., Ltd. and Jade Chem Co. Ltd.

Our Company, which was incorporated on June 12, 1996, currently operates through two manufacturing facilities situated at Ankleshwar and Dahej in Gujarat, both of which are strategically located very close to the Hazira port. These manufacturing facilities have an annual installed reactor capacity of 280 KL and 17 Assembly Lines, as on March 31, 2021. Our manufacturing facilities employ various modern machinery and equipment, including reactors, Assembly Lines, ANFDs, centrifuges and RCVDs. These equipment enable our facilities to undertake various chemistry processes, such as, quaternization, methylation, amination, phase transfer reactions, cyclization, halogenation, condensation, and electrolysis. As part of our eco-friendly and environmentally sustainable initiatives, we have adopted various 'green' chemistry processes, including electrolysis as part of our manufacturing process. Besides the single starting raw material, electrolysis only uses water and electricity to produce the target product. Considering that no additional chemicals are used, this helps ensure we do not generate any additional waste or by-products. Over the years, we have invested in our processes and our manufacturing infrastructure and systems. From Fiscal 2019 to Fiscal 2021, our installed reactor capacity grew from 160 KL to 280 KL, and our Assembly Lines grew from 10 Assembly Lines to 17 Assembly Lines respectively.

We have a dedicated R&D facility that is recognized by the Department of Scientific and Industrial Research ("**DSIR**"), Government of India, at Vadodara, Gujarat, with state-of-the-art research and development infrastructure. For further, details see "- *Research and Development*" on page 162. Further, we have developed 22 products, 15 products, and 16 products, respectively, in the Fiscals ended 2019, 2020, and 2021, respectively, which have contributed ₹ 9.94 million, ₹ 57.63 million and ₹ 0.01 million to our total revenue, amounting to 0.48%, 2.18%, and 0.00 (negligible)%, of our total revenue, in the respective periods. Further, 82 products have been developed by us since March 31, 2011, and these products have contributed ₹ 710.43 million, ₹ 549.11 million and ₹ 266.26 million to our total revenue, which constituted 23.19%, 20.75%, and 12.88% of our total revenue, in Fiscals 2021, 2020, and 2019, respectively.

Our Company is promoted by Chintan Shah, Ajay Patel and Shekhar Somani, who each have over 24 years in the specialty chemicals manufacturing industry and have established strong business relationships with domestic as well as overseas customers. In addition, we are led by a well – qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations and has substantial experience in the sectors in which we operate. We believe that the knowledge and experience of our management team provides us with a significant competitive advantage as we seek to grow our business.

In the Fiscals 2019, 2020, and 2021, our total revenue was ₹ 2,068.01 million, ₹ 2,646.22 million, and ₹ 3,062.92 million, respectively. Our profit after tax in Fiscal 2021 was ₹ 522.62 million. We have been able to increase our total revenue and our profit after tax from Fiscal 2019 to Fiscal 2021 at a CAGR of 21.70% and 59.50% respectively. Our EBITDA has grown to ₹ 716.35 million for Fiscal 2021 from ₹ 342.96 million for Fiscal 2019. As on March 31, 2021, our debt-to-equity ratio was 0.54. Further, in the Fiscals ended 2019, 2020, and 2021, our ROCE was 26.36%, 31.96%, and 32.98%, respectively. In the Fiscals ended 2019, 2020, and 2021, our ROE was 25.78%, 32.11%, and 31.49% respectively.

Our Competitive Strengths

Leading manufacturer of structure directing agents and phase transfer catalysts, with consistent quality

With very few players in the Indian and global market, our Company is the largest and only commercial manufacturer of SDAs for zeolites in India. It also enjoys the second largest position globally. (*Source: F&S Report*). We believe our strategically located manufacturing facilities and robust and technically sound R&D capabilities have enabled us to maintain the quality of our products. We believe that our large manufacturing capacity, consistent growth, experienced management, global footprint, and high-quality products makes us a reliable supplier of SDAs and PTCs.

Our Company's key chemistries and products are gaining importance in the global market. The global production of tetramethyl ammonium hydroxide was valued at around USD 1.2 billion in 2019. Having multiple applications, to inhibit nanoparticle aggregation, the tetramethyl ammonium hydroxide market is expected to grow at over 7% CAGR through 2020-25F with Korea and China dominating the market. However, with just 2-3 players in the domestic market, our Company stands an opportunity to expand and explore the global market. The SDA market remains highly consolidated with a handful of players operating at the global level. Opportunities in the automotive industry continue to grow, as compliance with the regulations regarding the emission control in commercial vehicles becomes a mandate worldwide. Our Company has managed to build a market for itself in India and across the globe with its in-depth knowledge of the chemistry. On a domestic level, the company is the only manufacturer in India. (*Source: F&S Report*) We have developed our technology to ensure production of high purity SDAs with PPM level of impurities.

India represents approximately 6% of the global quaternary ammonium compounds (which includes our SDAs) market standing at USD 61 million. The Asia Pacific region represents approximately 28% of the market excluding India. The demand for quaternary ammonium compounds is growing in the Asia Pacific region owing to the increasing disposable income of the people in China, and India, which is increasing the sales of personal care products. The Asia Pacific region is forecasted to grow with the highest CAGR of 7-8% during the forecast period (2019-24F). Further, in the coming years, North America is expected to see an increase in demand for quaternary ammonium compounds, due to the multiple applications of compounds in various fields, such as agricultural chemicals, oil and gas, textiles and leather. (*Source: F&S Report*) During the Fiscals ended March 31, 2019, 2020, and 2021, our revenue from sale of SDAs was ₹ 253.83 million, ₹ 1,016.54 million, and ₹ 1,202.43 million, respectively, which accounted for 12.30%, 38.62% and 40.03% respectively, of our revenue from operations.

In addition, the versatile applications of our PTC products as well as the non-regenerative nature of these products, helps in creating recurring demand for our PTC products. During the forecast period (2019-24F), the global phase transfer catalyst market is projected to expand at a CAGR of more than 5% globally. Rising demand and adoption of green chemistry in organic synthesis is expected to drive the growth of the phase transfer catalyst market across the globe**.** It is anticipated that the global phase transfer catalyst market will cross USD 1.4 billion by 2025F. The growth of the market is driven by a growing appetite for catalysts that can achieve faster reactions, higher yields and generate lower by-products. (*Source: F&S Report*) During the Fiscals ended March 31, 2019, 2020, and 2021, our revenue from sale of PTCs was ₹ 864.06 million, ₹ 749.11 million, and ₹ 816.12 million, respectively, which accounted for 41.88%, 28.46% and 27.17% respectively, of our revenue from operations.

Further, specifically for the purposes of the monitoring and maintenance of quality of our products, we have a team of 81 employees of whom 27 are dedicated to quality assurance, and remaining for quality control. We also have a modern quality control lab equipped with modern analytical equipment, which among others, enable us to give results indicating impurities up to PPM levels, thus facilitating the various quality control initiatives that we undertake. During the Fiscals ended 2019, 2020, and 2021, the average of the total return / rejection of our products as a percentage of our consolidated sales under our SDA and PTC product categories, is 0.06% and 0.50% respectively. For further details, see " – *Quality Control and Services"* on page 163. We believe our operations are backed by strong manufacturing infrastructure, experienced and knowledgeable senior management team, strong analytical capabilities, and a technically robust R&D team.

Global presence with a wide customer base across various industries having high entry barriers

We supply our products to customers in India and export our products to over 25 countries, including the USA, China, Germany, Japan, South Africa and the UK. During the Fiscals ended March 31, 2019, 2020, and 2021, exports of products exports of products amounted to ₹ 1,435.19 million, ₹ 2,020.20 million and ₹ 2,119.92 million, which accounted for 69.57%, 76.74% and 70.58% of our revenue from operations, respectively. We also have two wholly owned subsidiaries in the USA and Netherlands, to facilitate our overseas operations. In addition, we participate in various domestic and international industry specific exhibitions and advertise in industry magazines, weekly and daily publications in USA, Europe and India. We also actively participate events such as *Convention on Pharmaceutical Ingredients* (*Cphi)* and *Chemspec*. The varied applications for our product portfolio have helped us build a wide customer base across many sectors. It has also helped build on existing relationships by enabling us to provide multiple product-oriented solutions for the varying requirements of our existing customers. We also believe our customer relationships are led by our ability to develop innovative processes, meet stringent quality and technical specifications and manufacture customers' products in a cost effective and safe manner.

We have established long standing relationships with marquee players across various industries. Our customers include Merck, Bayer AG, Asian Paints Ltd., Ipox Chemicals KFT, Laurus Labs Ltd., Tosoh Asia Pte. Ltd., SRF Limited, Navin Fluorine International Limited, Oriental Aromatics Ltd., Atul Limited, Otsuka Chemical (i) Pvt Ltd., Meghmani Organics Limited, Divi's Laboratories Limited, Hawks Chemical Company Limited, Firmenich Aromatics Prod.(I) Pvt. Ltd., Jiangsu Guotai Super Power New Materials Co., Ltd. and Jade Chem Co. Ltd. Of our entire customer base as of March 31, 2021, 46.86% of these customers have been our customers for less than five years and 53.14 % of these customers have been our customers for over five years. Further, we have set out below details of the new customers acquired by us, and the number of customers served by us, during the Fiscals indicated below:

Product category	Fiscal 2019	Fiscal 2020	Fiscal 2021
Number of new customers acquired by us	110	107	153
Number of customers served by us	444	445	508

We believe that our wide customer base across various sectors has helped us to minimize the impact of sector specific disruptions, on our business.

Due to the involvement of complex chemistries in the manufacturing of products and complex production processes requiring high levels of technical knowledge and research and development capabilities, the specialty chemicals industry observes a high barrier to new entrants. Given the nature of the application of products and the complex processes involved, the products are subject to very sensitive and rigorous product approval systems with stringent impurity specifications. Typically, the requirement has to be enlisted as a supplier with customers after lengthy qualification for the products, particularly with the customers in industries such as automotive, petrochemical refineries and pharmaceutical industries where stringent regulatory and industry specific acts as an entry barrier. As a consequence of this, approval of any such product typically takes a few years. Further, the costs involved of approving any change in suppliers of such products are relatively high, consequently disincentivising any such change in suppliers. Customers typically select suppliers after carefully reviewing them and tend to develop long-term relationships with them as well as limit the number of such suppliers. (*Source: F&S Report*)

The specialty chemicals manufacturers enjoy strong entry barriers in the form of vendor acquisition, lengthy and complex product approval, registration process, customer loyalty among others. These barriers help companies ensure sustainable growth. Further, a distinguished and resilient business model is also a unique driver for these companies. The level of technical skill and expertise that is essential for developing in-house innovative processes, undertaking complex chemistries and handling some of the raw materials and intermediates, requires a significant amount of training that can only be achieved over a period of time thereby creating a further entry barrier for new entrants. (*Source: F&S Report*) In addition, with respect to end products manufactured by certain of our customers, we believe if the usage of our products has been formally recognised in filings with regulatory agencies, any change in the vendor of the product may require significant time and cost for the customer.

Diversified specialised product portfolio requiring strong technical know-how

We have, over the years, diversified, expanded, and evolved our operations into manufacturing of pharmaceutical and agrochemical intermediates and other specialty chemicals, which have diverse applications across various industries. The expansion of our product portfolio is primarily driven by the continuously evolving needs and R&D initiatives undertaken by our customers, which is further supplemented by our R&D capabilities. Most of our products form part of the base raw materials required for the manufacture of products by our customers. Accordingly, in instances where our customers seek to expand their product offerings, as part of their ongoing R&D, they request us for new products and chemicals to supplement their ongoing R&D. We believe our strength lies in the quick turnaround in developing the product sample, following receipt of request of the new product. As of March 31, 2021, we offered 47 products under our SDA product portfolio, 48 products under our PTC product portfolio, 6 products under our electrolyte salts for super capacitor batteries portfolio and 53 products under our PASC portfolio. The production of SDAs and electrolyte salts for super capacitor batteries requires strong technical know-how and sound technical expertise. Our R&D capabilities and technical expertise has enabled us to become one of the leading manufacturers of SDAs for zeolites and PTCs in the world.

Our products have a wide range of applications. For instance, in a heterogeneous multi-phase system, PTCs help facilitate the migration of a reactant from one phase into another phase where the reaction occurs. Due to this, our PTCs help reduce reaction time and improves selectivity and thereby facilitate various industrial processes. Further, our SDAs also have varied applications including as catalysts and adsorbents. In addition, the agrochemical intermediates that we manufacture form a part of various pesticides, fungicides, herbicides and such other agrochemical products. Similarly, our pharmaceutical intermediates are used in the manufacture of various pharmaceutical APIs and our other specialty chemicals are used in the manufacture of paints and coatings products, flavours and fragrance, dyes, and certain personal care products. In light of the wide range of applications of our products, we are in a position to cater to customers across various industries, including the automotive, petroleum, pharmaceutical, agro chemicals, paints and coatings, dyes and pigments, personal care and flavour & fragrances industries. We believe that our diversified product portfolio has helped accelerate our growth and in innovating the manner we cater to and thus retain both new and existing customers.

Modern manufacturing facilities with a focus on 'green' chemistry processes

Our Company operates through two of our manufacturing facilities situated at Ankleshwar and Dahej. Our manufacturing facilities are strategically located close to the Hazira port thereby enabling our export and import operations and providing us a cost and logistics advantage. The Ankleshwar Manufacturing Facility and Dahej Manufacturing Facility, which was established in 1996 and 2017 respectively comprises reactors, Assembly Lines, ANFDs, centrifuges, and RCVDs, with the necessary supporting infrastructure and utilities. We have also employed the latest available technology such as ANFDs which has helped improve our productivity and the quality of the products manufactured by us. These Manufacturing Facilities employ advanced analytical equipment that indicate impurities up to PPM levels, which enable us to certify our products as 'ultra-pure' grade.

In addition, we continuously strive to improve our processes and infrastructure and help reduce our impact on the environment. In this regard, we undertake various 'green' chemistry processes such as electrolysis. Our 'green' chemistry are based on the principles of clean chemistry, minimum requirement of auxiliary substances, minimum waste and by-products and safe chemistry. For instance, in our electrolysis process, apart from the single starting raw material, the process largely uses only water and electricity to produce the target product. Since we do not use any additional solvents or other chemicals in this process to make the target product, we do not generate any additional waste or by-products. Typically, we measure 'green' chemistry processes based on the principle of process mass intensity**,** which is expressed as a ratio of the weights of all raw materials (water, organic solvents, raw materials, reagents, process aids) used, to the weight of the product manufactured. By deploying electrolysis for the manufacture of our products, we believe we achieve the lowest possible process mass intensity. In addition, we have successfully converted our Ankleshwar Manufacturing Facility into a 'zero liquid effluent discharge' facility from January 2020. We have achieved this through various means, which includes recovering all the waste water generated by the facility and reusing it as required. Our effluent treatment plant and multi-effect evaporators, supported by a reverse osmosis effluent treatment plant also helped the Ankleshwar Manufacturing Facility achieve the 'zero liquid effluent discharge' status. We also use PNG as the boiler fuel at Ankleshwar Manufacturing Facility, and law sulphur LDO as boiler fuel at Dahej Manufacturing Facility. Our Company, over the years, has focused on sustainable supply chain solutions by managing the entire value chain. Its sustainability performance as audited by *Ecovadis* has been above the industry average score on their sustainability performance towards the environment and procurement. (*Source: F&S Report*)

We have also made and expect to continue making capital expenditure in maintaining and growing our existing infrastructure, purchase equipment, and develop and implement new processes and technologies in our manufacturing facilities. In Fiscals 2021, 2020, and 2019, our capital expenditure was ₹ 209.70 million, ₹ 481.72 million, and ₹ 97.86 million, respectively. In addition, our facilities are designed to allow a level of flexibility enabling us to manufacture a diverse range of products and provide us with the ability to modify and customize our product portfolio to address the changing requirements of customers. Our aggregate manufacturing capacity as on March 31, 2021, comprised an aggregate reactor capacity of 280 KL and 17 Assembly Lines. As on date, each of our manufacturing facilities have accreditations including the ISO 14001:2015 and ISO 9001:2015 certifications for quality management, environment and health & safety systems.

Our integrated model that includes our manufacturing infrastructure, complex chemical processes and R&D capabilities has allowed us to develop insights across the entire value chain right from process innovation and process development to performing manufacturing services for our customers. The forward integration in our operations enables us to innovate processes, customize products and broaden our product offering to meet the needs of our customers.

Strong R&D capabilities

Our R&D efforts are mainly focused on development of new products, improvement of our existing production processes, adoption of advance production technology, and improvement of the quality of our existing products. We believe that these capabilities enable us to explore, among others, green and continuous flow chemistry processes which may give us a competitive edge in future. Of the products developed in last 10 years, 82 products have been successfully commercialized so far. Further, 82 products have been developed by us since March 31, 2011, and these products have contributed to 23.65%, 20.75%, and 12.88% of our total revenue, in Fiscals 2021, 2020, and 2019, respectively.

We have a dedicated DSIR-approved R&D facility situated at Vadodara equipped with glass assemblies, continuous flow reactors, and high pressure autoclaves set-up with the ability to run reactions at temperatures ranging from -10ºC to +300ºC, and up to pressure conditions measuring up to 100 bar. We also have a modern analytical development laboratory, to support and improve our R&D capabilities. Our analytical development laboratory is equipped with various state-of-the art instruments such as GCMS, GCHS, GC, HPLC, IC and XRD. We have a dedicated R&D department team comprising 20 employees, as on March 31, 2021, of which 7 employees hold doctorate degrees in various fields relating to our industry. Our R&D facility has been recognized by the Department of Scientific and Industrial Research, Government of India.

We believe that our continued focus on R&D helps us maintain and increase our market share by developing new products to cater to the evolving needs of our customers and also build and increase efficiencies in our current manufacturing processes, thus helping us produce high quality products consistently. We believe this also enable us to maintain a cost advantage over our competitors.

Experienced Promoters with a strong management team

Our Company has experienced robust business growth under the vision, leadership and guidance of our experienced management team comprising our Promoters, Chintan Shah, Ajay Patel and Shekhar Somani, who each have over 24 years in the specialty chemicals manufacturing industry and have established strong business relationships with domestic and overseas customers. The senior management team has also been instrumental in establishing and maintaining relationships with our customers. Additionally, our senior management possesses extensive industry and management experience which has given us a specialized understanding of the complexities involved in the manufacturing of such specific and niche products and the processes involved. Our business growth is also attributable to our strong management culture fostered by an entrepreneurial spirit that is managed by our department heads who are experienced, and have in-depth and hands-on knowledge of our industry. Our experienced and dedicated management team also enables us to capture market opportunities, formulate and execute business strategies, manage client expectations as well as proactively manage changes in market conditions. Our senior management, technical personnel and skilled workers benefit from our regular in-house training initiatives in health and safety, quality management and other soft skills.

Robust Financial Performance

We have demonstrated consistent growth in terms of revenues and profitability. We have been able to increase our total revenue at a CAGR of 21.70% during the last three Fiscals, from ₹ 2,068.01 million in Fiscal 2019 to ₹ 3,062.92 million in Fiscal 2021. Our total revenue in Fiscal 2021 was ₹ 3062.92 million. Our revenue from operations in Fiscals 2019, 2020, and 2021, was ₹ 2,063.07 million, ₹ 2,632.39 million, and ₹ 3,003.59 million, respectively. Our profit after tax has grown at a CAGR of 59.50%, from ₹ 205.43 million in Fiscal 2019 to ₹ 522.62 million in Fiscal 2021. In the Fiscals ended 2019, 2020, and 2021, we had an EBITDA of ₹ 342.96 million, ₹ 563.35 million, and ₹ 716.35 million, respectively. Our EBITDA has grown at a CAGR of 44.52% from Fiscal 2019 to Fiscal 2021. Further, in the Fiscals ended 2019, 2020, and 2021, our ROCE was for 26.36%, 31.96%, and 32.98%, respectively. In the Fiscals ended 2019, 2020, and 2021, our ROE was 25.78%, 32.11%, and 31.49%, respectively.

We believe that our financial position as mentioned above, illustrates not only the growth of our operations over the years, but also the effectiveness of the administrative and cost management protocols that we have implemented. Among other things, our strong financial position and results of operations have enabled us to invest in capital expenditure, including towards technology development and R&D. In Fiscals 2021, 2020, and 2019, our capital expenditure was ₹ 26.47 million ₹ 13.62 million, and ₹ 19.95 million, respectively.

Our Business Strategies

Expand our existing product portfolio

We have, since our inception, consistently sought to diversify our portfolio of products which could cater to customers across segments, sectors, and geographies. In accordance with this, while we seek to continue to strengthen our existing product portfolio, we intend to further diversify into products with prospects for increased growth and profitability. We plan to continue to increase offerings in our current business segments as well as diversify into new products by tapping into segments which in the view of our management have attractive growth prospects. For instance, we intend to increase our focus on products manufactured using continuous flow chemistry processes as well as electrolysis processes, as these will be more sustainable and are good value propositions.

In addition, given the increasing number of environment conservation initiatives being undertaken by governments across the world, we believe that the demand for automotive emission control mechanisms are going to grow. Further, we believe that since the requirements of the various sectors that our existing customers are currently servicing are continuously evolving, as a consequence of the same, there will be a continuous demand to evolve our existing products and expand our product portfolio to meet these requirements. We believe that our emphasis on quality of manufacture and timely delivery of our offerings have been a key factor in our ability to attract new customers and to retain our existing customers. We intend to draw on our experience, market position and ability to timely deliver quality products to successfully foray into other sectors as well as to other geographies.

Further develop our R&D capabilities

We have consistently invested in our R&D capabilities and technologies and have successfully implemented most of them based on market/customer demand at our manufacturing facilities over the years. During the Fiscals ended March 31, 2019, 2020, and 2021, we have incurred research and development expenditure aggregating to ₹ 39.39 million, ₹ 39.94 million, and ₹ 51.14 million, respectively. We intend to further develop our research and development capabilities in order to enhance our diversified product portfolio. Our research and development capabilities have enabled us to expand our product offerings from 72 products as at March 31, 2011 to more than 154 products as at March 31, 2021.

In this regard, of the 2,787.00 square meters of land leased to our Company pursuant to agreements with the GIDC for our premises at Vadodara, we now intend to expand our R&D facility at Vadodara and utilise 1,887.00 square meters of the available land for the same. We intend to identify and adopt new-age technologies for our process and product development to improve our productivity, quality and cost effectiveness and help make our products eco-friendlier. We are also aiming to develop technologies to produce conventional products using new-age technologies such as continuous flow chemistry and electrolysis processes. This will enable us to achieve better productivity, quality and cost effectiveness. In addition, we intend to further improve our manufacturing processes to make it more environment friendly and sustainable. To enable this, we also intend to expand our R&D team and hire experienced personnel to help further this vision. We believe that investment in R&D and expansion of our R&D team, provides us a long-term growth opportunity, and helps us align ourselves with the projected demand our product segments and market, and better position ourselves to meet the evolving requirements of our customers.

Increase wallet share with existing customers and continued focus to expand customer base

Our customer base currently comprises a host of marquee companies including, inter alia, Merck, Bayer AG, Asian Paints Ltd., Ipox Chemicals KFT, Laurus Labs Ltd., Tosoh Asia Pte. Ltd., SRF Limited, Navin Fluorine International Limited, Oriental Aromatics Ltd., Atul Limited, Otsuka Chemical (i) Pvt Ltd., Meghmani Organics Limited, Divi's Laboratories Limited, Hawks Chemical Company Limited, Firmenich Aromatics Prod.(I) Pvt. Ltd., Jiangsu Guotai Super Power New Materials Co., Ltd. and Jade Chem Co. Ltd. We believe that the long-standing relationships that we have enjoyed with our customers over the years and the repeat and increased orders received from them are an indicator of our position as a preferred supplier to our customers. We create awareness about the benefits of using our products by organising seminars, and inviting R&D personnel of prospective customers. We also invest in providing support at early stages of product development by our customers, in order to benefit from the potential growth following commercialisation of such products in the future and to also provide us an opportunity to become the preferred supplier of our customers.

We believe our continuing R&D endeavours and our reputation for quality and timely delivery will help increase our wallet share and product portfolio with existing customers. We have built long-standing relationships with some of our customers through various strategic endeavours, which we intend to leverage by capitalizing on the cross-selling opportunities that our diversified product portfolio offers. Further, we plan on utilizing our expanded geographical footprint to address the sourcing requirements of our existing multinational customers as and when they enter new markets, thereby consolidating our position as a preferred supplier across geographies. Several global players prefer a "China + 1 offshore strategy", with capacities shifting to cost efficient markets with strong technology capabilities like India. (*Source: F&S Report*) We believe we offer customers with a reliable option to satisfy their specialty chemicals requirements.

We also regularly take part in trade shows, road shows and exhibitions. Going forth, we intend to continue to leverage our sales and marketing network, diversified product portfolio and our industry standing to establish relationships with new multinational, regional and local customers and expand our customer base. We also promote our products on online platform in a systematic manner.

Expand our existing manufacturing capacities to capitalise on industry opportunities

We have, over the years, consistently grown our manufacturing and production capabilities. We seek to capitalize on the growth opportunities in the specialty chemicals industry based on our well positioned operations and being led by an experienced management team. Our Company's aggregate manufacturing capacity has increased at a CAGR of 20.59% from an aggregate reactor capacity of 82 KL and zero Assembly Lines as of March 31, 2010 to 280 KL Reactor Capacity and 17 Assembly Lines as of March 31, 2021. Consistent with past practice, we will look to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels. For instance, out of the 51,822.64 square meters of land sub-leased to our Company pursuant to agreements with Dahej SEZ Limited for our Dahej Manufacturing Facility, we now intend to expand our manufacturing facility at Dahej and utilise 31,724.19 square meters of the available land for the same. We believe our expansion plans and strategy will allow us to meet the anticipated increase in the demand for our products in the future, enable us to supply growing markets more efficiently and drive profitability.

Our Products and Operations

Our products can be divided into four primary product segments – (i) structure directing agents (ii) phase transfer catalysts; (iii) electrolyte salts for super capacitor batteries and (iv) pharmaceutical and agrochemical intermediates and other specialty chemicals.

Structure Directing Agents

Quartenary ammonium compounds (which include our SDAs) are widely used in the manufacturing of zeolites. Industrially important zeolites are produced synthetically. Zeolites are indispensable in many catalytic processes like fluid catalytic cracking, hydrocracking, dewaxing, production of octane boosters, hydrodesulphurization, Fischer–Tropsch synthesis, methanol-to-olefin reaction, aromatic alkylation, nitration, halogenation, nucleophilic substitution and addition, and many others. More recently, zeolites have also been introduced for catalytic emission control, e.g., reducing the emission levels of nitrogen oxides (NOx) from both stationary and mobile sources. In particular, zeolites promoted with transition metals such as copper and iron have been proven to be active for the selective catalytic reduction of NOx by ammonia, which is currently considered as one of the preferred technologies for NOx removal from lean exhaust gases in automotive applications. (*Source: F&S Report*)

In addition, quarternary ammonium compounds (which include our SDAs) are used as agents that are bioactive. They consist of a large range of antimicrobial activity over a broad range of pH and are used as pesticides, wood preservatives, sanitizers/disinfectants, fungicides, and hard-surface cleaners in commercial, medical, domestic, and agricultural applications. At very low temperatures, they are also considered effective against fungi, bacteria, and viruses. (*Source: F&S Report*)

During the Fiscals ended March 31, 2019, 2020, and 2021, our revenue from sale of SDAs was ₹ 253.83 million, ₹ 1,016.54 million, and ₹ 1,202.43 million, respectively, which accounted for 12.30%, 38.62% and 40.03% respectively, of our total revenue.

Phase transfer catalysts

A phase-transfer catalyst facilitates the migration of a reactant from one phase into another where the reaction occurs. The catalyst functions as a detergent for solubilizing the salts into the organic phase. Phase-transfer catalyst offer faster reactions, higher conversions or yields makes fewer by-products, eliminates the need for expensive or dangerous solvents, eliminates the need for expensive raw materials, and minimize waste problems. Phase transfer catalysts are used in the pharmaceuticals industry in synthesis, R&D, drug formulation, and laboratory applications. Being used in many organic transitions in the pharmaceutical industry, these catalysts provide enhanced reaction rates and yields, resulting in lower production, energy and waste costs. They enable the use of inexpensive inorganic bases and other reagents, and provide the ability to use simpler process equipment. (*Source: F&S Report*)

Phase transfer catalysts are widely used in green chemistry applications. Therefore, the increasing global focus of the chemical industry on reducing residual waste and reducing the use of organic solvents is boosting the market for catalysts for phase transfer. (*Source: F&S Report*)

During the Fiscals ended March 31, 2019, 2020, and 2021, our revenue from sale of PTCs was ₹ 864.06 million, ₹ 749.11 million, and ₹ 816.12 million, respectively, which accounted for 41.88%, 28.46% and 27.17% respectively, of our revenue from operations.

Electrolyte Salts for Super Capacitor Batteries

Super-capacitors or ultra-capacitors are charge storage devices that store electrical charges via electrochemical and electrostatic processes. These have an unusually high energy density as compared to common capacitors. The applicability of battery electrolytes is found largely in electrical devices like electrolytic cells and batteries among other devices. In the end use industry, automotive along with the transportation (aerospace, locomotive, and marine) industry hold a significantly large market share. This share is attributed to increasing demand of battery electrolytes in the automotive and transportation industry. Moreover, the automotive industry is trying to focus on the environment friendly products; therefore, the increase in use of bio-based chemicals can be seen on large scale in this industry. This is followed by the consumer electronics segment. The consumer electronics segment is anticipated to have the considerable compounded annual growth rate during the forecast period in the battery electrolytes market across the globe. (*Source: F&S Report*)

During the Fiscals ended March 31, 2019, 2020, and 2021, our revenue from sale of electrolyte salts for super capacitor batteries was ₹ 32.02 million, ₹ 46.29 million, and ₹ 30.35 million, respectively, which accounted for 1.55%, 1.76%, and 1.01% respectively, of our revenue from operations.

Pharmaceutical and Agrochemical intermediates and other specialty chemicals

Intermediates refer to the substances that are semi-finished products and used as catalysts. Chemical intermediates are generated during each and every step of the chemical reaction that is meant to change a reactant into a final product. Intermediates come in various forms such as solid, liquid as well as gas. Specialty intermediates are highly consumed in application segments like manufacturing, API, crop protection active ingredients, paints and coatings, detergents, textiles, etc. (*Source: F&S Report*)

Various chemistries are prominently used across end-use application segments of specialty intermediates which include reagents, solvents, building blocks, protective groups, lubricants, etc. Reagents are typically consumed in the reactions which are nothing but reactants. On the other hand, solvents do not take part into the reaction but facilitate the reaction. Building blocks are the key materials which are responsible for the formation of specific property to the final product. Protective groups protect the delicate organic substances from breaking. In many preparations of delicate organic compounds, some specific parts of their molecules cannot survive the required reagents or chemical environments. Then, these parts, or groups, must be protected through addition of protective groups. (*Source: F&S Report*)

Reagents/reactants, solvents, protective groups and buildings blocks account for around 75% of the market of specialty intermediates across the globe. The remaining 25% comprises of lubricants, catalysts and other chemistries. (*Source: F&S Report*)

During the Fiscals ended March 31, 2019, 2020, and 2021, our revenue from sale of PASC was ₹ 874.58 million, ₹ 764.91 million, and ₹ 912.18 million, respectively, which accounted for 42.39%, 29.06%, and 30.37% respectively, of our revenue from operations.

Manufacturing Process

The raw materials are charged in a reaction vessel of suitable capacity and design based on the type of reaction. The reaction starts when all technical requirements such as temperature, pressure, cycle time and reaction time slots are optimal. Once the initial stage is complete, the product is analysed and is then sent for further processing, refining and filtration to remove impurities as required. The product then undergoes drying, milling, shifting and packing. The final product is tested to ensure it meets all specifications before it is supplied to our customers. During the manufacturing of various products, many by-products and recoveries are produced. We re-use most of these by-products and recoveries and sell some of the recoveries and by-products to some of the industrial customers.

Our Manufacturing Facilities

We currently have two manufacturing facilities situated at Ankleshwar and Dahej respectively. The details of the installed production capacity, available capacity, actual production and capacity utilisation at our manufacturing facilities for Fiscals 2021, 2020, and 2019, are set forth below:

Fiscal	Ankleshwar Manufacturing Facility			Dahej Manufacturing Facility			Total		
	Installed production capacity at end of Fiscal	Available production capacity for the Fiscal	Capacity utilization	Installed production capacity at end of Fiscal	Available production capacity for the Fiscal	Capacity utilization	Installed production capacity at end of Fiscal	Available production capacity for the Fiscal	Capacity utilization
Fiscal 2021	Reactor capacity: 90 KL Assembly Lines: 3	Reactor capacity: 90 KL Assembly Lines: 3	Reactors – 84.22 % Assembly – 68.01 %	Reactor capacity: 190 KL Assembly Lines: 14	Reactor capacity: 190 KL Assembly Lines: 11	Reactors – 61.57 % Assembly – 50.72 %	Reactor capacity: 280 KL Assembly Lines: 17	Reactor capacity: 280 KL Assembly Lines: 14	Reactors – 68.85 % Assembly – 54.50 %
Fiscal 2020	Reactor capacity: 90 KL Assembly Lines: 3	Reactor capacity: 90 KL Assembly Lines: 3	Reactors – 94.82% Assembly – 34.58%	Reactor capacity: 190 KL Assembly Lines: 10	Reactor capacity: 90 KL Assembly Lines: 8	Reactors – 90.34% Assembly – 91.47%	Reactor capacity: 280 KL Assembly Lines: 13	Reactor capacity: 180 KL Assembly Lines: 11	Reactors – 90.34% Assembly – 91.47%
Fiscal 2019	Reactor capacity: 90 KL Assembly Lines: 3	Reactor capacity: 90 KL Assembly Lines: 3	Reactors – 98.37% Assembly – 10.36%	Reactor capacity: 70 KL Assembly Lines: 7	Reactor capacity: 55 KL Assembly Lines: 7	Reactors – 77.34% Assembly – 18.87%	Reactor capacity: 160 KL Assembly Lines: 10	Reactor capacity: 145 KL Assembly Lines: 10	Reactors – 77.34% Assembly – 18.87%

Raw Materials and Suppliers

The raw materials used by us in our manufacturing process may be categorised as follows: (i) tertiary amines; (ii) alkyl halides; (iii) general solvents; and (iv) general and fine chemicals. In Fiscals 2019, 2020, and 2021, the cost of raw materials consumed represented 57.34%, 55.52%, and 50.24% respectively, of our revenue from operations in the same periods.

Our tertiary amines are sourced from both domestic as well as overseas suppliers located at USA, Germany and China. Apart from tertiary amines, the remaining raw materials are primarily sourced from the domestic suppliers in Gujarat and Maharashtra, on a purchase order basis. During the Fiscals ended March 31, 2019, 2020, and 2021, our expenditure on raw materials sourced from domestic suppliers accounted for 73.51%, 44.40% and 54.55%, of our total expenditure on our raw materials, respectively.

Utilities

As part of our manufacturing operations, we require a steady and abundant supply of power and steam. Our power requirements of our Ankleshwar Manufacturing Facility are met through local state power grid. For our Dahej Manufacturing Facility, our Company has entered into a power purchase agreement with a private sector power company for the supply of electrical power. We also maintain diesel generator sets at our manufacturing facilities, as a precaution against any disruption in power supply. The Ankleshwar Manufacturing Facility and Dahej Manufacturing Facility receive water supply from the Gujarat Industrial Development Corporation ("**GIDC**"). In Fiscals 2019, 2020, and 2021, utility charges accounted for 4.24%, 5.76%, and 5.75% respectively, of our total expenses in such periods.

Sales, Marketing and Distribution

We have an in-house team responsible for the marketing, distribution and sales of our products, in India and in international markets, including Europe and USA. We maintain direct contact with majority of our customers, which allows us to understand the current technical needs of our customers and gauge their future requirements. In addition, in markets such as South Korea and China, we engage various distributors and agents to distribute our products.

We also participate in various domestic and international industry specific exhibitions and advertise in industry magazines, weekly and daily publications in USA, Europe and India. We actively participate in events such as the *Convention on Pharmaceutical Ingredients* (*Cphi)* and *Chemspec* regularly. In addition, we conduct various conferences where we invite existing and prospective customers and speakers in the field of R&D of specialty chemicals. As part of these conferences, we also showcase our R&D capabilities to such customers. To cater to our overseas clients, we have established two wholly owned subsidiaries in USA and Netherlands, which cater to the demand and distribution requirements in the USA and European markets respectively. Further, we have also entered into arrangements for marketing and distribution of our products in various countries, including South Korea and China with respect to sales, marketing and distribution therein.

Logistics

Our manufacturing facilities are strategically located in proximity to the Hazira port. We transport our raw materials and our finished products by road, air and sea. We outsource the transport of our raw materials and finished goods to third-party logistics companies for our transportation and logistics requirements. We predominantly sell our products on a cost, insurance and freight basis.

Research and development

Our Company has, over the years, made regular investments in R&D to expand our product offerings and to streamline our manufacturing processes. Further, as a specialty chemicals manufacturer, we are driven by technical innovation in formulations and applications of our products. We continuously monitor industry trends so as to ensure that our products continue to remain relevant and help our customers meet the evolving market demands.

We have a dedicated DSIR approved R & D centre at our Vadodara facility where our qualified and experienced in-house R&D team focuses on the development of new products and improvement our current manufacturing processes. We have a dedicated DSIR approved R&D facility at Vadodara and have a team of 20 employees. The team comprises six personnel with doctorate degrees in science. Our Promoter, Chintan Shah is responsible for and heads the R&D initiatives of our Company.

Further, since the commencement of our dedicated R&D department, our product portfolio has grown from one product in 1996 to 154 products as of March 31, 2021. We believe that our product and process innovations will be key factors going forward and our continued investment in R&D will better prepare us for sustainability and take advantage of any future opportunities. Our R&D facility is recognized by the Department of Scientific and Industrial Research, Government of India. We also have a dedicated analytical development lab (ADL) to support our R&D initiatives, and is equipped with the latest technological instruments such as GCMS, GCHS, GC, HPLC, ICP-OES, IC and XRD.

Quality Control and Services

To ensure and maintain the quality of the final product, we have a team of 81 employees of whom 27 are dedicated to quality assurance and remaining for quality control. We have a modern quality control lab equipped with latest instruments, including GCMS, GCHS, GC, HPLC, ICP-OES, IC and XRD. In the industries which we serve, adherence to quality standards is a critical factor as any defects in any of the products manufactured by our Company or failure to comply with the specifications of our customers may lead to rejection of our products by our customers. In order to maintain the quality standards and comply with the design specifications provided by our customers and to ensure that our products successfully pass all validations and quality checks, the quality control team is tasked not only with thorough pre-manufacturing checks and balances but also with employing an extensive and stringent quality control mechanism at each stage of the manufacturing process including raw materials, packing material and in-process products.

As on date, each of our manufacturing facilities have obtained accreditations such as ISO 9001:2015 certifications for quality management systems. Our quality control and quality assurance team monitor the manufacturing process at all stages from initial testing stage for incoming raw material to the final product prior to packing. The final product is cleared for dispatch only after the team tests a sample of the batch against customer specification / in-house specifications. The table below sets out our total return / rejection of our products as a percentage of our consolidated sales attributable to such products, during the Fiscals 2019, 2020, and 2021:

Product category	Fiscal 2019	Fiscal 2020	Fiscal 2021	Average of the products
SDAs	Nil	0.14%	0.00%	0.06%
PTCs	0.50%	0.72%	0.30%	0.50%
Electrolyte salts for super capacitor batteries	Nil	Nil	Nil	Nil
PASC	0.05%	0.34%	0.14%	0.17%
Total products returned / rejected as a percentage of our consolidated sales	**0.23%**	**0.37%**	**0.13%**	**0.24%**

Information Technology

We have implemented various IT solutions and/or enterprise resource planning ("**ERP**") software solutions to cover key areas of our operations. We intensively use technology in relation to customer order management and dispatches, production planning and reporting, manufacturing processes, financial accounting and scheduling raw material purchase. For instance, we implemented SAP ERP systems in the 2016, which encompasses all business functions including production, finance, sales, manufacturing processes, storage and warehousing, maintenance and inventory management.

We intend to continue to focus on and make investments in our IT systems and processes, including our backup systems, to improve our operational efficiency, customer service and decision making process and to reduce manual intervention and the risk of system failures and the negative impacts these failures may have on our business thereby improving reliability and efficiency of our business and operations.

Intellectual Property

For further details on the trademark obtained by our Company, see "*Government and Other Approvals*" on page 301.

Health, Safety and Environment

As on date, each of our manufacturing units have accreditations including the ISO 14001:2015, and 9001:2015 certifications for health, safety and environment management systems. We implement work safety measures to ensure a safe working environment including general guidelines for health and safety at our offices and manufacturing facilities, accident reporting, wearing safety equipment and maintaining clean and orderly work locations. Further, environmental requirements imposed by the Government of India and state governments will continue to have an effect on our operations and us. We believe that we have complied, and will continue to comply, with all applicable environmental laws, rules and regulations. We have obtained all material environmental consents and licenses from the relevant governmental authorities that are necessary for us to carry on our business. We regularly conduct mock drills, safety training and on-job training sessions. We have also entered into arrangements with various hazardous waste management disposal facilities and incineration facilities. Further, in keeping with our eco-friendly initiatives, we also participate in the 'Together for Sustainability' initiatives which, among others, assesses sustainability sourcing practices of chemicals suppliers, including ecological and social aspects, basis a score based system.

Our Company has collaborated with *Ecovadis*, which is an independent agency auditing member company on behalf of *Together for Sustainability* (TFS), which audits chemical companies for sustainability and sustainable solutions. Our Company, over the years, has focused on sustainable supply chain solutions by managing the entire value chain. Its sustainability performance as audited by *Ecovadis* has been above the industry average score on their sustainability performance towards the environment and procurement. Our Company also partnered with "*Together for Sustainability*", a joint initiative of chemical companies for sustainable supply chains. (*Source: F&S Report*). Considering that many of our overseas multinational company customers strive to participate in environmentally friendly and sustainable initiatives, we believe that such assessments and audits help us engage and retain such customers.

Human Resources

As on March 31, 2021, we have 436 permanent employees and 190 temporary employees and retainership employees. We undertake selective and need-based recruitment every year to maintain the size of our workforce, which may otherwise decline as a result of attrition and retirement of employees. The following table provides information about our full-time employees, as on March 31, 2021:

Department	No. of employees
Senior management (assistant general manager and above)	6
Middle management (officer to senior manager)	224
Staff and workmen	396
Total	**626**

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.

Insurance

Our Company maintains insurance policies which are renewable every year. We maintain insurance cover for our assets to cover all normal risks associated with operations of our business, including fire, accidents and other natural disasters. We typically maintain standard fire and special perils, burglary policy for our offices and Manufacturing Facilities. Our insurance policies are subject to customary exclusions and deductibles.

Corporate Social Responsibility

Our Company has constituted a Corporate Social Responsibility Committee comprising of our Directors, Avani Umatt, Subhash Patel and Ajay Kumar Patel as its members and also formulated a CSR policy to govern such initiatives. In Fiscal 2021, our Company has contributed ₹ 5.45 million towards CSR activities constituting 2.00% of the average net profit for the last three financial years of the Company. The CSR activities undertaken by our Company include areas such as healthcare, promotion of education, conservation of natural resources and eradicating hunger and poverty.

Property

Our registered office is situated at Plot No. 502 / 17, GIDC Estate, Ankleshwar, Bharuch, Gujarat – 393 002, India and is held by our Company on a leasehold basis. Our corporate office and R&D facility is situated at Plot No. 353, GIDC, Makarpura, Vadodara, Gujarat – 390 010, India and is held by our Company on a leasehold basis. Similarly, the offices of our Subsidiaries are held on a leasehold basis. Our Ankleshwar Manufacturing Facility and Dahej Manufacturing Facility are operated on land allotted to us by Gujarat Industrial Development Corporation and Dahej SEZ Limited respectively.

Competition

We operate in a competitive environment and we expect to face greater competition from existing competitors located both in India and globally, and in particular from companies in India, USA and China. We compete with different companies depending on the market and type of products. We compete on the basis of our ability to fulfil our contractual obligations including the timely delivery of products manufactured by us and the price and quality of such products. We compete with large multinational companies and smaller regional competitors.

Our competitors include Aarti Industries Limited, PI Industries Limited, Fine Organic Industries Limited, Delta Finochem, Dishman group and Pacific Organics Private Limited. For further details, see "*Industry Overview*" on page 106.

KEY REGULATIONS AND POLICIES IN INDIA

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. 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. Such information has been obtained from sources available in the public domain. The regulations set out below are indicative and may not be exhaustive. They are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

For details of government approvals obtained by our Company, see "Government and Other Approvals" on page 301.

Laws in relation to our business

The Factories Act, 1948 ("Factories Act")

The term '*factory*', as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act requires the '*occupier*' of a factory to ensure, so far as reasonably practicable, the health, safety and welfare of all workers in the factory premises. Further, the "*occupier*" of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers' health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

Foreign Trade (Development and Regulation) Act, 1992 ("FTA") and the Foreign Trade Policy (2015 –2020) ("FTP")

The FTA seeks to develop and regulate foreign trade by facilitating imports into India and augmenting exports from India. The FTA read with the FTP (the operation of which has been extended to March 31, 2021) provides that no person or company can make exports or imports without having obtained an importer exporter code number ("**IEC Number**"), granted by the Director General of Foreign Trade, unless such person or company is specifically exempted from such requirement. An application for an IEC Number has to be made to the Office of the Director General of Foreign Trade, Ministry of Commerce. An IEC 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.

Further, the FTP also provides for the Merchandise Exports from India Scheme ("**MEI Scheme**"), in terms of which, entities are rewarded for exports of certain goods with 'duty credit scrips', which may be used for the payment of customs duty.

The Electricity Act, 2003 ("Electricity Act") and the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 ("CEA Regulations")

The Electricity Act consolidates the laws relating to generation, transmission, distribution, trading and use of electricity. In terms of the Electricity Act, the authority may, in consultation with the State Government can specify suitable measures for specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use. The Electricity Act also constitutes the Central Electricity Authority (subsuming the Central Electricity Authority previously established under the Electricity (Supply) Act, 1948) ("**CEA**"), *inter alia* to specify various requirements in relation to the construction, operation and maintenance of electrical plants, transmission lines and electrical meters, advise the central and state governments on various technical electricity-related matters and promote and assist schemes and projects for augmenting and improving the electricity system.

The CEA has promulgated the CEA Regulations, in exercise of the power vested in it under the Electricity Act, in order to specify various safety regulations pertaining to the construction, installation, protection, operation and maintenance of transmission lines, installations and apparatus and specifying conditions for the supply and use of electricity, among other matters. In particular, the CEA Regulations place several requirements on electrical installations and apparatus exceeding a voltage of 650 volts. Such installations or apparatuses must be inspected by an Electrical Inspector before the commencement of supply of electricity, or re-commencement thereof after a period of six months.

The Explosives Act, 1884 ("Explosives Act")

The Explosives Act is a comprehensive law which regulates by licensing for 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 license 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 license 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, transshipment 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.

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, licenses are required to be obtained for storage and transportation of compressed gas. The SMPV Rules also prescribe conditions under which the licenses can be amended, renewed, suspended or cancelled.

The Poisons Act, 1919 ("Poisons Act")

The Poisons Act enables state governments to grant licenses for the possession, sale, wholesale or retail and fixing of the fee, if any, of poisons. The Poisons Act also enables state governments to regulate the classes of persons to whom such license may be granted, the maximum quantity of poison which may be permitted to be sold, etc.

The Drugs (Prices Control) Order, 2013 ("DPCO")

The DPCO is an order issued by the GOI under Section 3 of the Essential Commodities Act, 1955. The DPCO states that the GoI in light of public interest, may fix the ceiling price or retail price of any drug it for any such period it deems fit.

Drugs and Cosmetics Act, 1940 ("DCA") and the Drugs and Cosmetics Rules, 1945 ("DC Rules")

The DCA is the statute governing the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, *inter alia*, misbranded, adulterated, spurious or harmful. The DC Rules prescribes for the requirement of a license for the manufacture or sale of any drug or cosmetic including for the purpose of examination, testing or analysis. The DC Rules further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

Environmental laws

The Environment (Protection) Act, 1986 **("*EPA*")**

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

Water Prevention and Control of Pollution Act, 1974 ("Water Act")

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for a central pollution control board, as well as state pollution control boards, to be formed to implement its provisions. 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.

Water (Prevention and Control of Pollution) Cess Act, 1977

The Water (Prevention and Control of Pollution) Cess Act, 1977 provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

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. 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, and operator of the disposal facility is liable for damages caused to the environment, or any third party, 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 Accident

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.

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 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 Public Liability Insurance Act, 1991 ("PLI Act") and Public Liability Insurance Rules, 1991 ("PLI Rules")

The primary objective of the PLI Act is to provide for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto.

The PLI Act imposes a duty on the 'owner' to take out insurance policies before manufacturing, processing, treating, storing, packaging or transporting hazardous substances, for any damage arising out of an accident involving such hazardous substances. Hazardous substances have to be taken the meaning as provided under the Environmental Protection Act and the list has been further enumerated by the government by way of a notification. The penalty for contravention of the provisions of the PLI Act include imprisonment or fine or both. Further the PLI Rules mandate that the 'owner' contribute towards the Environmental Relief Fund, a sum equal to the premium paid on the insurance policies.

Indian Boilers Act, 1923 ("Boilers Act") and Indian Boiler Regulations, 1950 ("Boilers Regulations")

The Boilers Act intends to regulate inter alia, the manufacture, possession and use of steam boilers. Under the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use, by the Inspector so appointed by the relevant State Government. In the event of the use of boilers in non-compliance with the Boilers Act, a fine may be imposed on the owner of such boiler and in certain cases, imprisonment as well. The Boilers Regulations provide for inter alia, requirements with respect to material, construction, safety and testing of boilers.

Drugs (Control) Act, 1950 ("Drugs Act")

The Drugs Act provides for the control of the sale, supply and distribution of drugs. Under the Drugs Act, any drug may be declared by the Central Government to be a drug within its purview. The authorities may also prohibit the disposal or direct the sale of any specified drug.

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 and dealers of the batteries as well as lays down the responsibilities of the recycler of the batteries.

Labour related legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the Industrial Disputes Act, 1947, Contract Labour (Regulation and Abolition) Act, 1970, Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Trade Unions Act, 1926 the Payment of Bonus Act, 1965, Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and the Maternity Benefit Act, 1961, among others.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

- Code on Wages, 2019, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976. It regulates, *inter alia*, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.

- Industrial Relations Code, 2020, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes and simplifies the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

- Code on Social Security, 2020, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, *inter alia* including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act ,1961 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the employee's provident fund and the employee's state insurance corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees suffer, among others.

- Occupational Safety, Health and Working Conditions Code, 2020, which amends and consolidates laws regarding the occupational safety, health and working conditions of persons employed in an establishment. It subsumes various enactments including, among others, the Factories Act, 1948 and the Contract Labour (Regulation and Abolition) Act, 1970.

While certain portions of the Code on Wages, 2019, have now been enforced by the Ministry of Labour and Employment, the remainder of these codes shall become effective on the day that the Government shall notify for this purpose.

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, such as the Income Tax Act, 1961, the Customs Act, 1962 and relevant goods and services tax legislations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Tatva Chintan Pharma Chem Private Limited' pursuant to a certificate of incorporation dated June 12, 1996 issued by the Registrar of Companies, Gujarat and Dadra & Nagar Haveli at Ahmedabad ("**RoC**"). Thereafter, pursuant to the conversion of our Company to a public limited company, the name of our Company was changed to 'Tatva Chintan Pharma Chem Limited', and a fresh certificate of incorporation dated February 26, 2021 was issued to our Company by the RoC.

Change in registered office of our Company

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

Date of change	Details of change	Reasons for change
March 19, 1998	The registered office of our Company was shifted from 502 / 17, G.I.D.C., Ankleshwar, Bharuch, Gujarat – 393 002, India to Lakshmi Bhavan, Lakkhadpitha Road, Vadodara, Gujarat – 390 001, India	Operational efficiency
November 30, 2015	The registered office of our Company was shifted from Lakshmi Bhavan, Lakkhadpitha Road, Vadodara, Gujarat – 390 001, India to Plot No. 502 / 17, GIDC Estate, Ankleshwar, Bharuch, Gujarat – 393 002, India	Operational efficiency

Main objects as set out in the Memorandum of Association of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

1. To carry on in India or abroad the business as manufacturers, formulators, processors, fermentors, distillers, refiners, importers, exporters, buyers, sellers, suppliers, stockist, agents, merchants, distributors, concessionaires and dealers of heavy chemicals, chemical and chemical products both organic and inorganic of every nature and description and compounds, solvents, tannins, tannin extracts, essences, dye stuffs intermediates, textile auxiliaries, cellopharies, colours, dyes, intermediates, varnishers, wet organic dyestuffs, chemicals auxiliaries, biochemicals, sizing, bleaching, photographic, all kinds of paints, distempers, pigments, writing and inks of all other kinds, all classes and kinds of acids, alkalies, surface coatings, propellants, corrosive and anti corrosive substances, non-corrosive substances, synthetic chemicals and pasting agents, extenders, rubber chemicals including vulcanizers, anti oxidants, accelerators, reinforcing agents, softeners, blowing agents, sanitary chemicals washing agents.

2. To carry on in India or any part of the world the business to manufacture, purchase, sell, supply, import, export, market, deal in wholesale or retail, exchange, distribute, redistribute, process, assemble, pack, repack, store, of pharmaceutical formulations, medicines, patent and properietory, medicines, common medical preparations, antibiotics, drugs, liquid drugs, pharmaceuticals, vitamins, multi vitamins, vitamin preparations, contraceptives, vaccines, veterinary medicine, veterinary medicine preparations, tincuters, tonics in the form of injectables and transfusion solution, injections, tablets, pills, syrups, lotions, ointments, granules, drops, capsules, plasters, adhesive, band-aid, bandage inhaler, inharub, elixiers for human and animal consumption and application prescribed under any branch of medicine including allopathy, homeopathy, ayurved, naturopathy, osteopathy, veterinary for oral, intra muscular, intra- dermal, parenteral and external application under any therapy.

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the ten years preceding the date of this Prospectus:

Date of Shareholders' resolution / amendment	Nature of amendment
February 6, 2014	Clause V of our Memorandum of Association was amended to reflect the increase in our authorised share capital from ₹ 40,000,000, divided into 4,000,000 Equity Shares of face value ₹ 10 each to ₹ 50,000,000, divided into 5,000,000 Equity Shares of face value ₹ 10 each.
March 16, 2015	Clause V of our Memorandum of Association was amended to reflect the increase in our authorised share capital from ₹ 50,000,000, divided into 5,000,000 Equity Shares of face value

Date of Shareholders' resolution / amendment	Nature of amendment
	₹ 10 each to ₹ 100,000,000, divided into 10,000,000 Equity Shares of face value ₹ 10 each.
January 27, 2021	Clause V of our Memorandum of Association was amended to reflect the increase in our authorised share capital from ₹ 100,000,000, divided into 10,000,000 Equity Shares of face value ₹ 10 each to ₹ 400,000,000, divided into 40,000,000 Equity Shares of face value ₹ 10 each.
	Clause I of our Memorandum of Association was amended to reflect the change in the name of our Company from 'Tatva Chintan Pharma Chem Private Limited' to 'Tatva Chintan Pharma Chem Limited', pursuant to its conversion from a private limited company to a public limited company.

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Calendar year	Particulars
1996	Incorporation of our Company
2004	Received licence to manufacture for sale (or for distribution) of certain drugs from the Food and Drugs Control Administration, Gujarat at our Ankleshwar Manufacturing Facility
2007	Expansion of manufacturing capacity at our Ankleshwar Manufacturing Facility
2011	Commenced commercial manufacturing of SDAs
2013	Attained turnover of ₹ 500.00 million
2015	Attained turnover of ₹ 1 billion
2015	Incorporation of Tatva Chintan USA Inc., a wholly owned Subsidiary of our Company
2015	Set up warehousing facility in Netherlands
2017	Set up our Dahej Manufacturing Facility
2018	Set up R&D facility in Vadodara
2019	Incorporation of Tatva Chintan Europe BV, a wholly owned Subsidiary of our Company
2020	Completion of 'Together for Sustainability' audit
2020	Conversion of our Ankleshwar Manufacturing Facility to a 'zero liquid effluent discharge facility'
2020	Attained total revenue of ₹ 2 billion
2020	Increase in manufacturing capacity at our Dahej Manufacturing Facility resulting in an increase in the aggregate manufacturing capacity of our Company from 160 KL and 10 Assembly Lines to 280 KL and 13 Assembly Lines

Awards, accreditations or recognitions

Our Company has received the following awards, accreditations and recognitions:

Calendar year	Particulars
2006	Received ISO 9001:2015 certification for our manufacturing facility at Ankleshwar
2015	Appreciation certificate from the Office of the Chief Commission of Central Excise, Customs & Service Tax, Vadodara Zone for our Company's contribution to the revenue and voluntary compliance with tax laws
2016	Accorded the status of a two star export house from the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India
2017	Received ISO 14001:2015 and BS OHSAS 18001:2007 certification for our manufacturing facility at Ankleshwar
2018	Received ISO 9001: 2015 certification for manufacturing facilities at Ankleshwar and Dahej
	Received ISO 14001: 2015 and BS OHSAS 18001:2007 certification for manufacturing facility at Dahej
2019	R&D facility recognized by the Department of Scientific and Industrial Research, Government of India for the purpose of availing customs duty exemption
2020	Received ISO 14001:2015 and 45001:2018 certification for manufacturing facility at Ankleshwar

Launch of key products or services, entry or exit in new geographies

For details of launch of key products or services, entry in new geographies or exit from existing markets, capacity or facility creation and the location of plants see "– *Major Events and Milestones of our Company*" and "*Our Business*" on pages 172 and 151 respectively.

Financial or strategic partners

Our Company does not have any financial or strategic partners as on the date of filing this Prospectus.

Time or cost overruns

There have been no time or cost overruns in the setting up of projects by our Company since incorporation.

Defaults or rescheduling of borrowings with financial institutions / banks

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled.

Revaluation of assets

Our Company has not revalued its assets in the 10 years preceding the date of this Prospectus.

Our holding company

As on the date of this Prospectus, our Company does not have a holding company.

Joint ventures of our Company

As on the date of this Prospectus, our Company does not have any joint ventures.

Subsidiaries of our Company

As on the date of this Prospectus, our Company has two Subsidiaries, namely, Tatva Chintan USA, Inc. and Tatva Chintan Europe B.V.

1) **Tatva Chintan USA, Inc.** (“**TC USA**”)

TC USA was incorporated under the Michigan Limited Liability Companies Act on March 16, 2015, with the Michigan Department of Licensing and Regulatory Affairs. Its registered office is located at 950 Taylor Avenue, Suite 230A, Grand Haven, Michigan 49417, United States. Its registration number ID Number is 06335J as per its articles, EIN 38-3957281 and ID Number: 800774665. TC USA is currently engaged in the distribution and sale of specialty chemicals. In accordance with the provisions of its constitutional documents, TC USA is permitted to carry out its present business activities.

The authorised capital of TC USA is $ 1,000,000 divided into 1,000,000 equity shares of $ 1.00 each and its issued and subscribed capital is $ 100,000 divided into 100,000 equity shares of $ 1.00 each. Our Company directly holds 100.00% of the issued, subscribed and paid-up equity share capital of TC USA.

There are no accumulated profits or losses of TC USA not accounted for by our Company.

2) **Tatva Chintan Europe B.V.** (“**TC Europe**”)

TC Europe was incorporated under Book 2 of the Netherlands’ Civil Code on March 1, 2019, with the Netherlands’ Chamber of Commerce. Its registered office is located at Cacaoweg 20, 1047 BM Amsterdam, Netherlands. The registration number of TC Europe is 859794490. TC Europe is currently engaged in the wholesale of basic and industrial chemicals. In accordance with the provisions of its constitutional documents, TC Europe is permitted to carry out its present business activities.

The authorised share capital of TC Europe is € 120 divided into 120 equity shares of € 1 each and its paid-up share capital is € 120 divided into 120 equity shares of € 1 each. Our Company directly holds 100.00% of the issued, subscribed and paid-up equity share capital of TC Europe.

There are no accumulated profits or losses of TC Europe not accounted for by our Company.

Details regarding acquisition or divestment of business or undertakings

There have been no material acquisitions or divestments of business or undertakings by our Company in the last 10 years.

Mergers or amalgamation

Our Company has not been party to any merger or amalgamation in the 10 years preceding the date of this Prospectus.

Details of shareholders' agreements

There are no subsisting shareholders' agreements among our shareholders *vis-a-vis* our Company, which our Company is aware of, as on the date of this Prospectus.

Agreements with Key Managerial Personnel, Senior Management Personnel, Directors, Promoters or any other employee

Neither our Promoters, nor any of the Key Managerial Personnel, Senior Management 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.

Guarantees given by our Promoter Selling Shareholders

As on the date of this Prospectus, Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani, the Promoter Selling Shareholders, have issued the guarantees listed below to third parties. These guarantees are in the nature of personal guarantees and have been issued towards contractual obligations in respect of loans availed by our Company.

S. No.	Lender	Borrower	Type of facility	Sanctioned amount (in ₹ million)*
1.	Citibank, N.A.	Our Company	Term Loan, pre and post shipment finance, cash credit, and working capital demand loan	960.00
2.	ICICI Bank Limited	Our Company	Term Loan, pre and post shipment finance, cash credit, and working capital demand loan	552.50

**As certified by our Statutory Auditors, pursuant to their certificate dated July 5, 2021.*

The abovementioned guarantees are typically effective for a period till the underlying loan is repaid by the respective borrower. The financial implications in case of default by the relevant borrower would entitle the lenders to invoke the personal guarantee given by our Promoter Selling Shareholders to the extent of outstanding loan amount. For details of security provided by the borrowers, see, "*Financial Indebtedness - Principal terms of the borrowings availed by us*" on page 283.

Other agreements

Our Company has not entered into any other subsisting material agreement, including with strategic partners, joint venture partners or financial partners, other than in the ordinary course of business.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting.

As on the date of filing this Prospectus, we have six Directors on our Board, of whom three are Independent Directors. Of such Independent Directors, one Director is a woman Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details of our Board as of the date of this Prospectus:

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
Chintan Nitinkumar Shah *Designation*: Managing Director *Date of birth*: April 29, 1973 *Address*: 16, Panchvati Society, Near Amrakunj Society, Ellora Park, Vadodara, Gujarat – 390 023, India *Occupation*: Business *Current term*: Five years with effect from February 1, 2021 and liable to retire by rotation *Period of directorship*: Since June 12, 1996 *DIN*: 00183618	48	***Indian companies*** Nil ***Foreign companies*** 1. Tatva Chintan Europe B.V 2. Tatva Chintan USA, Inc.
Ajaykumar Mansukhlal Patel *Designation*: Whole Time Director *Date of birth*: February 27, 1972 *Address*: 103, Karuna Sagar Society, Near Umrigar High School, Umra, Surat City, Gujarat – 395 007, India *Occupation*: Business *Current term*: Five years with effect from February 1, 2021 and liable to retire by rotation *Period of directorship*: Since June 12, 1996 *DIN*: 00183745	49	***Indian companies*** Nil ***Foreign companies*** 1. Tatva Chintan Europe B.V 2. Tatva Chintan USA, Inc.
Shekhar Rasiklal Somani *Designation*: Whole Time Director *Date of birth*: January 11, 1974 *Address*: Abhishek Bunglow, Mahavir Society, Zaveri Sadak, Navsari, Gujarat – 396 445, India *Occupation*: Business	47	***Indian companies*** Nil ***Foreign companies*** 1. Tatva Chintan Europe B.V 2. Tatva Chintan USA, Inc.

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
Current term: Five years with effect from February 1, 2021 and liable to retire by rotation *Period of directorship*: Since June 12, 1996 *DIN*: 00183665		
Manher Chimanlal Desai *Designation*: Independent Director *Date of birth*: July 14, 1953 *Address*: 301, Prakruti Tower, Opposite Ellora Park Bus Stop, Race Course, Vadodara, Gujarat – 390 007, India *Occupation*: Technical Consultant *Current term*: Five years with effect from February 27, 2021 *Period of directorship*: Since February 27, 2021 *DIN*: 09042598	68	***Indian companies*** Nil ***Foreign companies*** Nil
Subhash Ambubhai Patel *Designation*: Independent Director *Date of birth*: June 1, 1960 *Address*: 23 / A, Chandravilla Society, Near Deep Chamber, Manjalpur, Vadodara, Gujarat – 390 011, India *Occupation*: Practicing Chartered Accountant *Current term*: Five years with effect from February 27, 2021 *Period of directorship*: Since February 27, 2021 *DIN*: 00535221	61	***Indian companies*** 1. Dreams Stock Brokers Private Limited ***Foreign companies*** Nil
Avani Rajesh Umatt *Designation*: Independent Director *Date of birth*: June 19, 1972 *Address*: 301, Manubhai Avenue, 7 Saptarshi Colony, Near Malhar Point, Old Padra Road, Vadodara, Gujarat – 390 007, India *Occupation*: Teaching *Current term*: Five years with effect from February 27, 2021 *Period of directorship*: Since February 27, 2021 *DIN*: 09046170	49	***Indian companies*** Nil ***Foreign companies*** Nil

Brief profiles of our Directors

Chintan Nitinkumar Shah is the Managing Director on our Board. He holds a bachelor's degree in engineering, with a specialisation in computer science from the Maharaja Sayajirao University of Baroda. He is responsible for, among others, business development and finance and information services, in our Company. He has over 24 years of experience in the specialty chemical manufacturing industry.

Ajaykumar Mansukhlal Patel is a Whole Time Director on our Board. He holds a bachelor's degree in engineering, with a specialisation in chemical engineering from the Maharaja Sayajirao University of Baroda. He is responsible for, among others, project engineering and the development and implementation of new technology, in our Company. He has over 26 years of experience in the specialty chemical manufacturing industry. He was previously associated with Sun Pharmaceutical Industries Limited as Officer – Chemical Engineering.

Shekhar Rasiklal Somani is a Whole Time Director on our Board. He holds a bachelor's degree in pharmacy from the Maharaja Sayajirao University of Baroda. He is responsible for business development, production controlling, quality, and supply chain management, in our Company. He has over 24 years of experience in the specialty chemical manufacturing industry.

Manher Chimanlal Desai is an Independent Director on our Board. He holds a bachelor's degree in science, a master's degree in science (specialising in organic chemistry), and a doctorate in science from the University of Mumbai. He has previously been associated with Indian Dyestuff Industries Limited, Metrochem Industries Limited, Alaknanda Organics Limited, and Heubach Colour Private Limited.

Subhash Ambubhai Patel is an Independent Director on our Board. He holds a bachelor's degree in commerce from The Maharaja Sayajirao University of Baroda. He is a fellow of the Institute of Chartered Accountants of India. He has over 33 years of experience in accountancy and audit. He is currently a partner at M/s S.A. Patel & Co., Chartered Accountants.

Avani Rajesh Umatt is an Independent Director on our Board. She holds a bachelor's degree in science and a master's degree in science (specialising in applied chemistry) from The Maharaja Sayajirao University of Baroda and a doctorate in philosophy for chemistry from the Sardar Patel University. She also holds a diploma in performing arts in Kathak from The Maharaja Sayajirao University of Baroda and a bachelor's degree in music from the Gandharva Mahavidyalaya. She has over 19 years of experience in research and academia. She is currently associated with TeamLease Skills University as Associate Professor, Dean Academics, HOD, Department of Health, Life and Applied Sciences. She has previously been associated with the Sardar Patel University, Indiamalt Private Limited, Bharatiya Vidya Bhavan's Sardar Patel College of Engineering, The Maharaja Sayajirao University of Baroda, Global Discovery Academy, and GSFC University.

Details of directorship in companies suspended or delisted

None of our Directors is or was a director of any listed company, whose shares are or were suspended from being traded on any stock exchanges, in the last five years prior to the date of this Prospectus, during the term of their directorship in such company.

Further, none of our Directors is, or was, a director of any listed company, which has been or was delisted from any stock exchange during the term of their directorship in such company.

Relationships between our Directors and Key Managerial Personnel / Senior Management Personnel

None of our Directors are related to each other or to any other Key Managerial Personnel or Senior Management Personnel.

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors have been nominated, appointed or selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

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

Borrowing powers

Pursuant to our Articles of Association and applicable provisions of the Companies Act 2013 and pursuant to the special resolution passed by our Shareholders on March 15, 2021, our Board is entitled to borrow such sums, from time to time, such that at any time, the aggregate outstanding amount under our Company's loan facilities does not exceed ₹ 1,500.00 million, notwithstanding that the monies to be borrowed, together with the monies already borrowed by our Company (apart from temporary loans obtained in the ordinary course of business), may exceed the aggregate, for the time being, of the paid-up capital and free reserves, of our Company.

Terms of appointment of our Directors

a) **Terms of appointment of our Executive Directors**

Chintan Nitinkumar Shah, Managing Director

Chintan Nitinkumar Shah has been a Director on the Board of our Company since its incorporation. He was appointed as the Managing Director of our Company pursuant to the resolution passed by our Board on December 31, 2020 and our Shareholders on January 27, 2021. He has been designated the Managing Director of our Company for a period of five years with effect from February 1, 2021 and is liable to retire by rotation. He receives remuneration from our Company in accordance with the Board resolution dated June 15, 2021. The details of the remuneration that Chintan Nitinkumar Shah is entitled to are enumerated below:

S. No.	Category	Remuneration
1.	**Salary**	₹ 5.08 million per annum
2.	**Allowances**	₹ 11.42 million per annum
3.	**Perquisites**	• **Leave:** Working hours / days and leaves (including leave encashment) would be as per Company's rules. • **Company contribution to provident fund:** ₹ 0.67 million • **Medical expenses:** Premium on medical and / or health insurance policy (whether in India and / or abroad), for self and family as approved by our Board from time to time • Company's car will be provided for use of Company's business.

Ajaykumar Mansukhlal Patel, Whole Time Director

Ajaykumar Mansukhlal Patel has been a Director on the Board of our Company since its incorporation. He was appointed as a Whole Time Director of our Company pursuant to the resolution passed by our Board on December 31, 2020 and our Shareholders on January 27, 2021. He has been designated a Whole Time Director of our Company for a period of five years with effect from February 1, 2021 and is liable to retire by rotation. He receives remuneration from our Company in accordance with the Board resolution dated June 15, 2021. The details of the remuneration that Ajaykumar Mansukhlal Patel is entitled to are enumerated below:

S. No.	Category	Remuneration
1.	**Salary**	₹ 5.08 million per annum
2.	**Allowances**	₹ 11.42 million per annum
3.	**Perquisites**	• **Leave:** Working hours / days and leaves (including leave encashment) would be as per Company's rules. • **Company contribution to provident fund:** ₹ 0.67 million • **Medical expenses:** Premium on medical and / or health insurance policy (whether in India and / or abroad), for self and family as approved by our Board from time to time • Company's car will be provided for use of Company's business.

Shekhar Rasiklal Somani, Whole Time Director

Shekhar Rasiklal Somani has been a Director on the Board of our Company since its incorporation. He was appointed as a Whole Time Director of our Company pursuant to the resolution passed by our Board on December 31, 2020 and our Shareholders on January 27, 2021. He has been designated a Whole Time Director of our Company for a period of five years with effect from February 1, 2021 and is liable to retire by rotation. He receives remuneration from our Company in accordance with the Board resolution dated June 15, 2021. The details of the remuneration that Shekhar Rasiklal Somani is entitled to are enumerated below:

S. No.	Category	Remuneration
1.	**Salary**	₹ 5.08 million per annum
2.	**Allowances**	₹ 11.42 million per annum
3.	**Perquisites**	• **Leave:** Working hours / days and leaves (including leave encashment) would be as per Company's rules. • **Company contribution to provident fund:** ₹ 0.67 million • **Medical expenses:** Premium on medical and / or health insurance policy (whether in India and / or abroad), for self and family as approved by our Board from time to time • Company's car will be provided for use of Company's business.

b) **Sitting fees and commission to Independent Directors**

Pursuant to a resolution of our Board dated March 3, 2021, our Independent Directors are entitled to receive sitting fees of ₹ 25,000 and ₹ 10,000 for attending each meeting of our Board and the committees of our Board, respectively. Further, our Independent Directors may be paid commission and reimbursement of expenses as permitted under the Companies Act and the SEBI Listing Regulations.

Compensation paid to our Directors

a) **Executive Directors**

The table below sets forth the details of the remuneration paid to our Executive Directors for Fiscal 2021:

(in ₹ million)

S. No.	Name of the Executive Director	Remuneration for Fiscal 2021
1.	Ajaykumar Mansukhlal Patel	14.40
2.	Chintan Nitinkumar Shah	14.40
3.	Shekhar Rasiklal Somani	14.40

b) **Independent Directors**

The table below sets forth the details of the sitting fees paid to our Independent Directors for Fiscal 2021:

(in ₹ million)

S. No.	Name of the Executive Director	Sitting fees for Fiscal 2021
1.	Manher Chimanlal Desai	0.11
2.	Subhash Ambubhai Patel	0.12
3.	Avani Rajesh Umatt	0.10

Remuneration paid or payable to our Directors from our Subsidiaries

No remuneration has been paid to our Directors by any of our Subsidiaries or associate companies in Fiscal 2021.

Payments or benefits to Directors

Except as disclosed under "– *Terms of appointment of our Directors – Terms of appointment of our Executive Directors*" on page 178, our Company has not entered into any contract appointing or fixing the remuneration of a Director, whole-time Director, or manager in the two years preceding the date of this Prospectus.

In Fiscal 2021, our Company has not paid any commission or granted any amount or benefit on an individual basis to any of our Directors other than the sitting fees / remuneration paid to them for such period.

Contingent and deferred compensation payable to the Directors

As on the date of this Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

Bonus or profit-sharing plan for our Directors

Our Company does not have any performance linked bonus or a profit-sharing plan in which our Directors have participated.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares.

The table below sets forth details of Equity Shares held by the Directors as on date of this Prospectus:

Name	No. of Equity Shares	Percentage of the pre-Offer paid up share capital (%)	Percentage of the post-Offer paid up share capital (%)*
Ajaykumar Mansukhlal Patel	4,222,333	21.02	18.08
Chintan Nitinkumar Shah	5,648,835	28.12	22.09
Shekhar Rasiklal Somani	6,304,682	31.39	25.40

**Subject to finalization of Basis of Allotment*

Interest of Directors

All our Directors may be deemed to be interested to the extent of fees and commission, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration, commission and reimbursement of expenses, if any, payable to them by our Company. For further details, see "*Financial Statements*" on page 198.

Our Directors may also be regarded as interested to the extent of the Equity Shares, if any, held by them and to the extent of any dividend payable to them and other distributions in respect of these Equity Shares. For further details regarding the shareholding of our Directors, see "– *Shareholding of Directors in our Company*" on page 180.

Some of our Directors may hold positions as directors on the board of directors of our Subsidiary. In consideration for these services, they may be paid managerial remuneration in accordance with the provisions of the applicable law.

All the Directors may be deemed to be interested in the contracts, agreements / arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

There is no material existing or anticipated transaction whereby Directors will receive any portion of the proceeds from the Offer.

As on the date of this Prospectus, except for Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani, who are Promoters of our Company, none of our other Directors are interested in the promotion or formation of our Company. For further details, see "*Our Promoters and Promoter Group*" on page 191.

Our Directors do not have any interest in any property acquired or proposed to be acquired of, or by, our Company.

Our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Prospectus.

Except as stated in "*Financial Statements*" on page 198 and to the extent of the shareholding of our Directors in our Company, none of our Directors have any other interest in our business or our Company.

Other confirmations

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a Director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Changes to our Board in the last three years

Except as mentioned below, there have been no changes in our Directors in the last three years:

Name	Designation (at the time of appointment / change in designation / cessation)	Date of appointment / change in designation / cessation	Reason
Manher Chimanlal Desai	Independent Director	February 27, 2021	Appointment to our Board
Subhash Ambubhai Patel	Independent Director	February 27, 2021	Appointment to our Board
Avani Rajesh Umatt	Independent Director	February 27, 2021	Appointment to our Board
Ajaykumar Mansukhlal Patel	Director	January 27, 2021	Change in designation to Whole Time Director
Chintan Nitinkumar Shah	Director	January 27, 2021	Change in designation to Managing Director
Shekhar Rasiklal Somani	Director	January 27, 2021	Change in designation to Whole Time Director

Corporate governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable requirements for corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, including those pertaining to the constitution of the Board and committees thereof.

Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following committees of the Board of directors:

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

For purposes of the Offer, our Board has also constituted an IPO Committee.

(a) Audit Committee

The Audit Committee was constituted by a resolution of our Board dated March 3, 2021. The constitution of the Audit Committee is in compliance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The current constitution of the Audit Committee is as follows:

Name of Director	Position in the Committee	Designation
Subhash Ambubhai Patel	Chairman	Independent Director
Manher Chimanlal Desai	Member	Independent Director
Chintan Nitinkumar Shah	Member	Managing Director

The scope and functions of the Audit Committee, adopted pursuant to a resolution of our Board dated March 3, 2021 and June 15, 2021, are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. Its terms of reference are as follows:

(1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;

(5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by our Company pursuant to each of the omnibus approvals given;

(6) examining and 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, 2013;

   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.

(7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / 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;

(9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(10) approval of any subsequent modification of transactions of our Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

Explanation: *The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*

(11) scrutiny of inter-corporate loans and investments;

(12) valuation of undertakings or assets of our Company, wherever it is necessary;

(13) evaluation of internal financial controls and risk management systems;

(14) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(15) 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;

(16) discussion with internal auditors of any significant findings and follow up there on;

(17) 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;

(18) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(19) recommending to the Board the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(20) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(21) reviewing the functioning of the whistle blower mechanism;

(22) monitoring the end use of funds raised through public offers and related matters;

(23) overseeing the vigil mechanism established by our Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(24) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(25) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;

(26) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and

(27) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The Audit Committee has the following powers:

(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; and
(5) such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Audit Committee is mandatorily required to review the following information:

a) Management discussion and analysis of financial condition and results of operations;
b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
d) Internal audit reports relating to internal control weaknesses;
e) The appointment, removal and terms of remuneration of the chief internal auditor; and
f) Statement of deviations in terms of the SEBI Listing Regulations:
    a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
    b. annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice in terms of the SEBI Listing Regulations.
g) review the financial statements, in particular, the investments made by any unlisted subsidiary.

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

The Audit Committee is required to meet at least four times in a year under Regulation 18(2)(a) of the SEBI Listing Regulations.

The quorum for a meeting of the Audit Committee shall be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

(b) Nomination and Remuneration Committee

The Nomination and Remuneration committee was constituted by a resolution of our Board dated March 3, 2021. The constitution of the Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The current constitution of the Nomination and Remuneration committee is as follows:

Name of Director	Position in the Committee	Designation
Manher Chimanlal Desai	Chairman	Independent Director
Subhash Ambubhai Patel	Member	Independent Director
Avani Rajesh Umatt	Member	Independent Director

The scope and functions of the Nomination and Remuneration Committee, adopted pursuant to a resolution of our Board dated March 3, 2021, are in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations. Its terms of reference are as follows:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**").

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

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

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

(2) Formulation of criteria for evaluation of independent directors and the Board;

(3) Devising a policy on Board diversity;

(4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

(5) Analysing, monitoring and reviewing various human resource and compensation matters;

(6) Deciding 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;

(7) Determining our 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) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;

(9) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

(10) Reviewing and approving our Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(11) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, if applicable;

(12) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

  (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

  (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, our Company and its employees, as applicable.

(13) Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

The Nomination and Remuneration Committee is required to meet at least once in a year under Regulation 19(3A) of the SEBI Listing Regulations.

The quorum for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members of the committee, whichever is greater, including at least one independent director.

(c) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated March 3, 2021. The constitution of the Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The current constitution of the Stakeholders' Relationship Committee is as follows:

Name of Director	Position in the Committee	Designation
Subhash Ambubhai Patel	Chairman	Independent Director
Shekhar Rasiklal Somani	Member	Whole Time Director
Manher Chimanlal Desai	Member	Independent Director

The scope and functions of the Stakeholders' Relationship Committee, adopted pursuant to a resolution of our Board dated March 3, 2021, are in accordance with Regulation 20 of the SEBI Listing Regulations. Its terms of reference are as follows:

(1) resolving the grievances of the security holders of the listed entity including complaints related to transfer of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or non-receipt of balance sheet, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

(2) review of measures taken for effective exercise of voting rights by shareholders;

(3) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(4) Giving effect to all transfer / transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate / consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(5) review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;

(6) review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of our Company; and

(7) carrying out such other functions as may be specified by the Board from time to time or specified / provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

The Stakeholders' Relationship Committee is required to meet at least once in a year under Regulation 20(3A) of the SEBI Listing Regulations.

(d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was re-constituted by a resolution of our Board dated March 3, 2021. The current constitution of the Corporate Social Responsibility committee is as follows:

Name of Director	Position in the Committee	Designation
Avani Rajesh Umatt	Chairperson	Independent Director
Subhash Ambubhai Patel	Member	Independent Director
Ajaykumar Mansukhlal Patel	Member	Whole Time Director

The scope and functions of the Corporate Social Responsibility Committee, were revised and adopted pursuant to a resolution of our Board dated March 3, 2021, are in accordance with Section 135 of the Companies Act, 2013. Its terms of reference are as follows:

(a) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by our Company 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;

(b) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(c) 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 our Company;

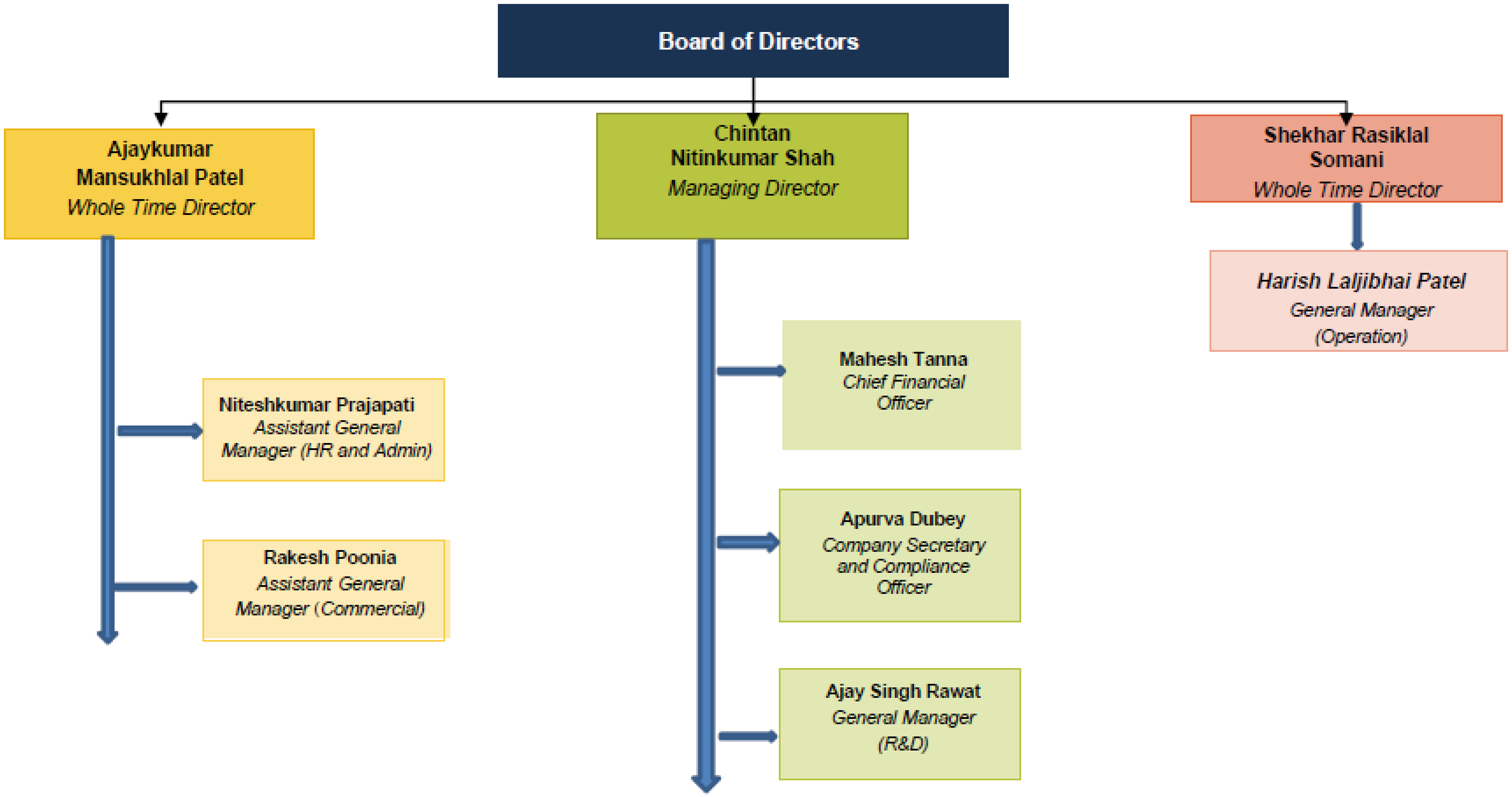
(d) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(e) 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;

(f) 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

(g) 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.

Management organization chart



Key Managerial Personnel

In addition to Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani, our Executive Directors, whose details are provided in "– *Brief profiles of our Directors*" on page 177, the details of our other Key Managerial Personnel as on the date of this Prospectus are as set forth below:

Mahesh Tanna is the Chief Financial Officer of our Company. He has been associated with our Company since December 22, 2020. He is responsible for the finance, accounting, secretarial, legal, and banking functions in our Company. He holds a bachelor's degree in commerce from Saurashtra University, a bachelor's degree in law from the University of Mumbai, and a master's degree in financial management from the University of Mumbai. He is also an associate member of the ICSI and has previously qualified in the intermediate (integrated professional competence) examination held by the ICAI. He has experience of over 21 years and has been previously associated with Esskay International, Overseas Infrastructure Alliance (India) Private Limited, Gold Star Corporate Solutions Private Limited, Indo Count Industries Limited, and Neogen Chemicals Limited. He was paid a remuneration of ₹ 0.84 million in Fiscal 2021.

Apurva Dubey is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since February 25, 2021. She is responsible for the company secretarial and compliance work in our Company. She holds a bachelor's degree in management studies from the University of Mumbai and a bachelor's degree in law from The Maharaja Sayajirao University of Baroda. She is also an associate member of the ICSI. She has experience of over four years and has been previously associated with Pan Drugs Limited, BTW Atlanta Transformers India Private Limited, and Haver and Boecker India Private Limited. She was paid a remuneration of ₹ 0.04 million in Fiscal 2021.

Senior management personnel

Harish Laljibhai Patel is the General Manager (Operation) of our Company. He has been associated with our Company since October 12, 2007. He is responsible for production planning, quality maintenance of products, and safety of employees in our Company. He holds a bachelor's degree in science from Gujarat University. He has previously been associated with Champa Purie-Chem Industries. He was paid a remuneration of ₹ 3.21 million in Fiscal 2021.

Ajay Singh Rawat is the General Manager (R&D) of our Company. He has been associated with our Company since July 5, 2019. He is responsible for development of new molecules as per management requirement and preparation of the literature search report in our Company. He holds a bachelor's degree in science and a master's degree in science (specialising in chemistry) from the Doctor Harisingh Gour Vishwavidyalaya, Sagar and a doctorate in chemistry from the University of Mumbai. He also holds a diploma in pharmaceutical production management from the Institute of Pharmaceutical Education and Research (Pune) Private Limited and a post graduate diploma in patent management from the Academy of Intellectual Property Studies. He has previously been associated with IPCA Laboratories Limited, Sterling Biotech Limited, Unichem Laboratories Limited, and Merck Development Centre Private Limited. He was paid a remuneration of ₹ 2.89 million in Fiscal 2021.

Rakesh Poonia is the Assistant General Manager (Commercial) of our Company. He has been associated with our Company since November 17, 2006. He is responsible for commercial, purchase, and liaisoning activities in our Company. He holds a bachelor's degree in arts from the University of Rajasthan and a post graduate diploma in export – import management from the Indian Institute of Export. He has previously been associated with Shree Colorsperse Private Limited and Heubach Colour Private Limited. He was paid a remuneration of ₹ 2.14 million in Fiscal 2021.

Niteshkumar M Prajapati is the Assistant General Manager (HR and Admin) of our Company. He has been associated with our Company since November 21, 2015. He is responsible for human resource management, administration, and industrial relations in our Company. He holds a bachelor's degree in science from the South Gujarat University, a bachelor's degree in law from the Veer Narmad South Gujarat University, post-graduate diploma in industrial relations and personnel management from Bharatiya Vidya Bhavan's Rajendra Prasad Institute of Communication and Management, and the Maharashtra state certificate in information technology from the Government of Maharashtra. He has previously been associated with Kiran Gems Private Limited, Gujarat Polyfilms Private Limited, Janak Healthcare Private Limited, Larsen & Toubro Limited, and N.J. Gems. He was paid a remuneration of ₹ 0.97 million in Fiscal 2021.

Relationships between Key Managerial Personnel / Senior Management Personnel and with Directors

None of our Key Managerial Personnel or Senior Management Personnel are related to each other or to the Directors of our Company.

Arrangements and understanding with major shareholders

None of our Key Managerial Personnel or Senior Management Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Changes in the Key Managerial Personnel / Senior Management Personnel in last three years

Except as mentioned below, and as specified in "– *Changes to our Board in the last three years*" on page 181, there have been no changes in the Key Managerial Personnel / Senior Management Personnel in the last three years:

Name	Designation	Date of change	Reason
Sudip Sanat Ray	Chief Financial Officer	October 15, 2018	Appointment as Chief Financial Officer
Sudip Sanat Ray	Chief Financial Officer	February 25, 2019	Resignation as Chief Financial Officer
Hiral Kanubhai Gediya	Company Secretary	April 20, 2019	Resignation as Company Secretary
Siddharth Gajera	Manager R & D	June 29, 2019	Resignation as Manager R & D
Ajay Singh Rawat	Head – R & D	July 5, 2019	Appointment as Head – R & D
Mansi Ashar	Company Secretary	July 22, 2019	Appointment as Company Secretary
Vishnu Swarnkar	Chief Financial Officer	September 5, 2019	Appointment as Chief Financial Officer
Vishnu Swarnkar	Chief Financial Officer	December 21, 2020	Resignation as Chief Financial Officer
Mahesh Tanna	Chief Financial Officer	December 22, 2020	Appointment as Chief Financial Officer
Niteshkumar M Prajapati	Assistant General Manager (HR and Admin)	January 1, 2021	Change in designation to Assistant General Manager (HR and Admin)
Harish Laljibhai Patel	General Manager (Operation)	January 1, 2021	Change in designation to General Manager (Operation)
Rakesh Poonia	Assistant General Manager (Commercial)	January 1, 2021	Change in designation to Assistant General Manager (Commercial)
Ajay Singh Rawat	General Manager (R&D)	January 1, 2021	Change in designation to General Manager (R&D)
Mansi Ashar	Company Secretary	February 24, 2021	Resignation as Company Secretary
Apurva Dubey	Company Secretary	February 25, 2021	Appointment as Company Secretary

The rate of attrition of our Key Managerial Personnel and Senior Management Personnel is not high in comparison to the industry in which we operate.

Status of Key Managerial Personnel and Senior Management Personnel

As on the date of this Prospectus, other than our Executive Directors, all our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Retirement and termination benefits

Neither our Key Managerial Personnel nor our Senior Management Personnel have entered into any service contracts with our Company which include termination or retirement benefits. Except statutory benefits upon termination of their employment in our Company or superannuation, none of the Key Managerial Personnel or Senior Management Personnel is entitled to any benefit upon termination of employment or superannuation.

Shareholding of the Key Managerial Personnel / Senior Management Personnel

Other than the shareholding of Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal

Somani in our Company, as disclosed under "– *Shareholding of Directors in our Company*" on page 180, none of our other Key Managerial Personnel or Senior Management Personnel hold any Equity Shares in our Company.

Contingent and deferred compensation payable to Key Managerial Personnel / Senior Management Personnel

As on the date of this Prospectus, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel or Senior Management Personnel for Fiscal 2021, which does not form part of their remuneration for such period.

Bonus or profit-sharing plan of the Key Managerial Personnel / Senior Management Personnel

Our Company has no profit-sharing plan in which the Key Managerial Personnel or Senior Management Personnel participate. Our Company makes bonus payments to our Key Managerial Personnel and Senior Management Personnel, in accordance with their terms of appointment.

Interest of Key Managerial Personnel / Senior Management Personnel

Our Key Managerial Personnel and Senior Management Personnel (other than our Executive Directors) are interested in our Company only to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

Employee stock option plan

As on the date of this Prospectus, our Company does not have any active employee stock option plan.

Payment or benefit to officers of our Company (non-salary related)

No non-salary related amount or benefit has been paid or given within the two years preceding the date of this Prospectus or is intended to be paid or given to any officer of our Company, including our Directors, Key Managerial Personnel, and Senior Management Personnel.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

As on the date of this Prospectus, the Promoters of our Company are Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani.

As on the date of this Prospectus, our Promoters hold 16,175,850 Equity Shares in aggregate, representing 80.53% of the issued, subscribed and paid-up Equity Share capital of our Company. For details, please see the section titled "*Capital Structure – Details of Shareholding of our Promoters and members of the Promoter Group in our Company – Build-up of the Promoters' and Promoter Group Selling Shareholders' shareholding in our Company*" on page 77.

Details of our Promoters are as follows:

1. Ajaykumar Mansukhlal Patel

Ajaykumar Mansukhlal Patel, aged 49 years, is one of our Promoters and is also a Whole Time Director on our Board. For the complete profile of Ajaykumar Mansukhlal Patel, along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, see "*Our Management – Board of Directors*" on page 175.

He holds a driver's license bearing the number GJ05 19990301369. His permanent account number is ACSPP6803C and his Aadhaar number is [redacted].

As on date of this Prospectus, Ajaykumar Mansukhlal Patel holds 4,222,333 Equity Shares, representing 21.02% of the issued, subscribed and paid-up equity share capital of our Company.

2. Chintan Nitinkumar Shah

Chintan Nitinkumar Shah, aged 48 years, is one of our Promoters and is also the Managing Director on our Board. For the complete profile of Chintan Nitinkumar Shah, along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, see "*Our Management – Board of Directors*" on page 175.

He holds a driver's license bearing the number GJ06 19910027086. His permanent account number is AGQPS0271D and his Aadhaar number is [redacted].

As on date of this Prospectus, Chintan Nitinkumar Shah holds 5,648,835 Equity Shares, representing 28.12% of the issued, subscribed and paid-up equity share capital of our Company.

3. Shekhar Rasiklal Somani

Shekhar Rasiklal Somani, aged 47 years, is one of our Promoters and is also a Whole Time Director on our Board. For the complete profile of Shekhar Rasiklal Somani, along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, see "*Our Management – Board of Directors*" on page 175.

He holds a driver's license bearing the number GJ21 19991621243. His permanent account number is AKRPS2524A and his Aadhaar number is [redacted].

As on date of this Prospectus, Shekhar Rasiklal Somani holds 6,304,682 Equity Shares, representing 31.39% of the issued, subscribed and paid-up equity share capital of our Company.

Our Company confirms that the permanent account numbers, bank account numbers and passport numbers of our Promoters, have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

Change in control of our Company

There has not been any change in the control of our Company in the five years immediately preceding the date of this Prospectus.

Interests of Promoters

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, their directorship in our Company and the dividends payable, if any, and any other distributions in respect of their respective shareholding in our Company or the shareholding of their relatives in our Company. For details of the shareholding of our Promoters in our Company, see "*Capital Structure*" on page 72. For further details of interest of our Promoters in our Company, see "*Financial Statements*" on page 198.

Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani may also be deemed to be interested to the extent of remuneration, benefits, reimbursement of expenses, sitting fees and commission payable to them as Directors on our Board. For further details, see "*Our Management*" on page 175.

None of our Promoters have any interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Prospectus or proposed to be acquired by it as on the date of this Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery, or other such transaction.

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which any of our Promoters are interested as a member, 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 our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Companies or firms with which our Promoters have disassociated in the last three years

None of our Promoters have disassociated themselves from any other company or firm in the three years preceding the date of this Prospectus.

Payment or benefits to Promoters or Promoter Group

Except as disclosed herein and as stated in "*Financial Statements*" on page 198, there has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Prospectus.

Material guarantees

Our Promoters have not provided any material guarantees to any third party with respect to the Equity Shares as on the date of this Prospectus.

Promoter Group

In addition to our Promoters, individual and entities that form part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group are as follows:

1. Anushka Chintan Shah
2. Archana Chandresh Shah
3. Aryan Shekhar Somani
4. Bharti Kirit Shah
5. Darshana Nitinkumar Shah
6. Dharmeshkumar Mansukhlal Patel
7. Dipali Nitinkumar Mehta
8. Ishani Ajay Patel
9. Kabir Ajay Patel
10. Kajal Shekhar Somani
11. Kirit Harilal Shah
12. Manisha Abhijit Zaveri
13. Nehal Brijesh Shah
14. Preyash Yashvantlal Potla
15. Priti Ajaykumar Patel
16. Raxaben Mansukhlal Patel
17. Samirkumar Rasiklal Somani
18. Shimoni Chintan Shah
19. Shital Chintan Shah
20. Shitalkumar Rasiklal Somani
21. Simabahen Tejaskumar Rangrej
22. Sweny Shekhar Somani
23. Sweta Ashit Parikh
24. Ushaben Potla
25. Yashvantlal Ramanlal Potla

Entities forming part of the Promoter Group

The entities forming part of our Promoter Group are as follows:

1. Ajay Mansukhlal Patel HUF
2. Arete Virtue Jewels
3. Bakia Laboratories
4. Chintan N Shah HUF
5. Kirit H. Shah HUF
6. Marvel Indenting Private Limited
7. Premier Solution Private Limited
8. Samir Rasiklal HUF Somani
9. Sardar Medical
10. Shekhar Rasiklal Somani Ancestral
11. Shital R Somani HUF
12. Shree Sai Baba Petroleum

13. Star Enterprise
14. Unigroup Chempro Private Limited
15. Unigroup Resources LLP
16. Universal Distributors
17. Universal House

Our Company had, vide an exemption application dated March 31, 2021 under Regulation 300 of the SEBI ICDR Regulations submitted to SEBI, sought an exemption from considering and disclosing (i) Chetan Vasantlal Doshi, Pragnesh Vasantlal Doshi, and Ramila Vasantlal Doshi as a member of the 'promoter group' of the Company,(ii) any body corporate in which Chetan Vasantlal Doshi, Pragnesh Vasantlal Doshi, and Ramila Vasantlal Doshi or any Hindu undivided family or firm where he is a member, may hold 20% or more of the equity share capital, (iii) any body corporate in which the body corporate mentioned under (ii) above holds 20% or more of the equity share capital, (iv) any Hindu undivided family or firm in which Chetan Vasantlal Doshi, Pragnesh Vasantlal Doshi, and Ramila Vasantlal Doshi may hold 20% or more of the total capital in accordance with the SEBI ICDR Regulations. This was owing to the inability of our Company to communicate or obtain information from Chetan Vasantlal Doshi, Pragnesh Vasantlal Doshi, and Ramila Vasantlal Doshi. Our Company received exemption from SEBI in this regard by way of its letter dated June 30, 2021.

GROUP COMPANIES

In accordance with the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of 'group companies', our Company has considered (i) such companies (other than our Subsidiaries) with which there were related party transactions during the period for which Restated Consolidated Financial Statements have been disclosed in this Prospectus, as covered under the applicable accounting standards; and (ii) any other companies which are considered material by our Board.

In respect of point (ii) above, our Board in its meeting held on March 13, 2021, has considered and adopted the Materiality Policy, *inter alia*, for identification of companies that shall be considered material and shall be disclosed as a group company in this Prospectus. In terms of the Materiality Policy, if a company (other than the Subsidiaries and the companies covered under the schedule of related party transactions as per the Restated Consolidated Financial Statements) (a) is a member of our Promoter Group; and (b) has entered into one or more transactions with our Company during the most recent Fiscal and any stub period included in the Restated Consolidated Financial Statements, that cumulatively exceed 10.00% of the total revenue of our Company derived from the Restated Consolidated Financial Statements of the last completed full financial year / any stub period covered in the Restated Consolidated Financial Statements, it shall be considered material and shall be disclosed as a group company in this Prospectus.

Based on the parameters outlined above, our Company does not have any group companies as on the date of this Prospectus.

DIVIDEND POLICY

As on the date of this Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act, 2013 and the rules thereunder. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our contractual obligations, applicable legal restrictions, results of operations, financial condition, revenues, profits, over financial condition, capital requirements and business prospects. In addition, our ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under our current or future loan or financing documents. For more information on restrictive covenants under our current loan agreements, see "*Financial Indebtedness*" on page 283. Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

Except as disclosed below, our Company has not declared any dividends during the last three Fiscals, and in the current Fiscal until the date of this Prospectus, on the Equity Shares:

Particulars	**For the Fiscal**			**From March 31, 2021 till date**
	2019	**2020**	**2021***	
Number of Equity Shares at the end of the year / period	8,035,000	8,035,000	20,087,500	20,087,500
Face value per Equity Share (in ₹)	10	10	10	10
Rate of dividend (%)	-	-	50	-
Dividend per Equity Share (in ₹)	-	-	5	-
Dividend paid (in ₹ million)	-	-	40.18	-

***** *Dividend was declared in Fiscal 2021 prior to the bonus issue of Equity Shares by our Company on March 3, 2021*

Note: *Dividend per Equity Share is calculated as dividend paid divided by total number of Equity Shares outstanding as at the end of the year / period.*

The past trend in relation to our payment of dividends is not necessarily indicative of our dividend trend or dividend policy, in the future, and there is no guarantee that any dividends will be declared or paid in the future. For details in relation to the risk involved, see "*Risk Factors – Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition*" on page 46.

SECTION VII – FINANCIAL INFORMATION

OTHER FINANCIAL INFORMATION

Accounting ratios

The accounting ratios derived from Restated Consolidated Financial Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021
Earnings per Equity Share (basic) (in ₹)	10.23	18.81	26.02
Earnings per Equity Share (diluted) (in ₹)	10.23	18.81	26.02
Net Asset Value per Equity Share (in ₹)	39.68	58.59	82.62
EBITDA (in ₹ million)	342.96	563.35	716.35

In accordance with the SEBI ICDR Regulations, the audited financial statements for Fiscals 2019, 2020 and 2021 of our Company and TC USA, our material subsidiary (collectively, the **"Audited Financial Statements**") are available on our website at www.tatvachintan.com.

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 the Red Herring Prospectus or this Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere.

The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of the entities specified above, nor any of their advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

FINANCIAL STATEMENTS

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Independent Auditor's
Examination Report on Restated Consolidated Financial Information

To,
The Board of Directors
Tatva Chintan Pharma Chem Limited
Plot No 502/17, GIDC Estate,
Ankleshwar GIDC, Ankleshwar,
Bharuch, Gujarat - 393002,
India

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of **Tatva Chintan Pharma Chem Limited (the "Company" or "Issuer") (formerly Known as Tatva Chintan Pharma Chem Private Limited)** and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Statements of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flow for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, the Summary Statement of Significant Accounting Policies, and other explanatory information **(collectively, the "Restated Consolidated Financial Information")**, as approved by the Board of Directors of the Company at their meeting held on June 15, 2021 for the purpose of inclusion in the **Red Herring Prospectus ("RHP") and Prospectus** prepared by the Company in connection with its proposed Initial Public Offer of equity shares **("IPO")** and offer for sale by existing Shareholders together the "Offer" prepared in terms of the requirements of:
   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**")
   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended **("ICDR Regulations");** and
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India **("ICAI"),** as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the RHP and Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies, Gujarat at Ahmedabad, as required, in connection with the proposed Offer. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of policies stated in note 2(a) to the Restated Consolidated Financial Information. The Company's Board of Director responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:
   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 09, 2020 in connection with the proposed Offer of equity shares of Company;
   b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Offer

4. These Restated Consolidated Financial Information have been compiled by the management from:

a) Audited Consolidated financial statements of the Group for the year ended March 31, 2021 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on June 15, 2021.

b) Audited Consolidated financial statements of the Group for the years ended March 31, 2020 and March 31, 2019 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on March 13, 2021.

5. For the purpose of our examination, we have relied on:

a) Auditors' reports issued by us dated June 15, 2021 on the consolidated financial statements of the Group as at and for the year ended March 31, 2021 as referred in Paragraph 4 (a) above; and

b) Auditors' reports issued by us dated March 13, 2021 on the consolidated financial statements of the Group as at and for the years ended March 31, 2020 and March 31, 2019 respectively as referred in Paragraph 4 (b) above; and

6. As indicated in our audit reports referred above:

a) We did not audit the financial statements of subsidiary i.e. Tatva Chintan Europe B.V. which is incorporated on March 01, 2019 whose financial statements reflects total assets, total revenue and net cash outflow for the relevant years is tabulated below. These financial statements, which have been unaudited and certified by management, were not prepared in accordance with the Ind AS. These financials were converted in to Ind AS financial statements by passing Ind AS adjustment entries, where necessary, by the management for consolidation purpose and these Ind AS adjustment entries were verified by us.

(Rs. In Million)

Particulars	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
Tatva Chintan Europe B.V. (Subsidiary)			
Total assets	102.41	53.27	0.02
Total revenues	306.41	34.88	Nil
Net cash inflows/ (outflows)	2.74	0.01	Nil

7. Based on our examination and according to the information and explanations given to us for the respective years, we report that the Restated Consolidated Financial Information:

   a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, as applicable, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as considered appropriate and disclosed in Note 2 and Note 51 respectively.

   b) have been made after giving effect to the matter(s) giving rise to modifications mentioned in paragraph 6 above and

   c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. The Restated Consolidated Financial Information do not reflect the effects of events except disclosed in Restated Consolidated financial information that occurred subsequent to the respective dates of the reports on the special purpose audited consolidated financial statements mentioned in paragraph 4 above

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the RHP and Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies, Gujarat at Ahmedabad, where applicable, in connection with the proposed Offer. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For NDJ & Co.
Chartered Accountants
Firm's Registration Number – 136345W

CA. Shirish Shah
Partner
Membership Number – 035742
Date: 15 June 2021
Place : Surat
UDIN: 21035742AAAAEN5358

TATVA CHINTAN PHARMA CHEM LIMITED
(formerly known as Tatva Chintan Pharma Chem Private Limited)
(CIN: U24232GJ1996PLC029894)
Restated Consolidated Statements of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019

(Rs. in Millions)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Assets				
Non-current assets				
Property, plant and equipment	3a	1,085.08	991.65	544.61
Right-of-use assets	3b	118.43	118.95	121.14
Capital work-in-progress	3c	98.11	48.92	60.36
Intangible assets	3d	0.95	1.20	1.38
Other non current assets	4	2.96	1.67	3.75
Total non current assets		1,305.53	1,162.39	731.24
Current assets				
Inventories	5	720.19	635.55	355.90
Financial assets				
(i) Trade receivables	6	907.43	495.71	412.57
(ii) Cash and cash equivalents	7	44.81	101.56	151.00
(iii) Bank balances other than (ii) above	7	8.61	6.73	6.45
(iv) Loans and Advances	8	19.03	16.79	14.45
(v) Other financial assets	9	11.35	10.92	89.83
Current tax assets (net)	10	-	3.13	7.74
Other current assets	11	131.08	56.60	105.90
Total current assets		1,842.50	1,326.99	1,143.84
Total Assets		**3,148.03**	**2,489.38**	**1,875.08**
Equity and liabilities				
Equity				
Equity share capital	12	200.88	80.35	80.35
Other equity	13	1,458.76	1,096.59	716.65
Equity Attributable to Owners		1,659.64	1,176.94	797.00
Non-Controlling Interest		-	-	-
Total equity		1,659.64	1,176.94	797.00
Liabilities				
Non-current liabilities				
Financial Liabilities				
(i) Borrowings	14	267.63	387.09	315.19
Provisions	15	5.52	4.04	2.94
Deferred tax liabilities (net)	16	20.78	44.55	33.08
Other non-current liabilities	17	14.31	0.26	0.35
Total non current liabilities		308.24	435.94	351.56
Current liabilities				
Financial Liabilities				
(i) Borrowings	18	492.94	404.89	399.09
(ii) Trade payables				
(A) Total outstanding dues of micro enterprises and small enterprises	19	129.13	52.48	73.40
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	345.64	263.65	147.94
(iii) Other financial liabilities	20	142.50	117.47	57.20
Other current liabilities	21	61.97	37.39	48.54
Provisions	22	1.09	0.62	0.35
Current tax liabilities (net)	23	6.88	-	-
Total current liabilities		1,180.15	876.50	726.52
Total equity and liabilities		**3,148.03**	**2,489.38**	**1,875.08**
Significant accounting policies and other explanatory information	**2**			

The accompanying notes form an integral part of Restated Consolidated financial statements
As per our report of even date attached

For NDJ & Co.
Chartered Accountants
Firm Reg.No.136345W

(CA. Shirish Shah)
Partner
M. No.: 035742
Date: 15 June 2021
Place : Surat

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
(formerly known as Tatva Chintan Pharma Chem Private Limited)

(Mr. Chintan N. Shah)
Managing Director
DIN: 00183618

(Mr. Shekhar R. Somani)
Whole Time Director
DIN: 00183665

(Apurva Dubey)
Company Secretary
MN: A-41130

(Mahesh Tanna)
Chief Financial Officer

Date: 15 June 2021
Place: Vadodara

TATVA CHINTAN PHARMA CHEM LIMITED
(formerly known as Tatva Chintan Pharma Chem Private Limited)
(CIN: U24232GJ1996PLC029894)
Restated Statement of Consolidated Profit and Loss for years ended March 31, 2021, March 31, 2020 and March 31, 2019

(Rs. in Millions, except earnings per equity share)

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Revenue				
Revenue from operations	24	3,003.59	2,632.39	2,063.07
Other income	25	59.33	13.83	4.94
Total revenue		**3,062.92**	**2,646.22**	**2,068.01**
Expenses				
Cost of raw materials consumed	26	1,509.12	1,461.59	1,182.92
Purchases of stock-in-trade	27	25.37	24.51	2.75
Changes In Inventories of WIP & Finished Goods	28	(40.57)	(158.43)	(43.26)
Employee Benefit Expenses	29	241.31	205.29	163.13
Finance costs	30	42.07	39.45	36.34
Depreciation and amortization expense	31	67.32	47.93	40.18
Other expenses	32	611.34	549.91	419.51
Total expenses		**2,455.96**	**2,170.25**	**1,801.57**
Profit before exceptional and tax		606.96	475.97	266.44
Exceptional, Non-recurring items	2(y)	-	-	(7.49)
Profit before tax		**606.96**	**475.97**	**273.93**
Tax expense				
Current tax		108.11	79.97	52.84
Deferred tax		(23.77)	11.47	16.94
Tax for earlier years		-	6.64	(1.28)
Profit after tax		**522.62**	**377.89**	**205.43**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Remeaasurement gain/(loss) of defined benefit plan obligations		2.07	(2.13)	(0.50)
Income tax relating to items that will not be reclassified to profit or loss		(0.60)	0.62	0.15
Total Other Comprehensive Income		**1.47**	**(1.51)**	**(0.35)**
Total Comprehensive Income		**524.09**	**376.38**	**205.08**
Net profit for the year attributable to				
Owners of the Company		522.62	377.89	205.43
Non-controlling interests		-	-	-
		522.62	**377.89**	**205.43**
Total comprehensive income attributable to				
Owners of the Company		524.09	376.38	205.08
Non-controlling interests		-	-	-
		524.09	**376.38**	**205.08**
Earnings per equity share				
Basic	44	26.02	18.81	10.23
Diluted	44	26.02	18.81	10.23
Significant accounting policies and other explanatory information	**2**			

The accompanying notes form an integral part of Restated Consolidated financial statements
As per our report of even date attached

For NDJ & Co.
Chartered Accountants
Firm Reg.No.136345W

(CA. Shirish Shah)
Partner
M. No.: 035742
Date: 15 June 2021
Place : Surat

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
(formerly known as Tatva Chintan Pharma Chem Private Limited)

(Mr. Chintan N. Shah)
Managing Director
DIN: 00183618

(Mr. Shekhar R. Somani)
Whole Time Director
DIN: 00183665

(Apurva Dubey)
Company Secretary
MN: A-41130

(Mahesh Tanna)
Chief Financial Officer

Date: 15 June 2021
Place: Vadodara

TATVA CHINTAN PHARMA CHEM LIMITED
(formerly known as Tatva Chintan Pharma Chem Private Limited)
(CIN: U24232GJ1996PLC029894)
Restated Consolidated Statement of Cash Flows for years ended March 31, 2021, March 31, 2020 and March 31, 2019

(Rs. in Millions)

	Particulars		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
1	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Restated Profit Before Tax		606.96	475.97	273.93
	Adjustments for Non Cash and non operating Items				
	Depreciation & Amortization Expenses		67.32	47.93	40.18
	Balance written off / written back		0.22	0.48	(0.12)
	Bad Debts written off		-	-	0.30
	Provision for doubtful debts		1.59	(0.01)	0.68
	Unrealized gain on Fair valuation of investments		-	-	0.02
	Loss/(Profit) on Sale of Asset/Scrap of Assets		0.34	0.31	(0.02)
	Interest Income		3.04	(5.17)	(2.14)
	Interest Expense		38.56	36.57	32.66
	Other Borrowing Costs		2.22	1.93	3.36
	Translation reserve		(1.21)	3.55	0.80
	Operating profit before working capital changes	**(i)**	**719.04**	**561.56**	**349.65**
	Change in working Capital				
	(Increase) in Inventory		(84.63)	(279.64)	(67.72)
	(Increase) in Trade Receivables		(413.33)	(83.13)	(125.16)
	(Increase)/Decrease in Loan, other financial Asset ,other Asset		(80.49)	52.95	(28.75)
	Increase in Trade and Other Payables		158.64	94.77	(25.68)
	Increase/(Decrease) in Other financial liabilites , other liabilities		40.1	(12.76)	28.75
	Increase in Provisions		1.95	1.37	1.97
	Cash Generated from Operations	**(ii)**	**341.28**	**335.12**	**133.06**
	Less: Taxes Paid	**(iii)**	(98.09)	(82.00)	(59.50)
	Cash Generated from Operations after tax (ii)-(iii)=	**(A)**	**243.19**	**253.12**	**73.56**
2	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant & Equipment's		(209.70)	(481.72)	(97.86)
	Proceeds from Sale of Property, Plant & Equipment's		0.19	0.27	0.05
	Sale of Current Investments		-	-	5.31
	(Purchase)/Sale of Fixed Deposit		2.49	74.48	(77.34)
	Interest Income		(3.04)	5.17	2.14
	Cash (Used in) Investing Activities	**(B)**	**(210.06)**	**(401.80)**	**(167.70)**
3	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Dividend paid during the year		(40.18)	-	-
	Proceeds from Long Term borrowings		91.53	216.76	195.81
	Repayment of Long Term borrowings		(183.99)	(87.15)	(66.29)
	Increase/(Decrease) in Short Term Borrowings		88.05	5.80	80.49
	Increase/(Decrease) in Loan to Employees		(0.21)	(0.46)	(0.02)
	Interest Expense		(40.99)	(33.50)	(32.64)
	Other Borrowing Cost		(2.22)	(1.93)	(3.36)
	Cash Generated from / (Used in) Financing Activities	**(C)**	**(88.01)**	**99.52**	**173.99**
	NET INCREASE/ DECREASE IN CASH (A+B+C)		**(54.88)**	**(49.16)**	**79.85**
	CASH AND CASH EQUIVALENTS				
	Opening Balance		108.29	157.45	77.60
	Closing Balance		53.41	108.29	157.45
	Net Increase/ Decrease in Cash as above		**(54.88)**	**(49.16)**	**79.85**

Notes:

(a) The above Restated Consolidated Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

(b) Figures in bracket indicate cash outgo.

(c) Additions to Property, plant and equipment and intangible assets include movements in capital work-in-progress during the year.

(d) Changes in liability arising from financing activities

(Rs. in Millions)

Particular	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Current Borrowings			
Opening	404.89	399.09	318.60
Net Receipts/(Payments)	57.96	(28.88)	70.53
Interest	13.41	18.05	17.33
Foreign Exchange	16.68	16.63	(7.37)
Closing	492.94	404.89	399.09
Non-Current Borrowings			
Opening	502.00	372.39	242.86
Receipts	91.53	216.76	195.81
Interest	24.79	18.52	15.33
Payments	(222.60)	(154.92)	(96.84)
Foreign Exchange	13.82	49.25	15.23
Closing	409.54	502.00	372.39

The accompanying notes form an integral part of Restated Consolidated financial statements
As per our report of even date attached

For NDJ & Co.
Chartered Accountants
Firm Reg.No.136345W

(CA. Shirish Shah)
Partner
M. No.: 035742
Date: 15 June 2021
Place : Surat

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
(formerly known as Tatva Chintan Pharma Chem Private Limited)

(Mr. Chintan N. Shah)
Managing Director
DIN: 00183618

(Mr. Shekhar R. Somani)
Whole Time Director
DIN: 00183665

(Apurva Dubey)
Company Secretary
MN: A-41130

(Mahesh Tanna)
Chief Financial Officer

Date: 15 June 2021
Place: Vadodara

TATVA CHINTAN PHARMA CHEM LIMITED
(formerly known as Tatva Chintan Pharma Chem Private Limited)
(CIN: U24232GJ1996PLC029894)
Statement of Changes in Equity for years ended March 31, 2021, March 31, 2020 and March 31, 2019
(All amounts in Indian rupees, except otherwise stated)

A EQUITY SHARE CAPITAL **(Rs. in Millions)**

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	80.35	80.35	80.35
Shares issued during the year	120.53	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**200.88**	**80.35**	**80.35**

Note:
During the year, The Group has alloted 1,20,52,500 number of equity shares as Bonus issue to the existing shareholders of the Group in the ratio of 1.5:1 vide Board resolution dated 3 March 2021 which was passed pursuant to passing of special resolution by shareholders in Extra Ordinary General meeting held on 27 January 2021 against existing 80,35,000 equity shares. Hence total Share Capital of Group post bonus issue is Rs. 200.88 Millions.

B OTHER EQUITY

(Rs. in Millions)

Particulars	Retained Earnings	Other Comprehensive Income		Equity Attributable to Owners	Non-Controlling Interest	Total
		Acturial gain/(Loss) from define benefit obligation	Translation reserve			
Balance as at 31 March 2018	**510.78**	**(0.07)**	**0.06**	**510.77**	**-**	**510.77**
Profit/(loss) for the year	205.43	(0.35)	-	205.08	-	**205.08**
During the Year	-	-	0.80	0.80	-	**0.80**
Balance at 31 March 2019	**716.21**	**(0.42)**	**0.86**	**716.65**	**-**	**716.65**
Profit/(loss) for the year	377.89	(1.51)	-	376.38	-	**376.38**
During the Year	-	-	3.56	3.56	-	**3.56**
Balance at 31 March 2020	**1,094.10**	**(1.93)**	**4.41**	**1,096.59**	**-**	**1,096.59**
Profit/(loss) for the year	522.62	1.47	-	524.09	-	**524.09**
Dividend Paid	(40.18)	-	-	(40.18)	-	**(40.18)**
Bonus Issue	(120.53)	-	-	(120.53)	-	**(120.53)**
During the Year	-	-	(1.21)	(1.21)	-	**(1.21)**
Balance at 31 March 2021	**1,456.02**	**(0.46)**	**3.20**	**1,458.76**	**-**	**1,458.76**

Description of Nature and purpose of other equity
Retained earnings:
Retained earnings represent the surplus during the year to be retained in business and not for appropriation.

The accompanying notes form an integral part of Restated Consolidated financial statements
As per our report of even date attached

For NDJ & Co.
Chartered Accountants
Firm Reg.No.136345W

(CA. Shirish Shah)
Partner
M. No.: 035742
Date: 15 June 2021
Place : Surat

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
(formerly known as Tatva Chintan Pharma Chem Private Limited)

(Mr. Chintan N. Shah)
Managing Director
DIN: 00183618

(Mr. Shekhar R. Somani)
Whole Time Director
DIN: 00183665

(Apurva Dubey)
Company Secretary
MN: A-41130

(Mahesh Tanna)
Chief Financial Officer

Date: 15 June 2021
Place: Vadodara

1) Corporate information:

Tatva Chintan Pharma Chem Limited (formerly known as "Tatva Chintan Pharma Chem Private Limited" ("TCPCL" or "the Holding Company" or "the Parent" or "the Company") was private limited company domiciled in India, and incorporated under the Companies Act 2013 (erstwhile Companies Act 1956) in India on 12 June 1996 having its registered office at Plot No 502/17, GIDC Estate, Ankleshwar GIDC, Ankleshwar, Bharuch - 393002. The Company has two 100% subsidiaries abroad namely Tatva Chintan USA Inc (Incorporated on 16 March 2015, having its registered office at 950, Taylor Ave Suite, 230A Grand Haven, Michigan, USA - 49417) and Tatva Chintan Europe B.V. (Incorporated on 1 March 2019 having its registered office at Cacaoweg 20, 1047 BM, Amsterdam).

The Group is primarily engaged in manufacturing and selling of specialty chemicals, Pharma & Agro intermediates, Quaternary Compounds & Quats. The Company has become a Public Limited Company w.e.f. 27 January 2021 and consequently the name of the company has changed from Tatva Chintan Pharma Chem Private Limited to Tatva Chintan Pharma Chem Limited.

The Consolidated Financial Statements are authorized for issue by the Board of Directors on 15 June 2021.

2) <u>Significant Accounting Policies:</u>

a) Basis of preparation and Presentation of Restated consolidated financial information:

- The Restated Consolidated Financial Information of the Company comprises the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for March 31, 2021, March 31, 2020 and March 31, 2019, the Summary Statement of Significant Accounting Policies, and other explanatory information (Collectively, the "Restated Consolidated Financial Information, as approved by the board of directors of the company at their meeting held on 15 June 2021 for the purpose of inclusion in the Red Herring Prospectus ("RHP")/ the Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared as per the requirement of :

  a) Section 26 of Part I of chapter III of the Companies Act, 2013 ("the Act")

  b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

  c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note")

- Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the said roadmap, the Company has voluntarily adopted Ind AS starting from financial year beginning on or after 1st April, 2018 with the transition date 1 April 2017. Accordingly, the financial statements of the Company on and from 1 April 2018 have been prepared in accordance with the Ind AS and the provisions of the Companies Act, 2013 (`Act') (to the extent notified). For all periods up to and including the year ended 31st March, 2019, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP or previous GAAP). The financial statements for the year ended 31st March, 2019 are the first set of financial statements that the Company has prepared in accordance with Ind AS. Financial Statements for the year 2017-18 were restated to make them comparable with transition date being April 1, 2017.

- The Restated Consolidated Financial Information have been prepared so as to contain information / disclosures and incorporating adjustments as per Note 51 to the information compiled by the management from:

  a) Audited Consolidated financial statements of the Group for the year ended March 31, 2021 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 15 June 2021.

  b) Audited Consolidated financial statements of the Group for the years ended March 31, 2020 and March 31, 2019 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 13 March 2021.

- These Restated consolidated financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the Restated consolidated financial statements.

- The Group follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

- The classification of assets and liabilities of the Group is done into current and non-current based on the operating cycle of the business of the Group. The operating cycle of the business of the Group is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

- The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest Millions, except otherwise indicated.

b) Basis of consolidation:

The Restated consolidated financial statements have been prepared on the following basis:

i) The financial statements of the holding company and the group entities have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances/transactions and resulting unrealized profits in full. Unrealized losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the group.

Transactions relating to statement of profit and loss of the acquired entities have been included in the consolidated statement of profit and loss from the effective date of acquisition on proportionate basis assuming that profits / losses have accrued evenly throughout the year.

ii) The excess of the cost to the holding company of its investment in the group entities over its portion of equity in the group entities is recognized in the financial statements as 'goodwill'. The excess of holding company's portion of equity in group entities over the cost to the holding company of its investment in the group entities is recognized in the financial statements as 'capital reserve'.

iii) The Restated consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the holding company for its separate financial statements.

iv) The Restated consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except for differences disclosed in financial statements.

v) The financial statements of the group entities used in the consolidation are drawn up to the same reporting date as of the Holding Company.

c) Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of consolidated financial statements and reported amounts of revenues and expenses during the periods. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the Restated consolidated financial statements.

Estimates

The preparation of the Restated consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

Judgements

The Company's management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements, while formulating the Company's accounting policies:

a) **Taxes –** The Company is eligible for deductions for business which are established in Special Economic Zones (SEZ) under section 10A of the Income Tax Act, 1961**.**

b) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

Due to the outbreak of the COVID-19 pandemic and the consequent lock-down announced by Government, the operations of the Group were temporarily-suspended in initial phase of the financial year. The Group continued to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations. The Group has been running on its normal operations after government allowed the same since June, 2020. However, situation of COVID-19 outbreak has resurged again towards the end of the current financial year, it is expected to not affect the operations of the Group. Based on the current assessment of impact of COVID-19 on the operations of the Group and ongoing discussions with the Customers, vendors and service providers, the Group is positive of serving customer orders and obtaining regular supply of raw materials and logistics services. The Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of its current and non-current assets, after considering internal and external sources of information as at the date of approval of these financial statements. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Trade Receivables and Inventories. In assessing recoverability of trade receivables, the Group has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available up to the date of issuance of these financial statements. In assessing the recoverability of inventories, the Group has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Group is of the view that carrying amounts of trade receivables and inventories are expected to be realisable. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements, and the Group will continue to closely monitor the developments.

c) Defined benefit plans (gratuity benefits) -The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date

Discount rate: The said parameter is subject to change. In determining the appropriate discount rate (for plans operated in India), the management considers the interest rates of government bonds in currencies which are consistent with the post-employment benefit obligation. The underlying bonds are reviewed periodically for quality. Those having excessive credit spreads are excluded from the analysis since that they do not represent high quality corporate bonds.

Mortality rate: It is based on publicly available mortality tables. Those mortality tables tend to change at an interval in response to demographic changes. Prospective increase in salary and gratuity are based on expected future inflation rates.

d) **Useful lives of property, plant and equipment** - The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

e) **Impairment of property, plant and equipment -** For property, plant and equipment and intangibles an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset’s or CGU’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised.

f) **Impairment of investment** - For determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have estimated the future cash flow, capacity utilization, operating margins and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

g) **Inventories** -The Group estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

h) **Recognition and measurement of other Provisions** - The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

i) **Revenue from Contracts with Customers:**

The Group has evaluated the impact of COVID-19 resulting from (i) the possible constraints to continue its operations and revisions in costs to fulfill the pending obligations (ii) onerous obligations (iii) penalties, if any, relating to breaches of agreements and (iv) termination or deferment of contracts by customers. The Group has concluded that there is no impact of COVID-19 based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

d) 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 for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group 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 consolidated financial statements are categorized 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 Ind AS Summary Statements on a recurring basis, the Group 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.

Management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

e) Property, plant and equipment:

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all expenses and financing costs related to acquisition and construction of the concerned assets and any attributable cost of bringing the asset to the condition of its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance sheet date is classified as capital advances under other non-current assets. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repair and maintenance cost are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Property, plant and equipment 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 asset. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset. An impairment loss is reviewed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

Gains or losses arising from the retirement or disposal of an asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. These are included in profit or loss within other gains/ (losses).

f) Capital work in progress

Capital work in progress includes cost of assets under development, all taxes and duties and other expenses to bring the asset to the Group.

Cost of Property, plant and equipment not ready for their intended use before such date is disclosed under Capital work-in-progress.

g) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets.

Computer software where it is expected to provide future enduring economic benefits is capitalized. The capitalized cost includes license fees and cost of implementation/system integration services.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. These are included in profit or loss within other gains/ (losses).

h) Depreciation and amortization:

Depreciation on tangible Property, Plant and Equipment has been provided on the basis of useful life as stated in Schedule II of the Companies Act, 2013 using the straight-line method.
Lease hold land is amortized over the period of lease.
Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

The following are the estimated useful lives:

Class of Assets	Useful Lives estimated by the management (years)
Buildings	Factory Building - 30 years Building (RCC Frame Structure) – 60 years Building (Other than RCC Frame Structure) – 30 Years
Plant and equipment	Special Plant and Machinery used in manufacture of pharmaceuticals and chemicals – 20 years Plant and Machinery other than continuous process plant not covered under specific – 15 year; Continuous process plant for which no special rate has been prescribed in Special Plant and Machinery – 8 Years
Computer	3 / 6 years
Vehicles	8 to 10 years
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	10 years
Software	3 to 10 years
Lease hold Land	30 to 99 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

i) Investments and other financial assets:

i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through statement of profit and loss); and

- those measured at amortized cost.

The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

ii) Initial measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

iii) Subsequent measurement – Debt instruments

Subsequent measurement of the debt instruments depend on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments in the following three categories:

- **Amortized cost**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not a part of the hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI)**

  Assets that are held for collection of contractual cash flows and for selling the financial assets where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (OCI). Movements in the carrying amount are taken through OCI, except for recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the statement of profit and loss. When financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains / losses. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through profit or loss (FVPL)**

  Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not a part of hedging relationship is recognized in the statement of profit and loss. Interest income from these financial assets is included in finance income.

iv) Subsequent measurement – Equity instruments

The Group subsequently measures all equity instruments at fair value. When the management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognized in the statement of profit and loss as other income when the Group's right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognized in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

v) The Group has accounted for its investments in subsidiaries at cost less impairment loss.

vi) Impairment of financial assets

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognized.

vii) Derecognition of financial assets

A financial asset is derecognized when the Group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. When the Group has transferred an asset, it evaluates whether it has transferred substantially all the risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Group has neither transferred a financial asset nor retains substantially all the risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset.

j) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method.

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in accordance with the Group’s accounting policy for borrowing costs.

Fair value measurement of financial instruments:

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether
that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), correlation and volatility.

Derivative financial instrument:

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

i) **Financial assets or financial liabilities, at fair value through profit or loss**:

This category has derivative financial assets or liabilities which are not designated as hedges.
Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

k) Cash and cash equivalents:

Cash and cash equivalents comprise cash at bank, cash on hand and short term highly liquid investments with original maturities of three months or less that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

l) Inventories:

Items of inventories are valued lower of cost or estimated net realisable value as given below.

- **Raw Materials, Components and Packing Materials**: Raw Materials, Components and packing materials are valued at Lower of Cost or Net Realizable Value, (Cost is net of Excise duty and Value Added Tax, wherever applicable). However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on first in, first out (FIFO) method.
- **Finished Goods and Work in Progress**: Finished Goods and work in progress are valued at lower of cost and net realizable value. The cost is determined on FIFO basis and includes cost of materials, cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition. Excise duty is considered as cost for finished goods, wherever applicable.
- **Stores and Spares**: Stores and spare parts are valued at lower of purchase Costs are determined on FIFO method and net realisable value. Obsolete and slow-moving items are valued at cost or estimated net realizable value, whichever is lower.
- **Stock in Trade**: Stock in Trade is valued at lower of purchase cost and net realisable value.

m) Revenue recognition:

- The Group earns revenue primarily from sale of specialty chemicals, Pharma & Agro intermediates, Quaternary Compounds and Quats. The Group is primarily engaged in manufacturing and selling of specialty chemicals, Pharma & Agro intermediates, Quaternary Compounds and Quats.
- Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.
  - ➢ Identify the contract(s) with a customer;
  - ➢ Identify the performance obligations;
  - ➢ Determine the transaction price;
  - ➢ Allocate the transaction price to the performance obligations;
  - ➢ Recognize revenue when or as an entity satisfies performance obligation.
- Revenue from contract with customers is recognized when the Group satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. The point at which control passes is determine based on the terms and condition by each customer agreements, but generally occurs on dispatch to the customer.
- Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST), where applicable. Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

- Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

- Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

- Claims and rebates receivables are accounted as and when settled.

- Interest income from a financial asset is recognized using the effective interest rate method when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

- Dividends are recognized in statement of profit and loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

- Incomes in respect of Duty Drawback in respect of exports made during the year are accounted on accrual basis

- Merchandise Exports from India Scheme (MEIS) income is recognized on accrual basis when considering the related expenses to the same profit or losses on transfer of licenses are accounted in year of the sales. Duty free imports of material under Advance License matched with the export made against the said licenses. Export benefits on account of export promotion schemes are accrued and accounted in the period of export and are included in other operating revenue. MEIS Scheme has been ended as on December 31, 2020 and replaced by the new scheme introduced by the Government of India i.e. Remission of Duties and Taxes on Exported Products (RoDTEP). Notification related to the final incentive rates is still awaited accordingly Company has recognized the MEIS incentive till 31 December 2020.

- Other incomes are recognized on accrual basis.

n) Employee benefits:

I. Defined Contribution Plans:

Contribution to retirement benefit plans in the form of provident fund, employee state insurance scheme, pension scheme and superannuation schemes as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Group has no further payment obligations once the contributions have been paid.

II. Defined Benefit Plans:

Defined benefit plan in the form of gratuity, are recognized on the basis of actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method or in compliance with the requirements of the domestic laws. Gratuity and leave encashment costs are included in employees' benefit expense in the statement of profit and loss.

The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability.

Gains and losses through remeasurement of the net defined benefit liability/ (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effects of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

The undiscounted amount of short-term employee benefits that are expected to be paid in exchange for services rendered by an employee is recognized during the period/year when the employee renders the services.

III. Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The said obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

o) Leases:

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets: The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less, leases of low-value assets and cancellable leases. The Group recognises the lease payments associated with these leases as an expense in Profit and loss account.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

p) Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or where out of general borrowings, funds may have been used, the borrowing cost is calculated by applying weighted average cost of borrowing applicable to such general borrowing which is outstanding during the year, are capitalized up to the date by which qualifying assets are ready for its intended use and included in the carrying amount of such assets. All other borrowing costs are charged to statement of Profit and Loss.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

q) Transaction in foreign currencies:

- Foreign currency transactions are translated in to functional currency at the exchange rates prevailing on the date of such transactions. Foreign currency monetary assets and liabilities as at the balance sheet date are translated at the rates of exchange prevailing at the date of the balance sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement / translation of foreign currency monetary assets and liabilities are recognized in the statement of profit and loss in the year in which they are incurred. Non-monetary foreign currency items that are measured at fair value are translated using the exchange rates when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as a part of the fair value gain or loss.

- The Any profit or loss arising on cancellation, maturity or renewal of forward exchange contracts is recognized as income or expenses in the statement of profit and loss of the year and included in Exchange Difference.

- Gains and losses on account of foreign exchange fluctuation in respect of liabilities in foreign currencies specific to acquisition of property, plant and equipment in foreign currency are recognized as income and expense in profit and loss account.

r) Income tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

i) Current tax

The tax currently payable is based on estimated taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from ‘profit before tax’ as reported in the consolidated statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and revises the provisions, if so required where consider necessary.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to offset and intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

ii) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognized for all taxable temporary differences to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognized and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

Transaction or event which is recognized outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

iii) Minimum Alternate Tax (MAT)

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realized.

Current and deferred tax expense is recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

s) Provisions, contingent liabilities and contingent assets:

A provision is made when there is a present obligation (legal or constructive) as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are determined based on the present value of the management's best estimate of the amount required to settle the present obligation at the end of the reporting period. The discount rate used to determine present value is a pre-tax rate that reflects current market assessment of time value of money and the risks specific to the liability.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements.

t) Impairment of assets:

Financial assets:

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of profit and loss.

Non-financial assets:

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or change in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the statement of profit and loss for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of assets' fair value less costs of disposal and value in use.

If, at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

u) Accounting and reporting of information for Operating Segments:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Segment accounting policies are in line with the accounting policies of the Group.

v) Earnings per share:

Earnings per share are calculated by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

- After tax effect of interest and other financing costs associated with dilutive potential equity shares

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

w) Cash flow statement:

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
ii. Non-cash items such as depreciation, provisions, deferred taxes, unrealized foreign currency gains and losses, and undistributed profits of associates; and
iii. All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

x) Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss, Development expenditure of certain nature is capitalized when the criteria for recognizing an intangible asset are met. Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes.

y) Exceptional items

Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

z) Recent accounting pronouncements:

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2020:

- Definition of material - amendments to Ind AS 1 and Ind AS 8
- Definition of business - amendments to Ind AS 103
- Covid-19 related concessions - amendments to Ind AS 116
- Interest rate benchmark reform - amendments to Ind AS109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

TATVA CHINTAN PHARMA CHEM LIMITED
(formerly known as Tatva Chintan Pharma Chem Private Limited)
(CIN: U24232GJ1996PLC029894)
Notes to Restated Consolidated financial statements for years ended March 31, 2021, March 31, 2020, and March 31, 2019

3a PROPERTY, PLANT AND EQUIPMENTS

(Rs. in Millions)

Particulars	Cost					Depreciation					Net Block	
	Opening Balance as at 01 April 2020	Addition during the year	Sale/ Reduction	Translation reserve	Carrying Value as at 31 March 2021	Accumulated depreciation up to 01 April 2020	Depreciation charged during the year	Sale/ Reduction	Translation Reserve	Total depreciation up to 31 March 2021	Net Block as at 31 March 2020	Net Block as at 31 March 2021
Tangible asset												
Building												
Administration Building	1.21	-	-	-	1.21	0.18	0.06	-	-	0.24	1.03	0.97
Factory Building	325.95	10.89	-	-	336.84	17.93	10.50	-	-	28.43	308.02	308.41
R & D Building	21.51	14.90	-	-	36.41	1.39	0.95	-	-	2.34	20.12	34.07
Plant and machineries	603.82	82.17	0.86	-	685.13	57.40	34.84	0.33	-	91.91	546.42	593.22
Electrical Installation	89.94	6.26	-	-	96.20	12.60	8.82	-	-	21.42	77.34	74.78
Office Equipment's	10.23	3.81	-	-	14.04	3.33	2.17	-	-	5.50	6.90	8.54
Furniture and Fixtures	22.37	1.47	-	-	23.84	4.55	2.32	-	-	6.87	17.82	16.97
Vehicles	18.00	36.49	-	-	54.49	7.43	2.97	-	-	10.40	10.57	44.09
Computer Hardware	7.29	2.53	-	0.01	9.81	3.86	1.93	-	(0.01)	5.78	3.43	4.03
Total	1,100.32	158.52	0.86	0.01	1,257.97	108.67	64.56	0.33	(0.01)	172.89	991.65	1,085.08

3d

Intangible asset												
Computer Software	3.31	0.32	-	-	3.63	2.14	0.57	-	-	2.71	1.17	0.92
Technical know-how	0.06	-	-	-	0.06	0.03	-	-	-	0.03	0.03	0.03
Total	3.37	0.32	-	-	3.69	2.17	0.57	-	-	2.74	1.20	0.95

(Rs. in Millions)

3a

	Cost					Depreciation					Net Block	
	Opening Balance as at 01 April 2019	Addition during the year	Sale/ Reduction	Translation reserve	Carrying Value as at 31 March 2020	Accumulated depreciation up to 01 April 2019	Depreciation charged during the year	Sale/ Reduction	Translation Reserve	Total depreciation up to 31 March 2020	Net Block as at 31 March 2019	Net Block as at 31 March 2020
Tangible asset												
Building												
Administration Building	1.21	-	-	-	1.21	0.12	0.06	-	-	0.18	1.09	1.03
Factory Building	198.89	127.06	-	-	325.95	10.51	7.42	-	-	17.93	188.38	308.02
R & D Building	21.51	-	-	-	21.51	0.70	0.69	-	-	1.39	20.81	20.12
Plant and machineries	297.48	307.05	0.71	-	603.82	33.77	23.77	0.14	-	57.40	263.71	546.42
Electrical Installation	43.45	46.49	-	-	89.94	7.03	5.57	-	-	12.60	36.42	77.34
Office Equipment's	7.01	3.25	0.03	-	10.23	1.92	1.42	0.01	-	3.33	5.09	6.90
Furniture and Fixtures	16.58	5.79	-	-	22.37	2.67	1.88	-	-	4.55	13.91	17.82
Vehicles	17.42	0.58	-	-	18.00	4.94	2.49	-	-	7.43	12.48	10.57
Computer Hardware	4.90	2.38	-	(0.01)	7.29	2.19	1.68	-	(0.01)	3.86	2.71	3.43
Total	608.45	492.60	0.74	(0.01)	1,100.32	63.85	44.98	0.15	(0.01)	108.67	544.60	991.65

3d

Intangible asset												
Computer Software	2.73	0.58	-	-	3.31	1.39	0.75	-	-	2.14	1.34	1.17
Technical know-how	0.06	-	-	-	0.06	0.02	0.01	-	-	0.03	0.04	0.03
Total	2.79	0.58	-	-	3.37	1.41	0.76	-	-	2.17	1.38	1.20

(Rs. in Millions)

		Cost					Depreciation					Net Block	
		Opening Balance as at 01 April 2018	**Addition during the year**	**Sale/ Reduction**	**Translation reserve**	**Carrying Value as at 31 March 2019**	**Accumulated depreciation up to 01 April 2018**	**Depreciation charged during the year**	**Sale/ Reduction**	**Translation Reserve**	**Total depreciation up to 31 March 2019**	**Net Block as at 31 March 2018**	**Net Block as at 31 March 2019**
3a	**Tangible asset**												
	Building												
	Administration Building	1.21	-	-	-	1.21	0.06	0.06	-	-	0.12	1.15	1.09
	Factory Building	171.05	27.84	-	-	198.89	4.21	6.30	-	-	10.51	166.84	188.38
	R & D Building	0.61	20.90	-	-	21.51	0.03	0.67	-	-	0.70	0.58	20.81
	Plant and machineries	232.13	65.35	-	-	297.48	14.56	19.21	-	-	33.77	217.57	263.71
	Electrical Installation	32.99	10.46	-	-	43.45	2.67	4.36	-	-	7.03	30.32	36.42
	Office Equipment's	3.60	3.41	-	-	7.01	0.68	1.24	-	-	1.92	2.92	5.09
	Furniture and Fixtures	10.57	6.01	-	-	16.58	1.02	1.65	-	-	2.67	9.55	13.91
	Vehicles	17.42	0.06	0.06	-	17.42	2.51	2.43	-	-	4.94	14.91	12.48
	Computer Hardware	2.81	2.09	-	-	4.90	0.87	1.33	-	(0.01)	2.19	1.94	2.72
	Total	472.39	136.12	0.06	-	608.45	26.61	37.25	-	(0.01)	63.85	445.78	544.61

3d	**Intangible asset**												
	Computer Software	1.89	0.84	-	-	2.73	0.66	0.73	-	-	1.39	1.23	1.34
	Technical know-how	0.06	-	-	-	0.06	0.01	0.01	-	-	0.02	0.05	0.04
	Total	1.95	0.84	-	-	2.79	0.67	0.74	-	-	1.41	1.28	1.38

(Rs. in Millions)

	Capital work in Progress	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
3c	Capital work in Progress	98.11	48.92	60.36

(Rs. in Millions)

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
3b	**Right-of-use assets**			
	Leasehold Land			
	Balance at the beginning of the year	118.95	121.14	123.33
	Add : Additions	1.67	-	-
	Less : Deletion	-	-	-
	Less : Amortization	2.19	2.19	2.19
	Balance at the end of the year	**118.43**	**118.95**	**121.14**

Group has not recognised the lease liability as all the Leases falls under Ind AS 116 have prepayment of lease rental at the inception of lease term and the monthly lease rentals are nominal amount.

Amounts recognised in profit or loss

Amortization charge of right-of-use assets	2.19	2.19	2.19
Expenses relating to short-term leases (included in Other expenses)	14.48	11.35	10.67
Total	16.67	13.54	12.86

(Rs. in Millions)

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
4	**Other Non-Current Assets**			
	Advance for Immovable Property	-	1.67	3.75
	Advance to Creditors for Capital Expense	2.96	-	-
	Total	**2.96**	**1.67**	**3.75**

(Rs. in Millions)

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
5	**Inventories (As certified by management)**			
	(valued at lower of cost or net realizable value)			
	Raw materials and components	208.70	199.34	87.73
	Work in progress	267.40	262.45	109.82
	Finished Goods	131.68	73.82	60.35
	(includes Goods in transit Rs.65.71 Millions (31 March 2020 Rs.14.96 Millions, 31 March 2019 Rs.27.81 Millions)			-
	Packing Materials	7.29	5.78	3.79
	Consumable Stores and Spares	68.57	34.93	32.25
	Traded Goods	36.55	59.23	61.96
	Total	**720.19**	**635.55**	**355.90**

(Rs. in Millions)

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
6	**Trade receivables**			
	Unsecured considered good	907.43	495.71	412.57
	Doubtful	3.12	1.53	1.54
		910.55	497.24	414.11
	Less : Provision for Expected Credit Loss	3.12	1.53	1.54
	Total	**907.43**	**495.71**	**412.57**

(Rs. in Millions)

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
7	**Cash and cash equivalents**			
	Cash and bank balances			
	Cash on hand	0.81	0.81	0.73
	Balances with banks			
	- in current accounts	2.58	33.37	28.03
	- in EEFC current accounts	34.89	41.00	45.96
	Bank fixed deposits (original maturity of less than 3 months)	6.53	26.38	76.28
		44.81	**101.56**	**151.00**

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Other bank balances			
Balances with bank held as			
- LC and Bank Guarantee Margin Money Deposit	8.61	6.73	6.45
Total Other Bank balances	**8.61**	**6.73**	**6.45**

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
8 Loans and Advances			
Security deposits			
- Unsecured, considered good	17.84	15.80	13.93
Loan to employees (Interest free and repayable on demand)	1.19	0.99	0.52
	19.03	**16.79**	**14.45**

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
9 Other Financial Assets			
Forward Contract Receivable	2.45	-	3.92
Interest Receivable	0.47	-	0.51
Fixed deposit with banks	8.43	10.92	85.40
	11.35	**10.92**	**89.83**

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
10 Current tax assets (net)			
Advance tax (net of provision for tax)	-	3.13	7.74
	-	**3.13**	**7.74**

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
11 Other Current Assets			
Prepaid expenses	15.09	8.16	4.37
Advance to creditors	17.34	0.18	24.20
Balance with Revenue Authorities	52.89	27.91	49.60
Government grants/benefits receivable	24.49	20.20	26.73
Gratuity Fund (net)	4.37	-	1.00
Insurance claim Receivables	-	0.15	-
IPO Related Expenses	16.90	-	-
	131.08	**56.60**	**105.90**

The Gratuity Fund (net) represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. Earlier the group used to invest in the Life Insurance Corporation of India, for funding the defined benefit plans for qualifying employees. Since Financial year 2018-19 the Group invests in Life Insurance Corporation of India through Gratuity Trust, which approved under the Income Tax Act.

(Rs. in Millions, except otherwise stated)

	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Numbers	**Amounts**	**Numbers**	**Amounts**	**Numbers**	**Amounts**
12 Equity Share Capital						
Authorized equity share capital						
Equity shares of Rs.10 each	40,000,000	400.00	10,000,000	100.00	10,000,000	100.00
	40,000,000	400.00	10,000,000	100.00	10,000,000	100.00
Issued, subscribed and fully paid up						
Equity shares of Rs.10 each	20,087,500	200.88	8,035,000	80.35	8,035,000	80.35
Total	**20,087,500**	**200.88**	**8,035,000**	**80.35**	**8,035,000**	**80.35**

Note:

Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the Shareholders in their meeting held on January 27, 2021 has increased authorised share capital of Group to Rs. 400 Millions from Rs. 100 Millions.

	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
a) Reconciliation of share capital (Equity)	**Numbers**	**Amounts**	**Numbers**	**Amounts**	**Numbers**	**Amounts**
Balance at the beginning of the year	8,035,000	80.35	8,035,000	80.35	8,035,000	80.35
Add : Issued during the year	-	-	-	-	-	-
Add : Bonus share Issued during the year	12,052,500	120.53	-	-	-	-
Less : Shares bought back during the year	-	-	-	-	-	-
Balance at the end of the year	**20,087,500**	**200.88**	**8,035,000**	**80.35**	**8,035,000**	**80.35**

Note:

During the year, The Group has alloted 1,20,52,500 number of equity shares as Bonus issue to the existing shareholders of the Group in the ratio of 1.5:1 vide Board resolution dated 3 March 2021 which was passed pursuant to passing of special resolution by shareholders in Extra Ordinary General meeting held on 27 January 2021 against existing 80,35,000 equity shares. Hence total Share Capital of Group post bonus issue is Rs. 200.88 Millions.

b) Terms / Rights attached to equity shares :

The Group has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of proposed dividend. The Group has paid interim dividend at the rate of 50% of issued share capital (before bonus issue) during the year.

In the event of Liquidation of the company, the holders of Equity Shares would have been entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution would have been in proportion to the number of equity shares held by the shareholders.

c) Name of share holder holding equity shares more than 5%

Name	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Number of Shares	**Percentage**	**Number of Shares**	**Percentage**	**Number of Shares**	**Percentage**
Mr. Shekher R. Somani	**6,304,682**	**31.39%**	2,521,873	31.39%	2,355,980	29.32%
Mr. Chintan N. Shah	**5,648,835**	**28.12%**	2,259,534	28.12%	2,259,500	28.12%
Mr. Ajay M. Patel	**4,222,333**	**21.02%**	1,688,933	21.02%	1,688,900	21.02%
M/s. Ajay M. Patel (HUF)	**1,237,500**	**6.16%**	495,000	6.16%	495,000	6.16%
Mrs. Priti A. Patel	**1,236,000**	**6.15%**	494,400	6.15%	494,400	6.15%

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
13 Other Equity			
Other comprehensive Income			
Acturial gain or Loss from defined benefit obligation			
Balance at the beginning of the year	(1.93)	(0.42)	(0.07)
During the year	1.47	(1.51)	(0.35)
Balance at the end of the year	**(0.46)**	**(1.93)**	**(0.42)**
Translation Reserve			
Balance at the beginning of the year	4.41	0.86	0.06
During the year	(1.21)	3.56	0.80
Balance at the end of the year	**3.20**	**4.41**	**0.86**
Retained Earnings			
Balance at the beginning of the year	1,094.10	716.21	510.78
Add : Transferred from Statement of Profit and Loss	522.62	377.89	205.43
Less : Dividend paid during the year	40.18	-	-
Less: Bonus Issue	120.53	-	-
Balance at the end of the year	**1,456.02**	**1,094.10**	**716.21**
Total	**1,458.76**	**1,096.59**	**716.65**

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
14 Non- current Borrowings			
Secured			
Term loans			
From banks In Foreign Currency	241.27	387.09	313.60
Vehicle loans			
From banks - car loans	26.36	-	1.59
Total	**267.63**	**387.09**	**315.19**

I **ICICI Bank Ltd., Ankleshwar - Rupee Term Loan I**

Initially, ICICI Bank Ltd. disbursed Rupee Term Loan of Rs 244.91 Lakhs to re-pay all term loans availed from Bank of Baroda, Ankleshwar to take-over account. The same was re-payable by 56 monthly installments of Rs. 4.37 Lakhs plus interest accrued and due. The group has fully paid off these Term loan before 1 September, 2019.

II **ICICI Bank Ltd. - FCTL I, FCTL - II and FCTL III**

(a) ICICI Bank Ltd. has disbursed FCTL I of US$ 944,940 on 28 September 2016 and FCTL II of US$ 665,816.54 on 30 December 2016 and FCTL III of US$ 11,14,962.76 on 28 April 2017.

(b) FCTL are to be repaid in fixed monthly instalments. As on 31 March 2021, 25 monthly installments of USD 37,857 per month are repayable.

(c) Primary Securities and Collateral securities offered to ICICI Bank Ltd. for term loan facilities are as under -

(i) Primary Securities consists of Equitable mortgage of leasehold factory land and building of Dahej SEZ unit, Hypothecation of Plant and machinery at Dahej SEZ unit. Collateral Securities consists of Current assets including Fixed deposit of the Group.

(ii) Personal Guarantee of all directors.

III **ICICI Bank Ltd., Ankleshwar - Car Loan Accounts**

(a) Group availed three Motor Car loans of Rs. 67.57 Lakhs each from the Bank during FY 2015-16. The same are re-payable by 60 EMI of Rs. 1.426 Lakhs for each loan. The Group has fully paid off these Term loans on or before 01 July 2020. As on 31 March 2021, no part of this term loan is outstanding.

(b) The same were secured against hypothecation of respective Motor Car and personal guarantee of Directors of the Group and the Group.

IV. **CITI Bank NA - Foreign Currency Term loans**

(a) CITI Bank has disbursed FCTL I of USD 5,37,304.27 on 4 October 2017 for Vadodara R & D unit, FCTL II of USD 6,08,253.77 on 22 February 2018 for part disbursement of Dahej SEZ unit I Phase II, FCTL III of USD 2,92,226.77 on 13 July 2018 for Dahej Corner Project, FCTL IV of USD 20,10,968.92 on 28 February 2019, FCTL V USD 8,38,222.97 on 6 September 2019 and FCTL VI OF USD 13,06,778 on 28 November 2019 for Dahej Phase 3 Expansion Project.

(b) FCTL I, II III, IV ,V and VI are repayable in 5 years by 16 quarterly installments after moratorium period of 1 year.

(c) Collateral securities offered to CITI Bank for term loan facilities are as under -

(i) FCTL I is secured by equitable mortgage of leasehold land and building situated at 353, GIDC Makarpura, Vadodara 390010- Exclusive charge

(ii) FCTL II, III, IV, V and VI is secured by First Pari-passu charge on equitable mortgage of factory land and building of Dahej SEZ Unit, Hypothecation of Plant and machinery located at Dahej SEZ unit of the group

(iii) Personal guarantee of all directors of the Group is given for term loan facilities.

V. **AXIS Bank- Car Loan Accounts**

(a) Group has availed three Motor Car loans of Rs. 110 Lakhs each from Bank during the Financial Year 2020-21. The same are re-payable by 60 equal monthly instalments (EMI) of Rs. 2.20 Lakhs including interest accrued and due thereon for each loan. The interest rate applicable during the year on these loans was 7.46% p.a.

(b) The same are secured against hypothecation of respective Motor Car and personal guarantee of Directors of the Group and the group.

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
15 Provisions			
Privilege Leave Benefit Payable (Non-Current)	5.52	4.04	2.94
	5.52	4.04	2.94

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
16 Deferred Tax Liabilities (net)			
Deferred Tax liabilities			
Depreciation	93.02	58.02	34.25
Forward contract	0.51	-	-
Fair valuation of Investments	-	-	0.29
(A)	93.53	58.02	34.54
Less:			
Deferred Tax assets			
Provision for doubtful debts	0.64	0.44	0.45
Leave Encashment	1.86	0.76	0.57
Bonus	2.35	1.65	-
Interest accrued on Borrowings	-	0.11	-
Forward contract	-	-	0.33
Preliminary Expenses	-	-	0.04
Prior Period Items	-	0.08	0.07
Gratuity	-	0.05	-
(B)	4.85	3.09	1.46
MAT Credit Entitlement (C)	67.90	10.38	-
Net deferred tax liability (A-B-C)	**20.78**	**44.55**	**33.08**

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
17 Other non-current liabilities			
Payables for Purchase of Property Plant and Equipment	14.14	-	-
Government Grant (TUF Subsidy)	0.17	0.26	0.35
	14.31	0.26	0.35

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
18 Current Borrowings			
Secured			
Loans repayable on demand			
From banks	492.94	404.89	399.09
Total	**492.94**	**404.89**	**399.09**

I. ICICI Bank Ltd. - Working Capital Facilities.

(a) The Bank has renewed fund based working capital facility of Rs.2000 Lakhs and Non-fund Based Working Capital Facility of Rs. 750 Lakhs up to 16 March 2021 to the Group.

(b) Securities offered for the same:

(i) Primary Securities: First pari passu charge over Current Assets, Plant & Machinery and Factory land & building of Ankleshwar and Dahej Unit including Fixed Depos of Group with bank.

(ii) Collateral Securities: As mentioned in Point II(c) of Note 14 here-above.

II. CITI Bank NA Working Capital Facilities

(a) The Bank has renewed with enhancement fund based working capital facility of Rs. 2500 Lakhs

(b) Securities offered for the same:

(i) Primary Securities: Hypothecation of inventories and receivables, both present and future. Hypothecation of present and future Plant and Machinery and charge on all moveable assets to be acquired from proposed term loan for SEZ unit of the Group with pari pasu charge of CITIBANK NA, Vadodara

(ii) Collateral Securities: As mentioned in Point IV(c) of Note 14 here-above.

(Rs. in Millions)

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
19	**Trade Payables**			
	Dues of micro enterprises & small enterprises:			
	Dues of micro enterprises & small enterprises less than 45 days	80.39	47.32	45.71
	Dues of micro enterprises & small enterprises more than 45 days			
	- Principal Amount Outstanding	48.74	5.16	27.69
	- Interest Due on Principal Amount	-	-	-
	- Interest Paid under MSMED, 2006	-	-	-
	- Interest Due and Payable for the year	-	-	-
	- Interest Due and unpaid at the year end	-	-	-
	Total Outstanding dues of micro enterprises & small enterprises (A)	**129.13**	**52.48**	**73.40**
	Dues of creditors other than micro enterprises & small enterprises:			
	For Goods	283.28	199.56	133.62
	For Services	62.94	40.00	20.78
	For Capital Goods	-	18.88	3.00
	Foreign Currency Fluctuation Control Account	(0.58)	5.21	(9.46)
	Total Outstanding dues of other than micro enterprises & small enterprises (B)	345.64	263.65	147.94
	Total	**474.77**	**316.13**	**221.34**

The details provided here are based on the details provided by the management with regards to registration status of its creditors as MSME or otherwise. Further, as per the representation given by the management that the payment terms as agreed with the vendors takes care of the same in the rates and hence have not received any claims for interest from any supplier as at Balance sheet date.

(Rs. in Millions)

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
20	**Other Financial liabilities**			
	Interest accured on borrowings	0.59	2.56	-
	Current maturities of long term debt	141.91	114.91	57.20
	Total	**142.50**	**117.47**	**57.20**

(Rs. in Millions)

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
21	**Other Current liabilities**			
	Advance From Trade Receivables	6.51	1.37	2.54
	Expenses Payable	25.98	17.76	19.13
	Statutory Dues Payable	29.39	18.17	26.78
	Government Grant (TUF Subsidy)	0.09	0.09	0.09
		61.97	**37.39**	**48.54**

(Rs. in Millions)

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
22	**Provisions**			
	Employees Gratuity Payable (Current)	-	0.19	-
	Privilege Leave Benefit Payable (Current)	1.09	0.43	0.35
	Total	**1.09**	**0.62**	**0.35**

(Rs. in Millions)

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
23	**Current Tax liabilities (Net)**			
	Provision for Income Tax (Net)	6.88	-	-
		6.88	**-**	**-**

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
24 Revenue from operations			
Revenue			
Sale of products			
Export	2,119.92	2,020.20	1,435.19
Domestic	841.16	556.65	589.30
Sale of Services			
Export	7.49	-	-
Domestic	-	-	-
	2,968.57	2,576.85	2,024.49
Other operating revenue			
Duty Drawback Received	3.83	8.05	8.75
FMS/MEIS/FPS Credit Received	24.18	36.01	29.83
Duty Charges	-	11.48	-
Sale of Scrap	7.01	-	-
	35.02	55.54	38.58
Total	**3,003.59**	**2,632.39**	**2,063.07**

Disaggregated revenue information

Set out below is the disaggregation of group's revenue from contracts with customers as per Ind AS 115. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertanity of its revenues and cash flows are affected by industry, market and other economic factors.

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Type of Goods or Services			
Phase Transfer Catalysts	816.12	749.11	864.06
Structure Directing Agents	1,202.43	1,016.54	253.83
Electrolyte Salts	30.35	46.29	32.02
Pharmaceutical and agrochemical intermediates and other specialty chemicals	912.18	764.91	874.58
Other Services	7.49	-	-
Total revenue from contracts with customers	2,968.57	2,576.85	2,024.49

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Geographical Markets			
India	841.16	556.65	589.30
Outside India	2,127.41	2,020.20	1,435.19
Total revenue from contracts with customers	2,968.57	2,576.85	2,024.49

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Relation with Customer			
Related Party	-	-	-
Non Related Party	2,968.57	2,576.85	2,024.49
Total revenue from contracts with customers	2,968.57	2,576.85	2,024.49

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Timing of Revenue recognition			
Goods or Services transferred over a period of time	-	-	-
Goods or Services transferred over a point of time	2,968.57	2,576.85	2,024.49
Total revenue from contracts with customers	2,968.57	2,576.85	2,024.49

TATVA CHINTAN PHARMA CHEM LIMITED
(formerly known as Tatva Chintan Pharma Chem Private Limited)
(CIN: U24232GJ1996PLC029894)
Notes to Restated Consolidated financial statements for years ended March 31, 2021, March 31, 2020 and March 31, 2019

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
25 Other income			
Interest income			
- On deposits with bank	2.30	5.17	2.14
- On deposits with others	0.74	-	0.57
Government Grant (TUF Subsidy)	-	0.09	0.09
Interest on income tax refund	0.46	-	-
Interest on Government Grant	0.09		
Net gain on foreign currency transaction and translation	45.21	-	-
Profit/(Loss) on sale of propert, plant and equipments (net)	-	-	0.02
Discount on Purchases Received	0.22	-	0.23
Import Duty Refund		-	0.61
Freight on Sales	5.81	8.19	0.15
Insurance Claims	-	0.03	0.48
PMPRY Subsidy	-	0.34	0.14
Provision for doubtful debts written back	-	0.01	-
Sundry Balances Written off		-	0.12
Refund Received of Reach Charges	3.27	-	-
Income tax refund	1.20	-	-
Miscellaneous Income	0.03	-	0.39
Total	**59.33**	**13.83**	**4.94**

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
26 Cost of raw materials consumed			
Opening stock of raw materials and components	199.34	87.73	78.21
Add: Purchases of raw materials and components during the year	1,475.16	1,537.61	1,167.29
Add: Purchases Expenses	43.32	35.59	25.15
Less: Closing stock of raw materials and components	208.70	199.34	87.73
Total	**1,509.12**	**1,461.59**	**1,182.92**

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
27 Purchases Of Stock-In-Trade			
Direct Expenses	25.37	24.51	2.75
Total	25.37	24.51	2.75

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
28 Changes in inventories of work-in-progress and finished goods			
Opening Stock			
- Work-In-Progress	262.45	109.82	112.20
- Finished Goods (including Goods-in-Transit)	84.66	60.35	32.40
- Traded Goods	48.39	61.96	41.79
- Foreign currency fluctuation reserve	0.07	1.54	3.09
Sub Total	**395.57**	**233.67**	**189.48**
Closing Stock			
- Work-In-Progress	267.40	262.45	109.82
- Finished Goods (including Goods-in-Transit)	131.68	84.66	60.35
- Traded Goods	36.55	48.39	61.96
- Foreign currency fluctuation reserve	0.51	(3.40)	0.61
Sub Total	**436.14**	**392.10**	**232.74**
Total	**(40.57)**	**(158.43)**	**(43.26)**

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
29 Employee Benefits Expenses			
Salaries, wages and bonus	221.47	186.52	150.66
Gratuity	3.11	1.42	1.07
Contribution to Statutory funds	10.27	8.62	5.93
Staff welfare expenses	6.46	8.73	5.47
Total	**241.31**	**205.29**	**163.13**

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
30 Finance costs			
Interest expenses			
- on bank loans	38.56	36.57	32.66
- on others	-	0.56	0.13
- on car loans	0.25	-	-
- on late payment of statutory dues	1.04	0.39	0.19
Other Borrowing Cost			
- Letter of Credit Opening Charges	1.12	0.46	1.02
- Loan Processing Charges	1.10	1.47	2.34
Total	**42.07**	**39.45**	**36.34**

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
31 Depreciation and amortization expenses			
Depreciation on property, plant and equipment	64.56	44.98	37.25
Amortization on right of use asset	2.19	2.19	2.19
Amortization on intangible assets	0.57	0.76	0.74
Total	**67.32**	**47.93**	**40.18**

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
32 Other expenses			
Consumable, Store and Spare	60.74	56.73	20.60
Research & Development Chemical & Consumable Expense	2.79	10.14	1.99
Electricity, power and fuel	99.21	89.64	62.52
Rent	14.48	11.35	10.67
Repairs and maintenance			
- Buildings	4.05	2.79	4.99
- Plant & Equipment	39.18	33.13	27.52
- Others	7.86	4.68	3.20
Insurance	10.32	4.54	3.45
Payments to auditors (Refer note 41)	0.85	0.42	0.28
Effluent Treatment Expenses	42.04	35.43	13.84
Labour and service charges	66.75	38.77	17.30
Laboratory Expenses	6.61	6.85	4.67
Packing Expenses	57.25	51.47	47.91
Security and safety Expense	5.97	5.58	5.28
Printing and stationery charges	3.20	3.54	3.11
Legal and professional fees	11.76	17.78	35.80
Rates and taxes	4.70	1.62	1.10
Membership fees and subscription expenses	2.05	0.85	1.63
Postage and telephone charges	2.11	2.63	1.87
Bank commission and other charges	2.40	3.23	3.13
Travelling and conveyance expenses	11.21	17.54	14.18
Selling and business promotion expenses	35.12	38.39	33.28
Freight clearing and forwarding expenses	94.41	71.11	68.18
Commission and brokerage	5.10	9.26	9.84
Bad debts written off	-	-	0.30
Provision for doubtful debts	1.59	-	0.68
Donation/ CSR expenditure	5.45	5.58	0.50
Net loss on foreign currency transaction and translation	7.33	21.97	17.80
Loss on sale of Property, plant and Equipment (net)	0.34	0.31	-
Loss on Sale of Mutual Fund	-	-	0.02
Sundry Balances Written - off	0.22	0.48	-
Miscellaneous expenses	6.25	4.10	3.87
Total	**611.34**	**549.91**	**419.51**

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
33 Contingent liabilities and commitments			
Contingent liabilities (to the extent not provided for):			
Liabilities disputed- appeals filed with respect to			
CSR Expenditure for year 2014-15 and comply with section 134(3)(O)	-	-	0.20
Letter of Credits are secured against the pledge of fixed deposits with the banks under lien	-	6.13	4.05
Payment of excess refund on zero rated supplies Under GST (refer note-1)	0.61	0.56	-
Guarantees excluding financial guarantees	0.20	0.14	-
Interest Payable on IGST Paid Under Advance Authorisation. - (refer note-2)	4.53	-	-
Total	**5.34**	**6.83**	**4.25**

(USD in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Contingent liabilities (to the extent not provided for):			
Letter of Credits are secured against the pledge of fixed deposits with the banks under lien	0.34	0.19	-
	0.34	**0.19**	**-**

1 During the year 2019-20, group had received Show Cause notice dated 3 February 2020 for excess refund on zero rated supplies from Assistant commissioner, Central GST, Division-IX, Vadodara-II commissionerate for payment of excess refund on zero rated supplies to the tune of Rs. 5,57,497/- along with interest. Earlier, Refund of Rs.42,67,517/- was granted vide RFD-06 dated 13.03.2018. An Order to this effect has been passed by Superintendent, CGST on 3 March 2021. Group has filed an appeal against the said order dated 31 May 2021.

2 A DGGI notice has been issued on the Company for IGST on imports under advance licenses for the period after 9 October 2018. The matter is being contested by the Company on similar lines as many other companies. In the opinion of the Company and its tax counsels, there is a possibility of reassessment of Bills of entries and IGST may be payable in future in the matter which would then be available again as a credit to the Company. The Interest on such IGST is quantified up to March 31,2021, The actual interest liability may arise at the time of reassessment of the Bills of Entries in future which may be higher than this amount based on actual payment of IGST. But, in opinion of the tax counsels of the Company, the IGST collected u/s 3(7) of the Customs Tariff Act, 1975 is not in the nature of duty leviable under the Custom Act, 1962 and hence interest cannot be demanded on the belated payment of the IGST u/s 28AA. Accordingly, any interest claimed from it would be contested by the Company and is accordingly contingent in nature.

(Rs. in Millions)

<u>**Capital Commitments**</u>	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Estimated Amount of Construction Activities for Expansion of R&D unit	35.75	20.00	383.80
Total	**35.75**	**20.00**	**383.80**

34 Segment reporting

The Group is primarily engaged in manufacturing of chemicals. All other activities of the Group revolve around the main business. In line with the organisation structure the reporting system to the CODM and the associated risks and rewards the Group is managed organisationally as a unified entity with various functional heads reporting to the top management and is not organised along product/ service or geographical lines.

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Segment revenue by location of customers:			
Domestic	841.16	556.65	589.3
Overseas	2127.41	2020.20	1435.19
Total	**2,968.57**	**2,576.85**	**2,024.49**
Carrying amount of non current operating assets by location of assets:			
Domestic	1,305.53	1,162.36	731.19
Overseas	-	0.03	0.05
Total	**1,305.53**	**1,162.39**	**731.24**
Customers contributing more than 10% of the total revenue			
Merck KGAA	-	2%	12%
Weihai PIDC New Materials Co., Ltd.	15%	14%	2%
Tosoh Asia Pte Ltd.	17%	12%	1%

Notes:
The segment revenue and total assets includes the revenue and assets respectively which are identifiable with each segment and amounts allocated to the segments on a reasonable basis.

35 Employee benefit obligations

The Group has classified the various employee benefits provided to employees as under:

(Rs. in Millions)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Gratuity			
Current Liabilities/(Asset)	(4.37)	0.19	(1.00)
Non-Current Liabilities/(Asset)	-	-	-
Total	**(4.37)**	**0.19**	**(1.00)**
Compensated Privilege leave			
Current	1.09	0.43	0.35
Non-Current	5.52	4.04	2.94
Total	**6.61**	**4.47**	**3.29**

(a) Defined contribution plans:

(Rs. in Millions)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Benefits (Contribution to):			
Employee Group Gratuity Expense	3.11	1.42	1.07
Employer PF Charges	9.44	7.71	4.82
Employer Contribution to ESIC	0.83	0.91	1.11
Total	13.38	10.04	7.00

The Group has defined benefit gratuity plan, each employee is eligible for gratuity on completion of minimum five years of services at 15 days basic salary for each completed years of services. The scheme is funds with life Insurance corporation of India in the form of qualified insurance policy.

A Compensated absences

The compensated absences cover the Group's liability for privilege leave. These employee benefits are unfunded.

Significant assumptions :

The significant actuarial assumptions were as follows :

Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
(a) Principal assumptions used:		Gratuity (Funded)	
Discount rate	6.82%	6.83%	7.78%
Salary escalation rate	7.00%	7.00%	7.00%
Attrition rate : For service 5 year and above	2% p.a.	2% p.a.	2% p.a.
For service 4 year and below	15% p.a.	2% p.a.	2% p.a.
Retirement age	58 years	58 years	58 years
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

(Rs. in Millions)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
(b) Changes in the present value of the defined benefit obligations during the year			
Present value of the defined benefit obligations at the beginning of the year	9.62	5.82	4.00
Current service cost	3.10	1.50	1.13
Interest cost	0.66	0.45	0.31
Actuarial (gain) / loss due to demographic assumptions	(1.16)	-	-
Actuarial (gain) / loss due to experience adjustment	(1.13)	0.78	0.33
Actuarial (gain) / loss due to Financial adjustment	0.02	1.22	0.07
Benefits paid	(0.20)	(0.15)	(0.02)
Present value of the defined benefit obligations at the end of the year	10.91	9.62	5.82

(Rs. in Millions)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
(c) Change in fair value of plan assets during the year			
Fair Value of Plan Assets at the beginning of the Period	9.43	6.82	4.72
Expected return on plan asset	0.65	0.53	0.37
Contributions by the employer	5.60	2.37	1.85
Actuarial Gains/(Losses) on plan assets - Due to Experience	(0.20)	(0.13)	(0.10)
Actual benefit paid from the fund	(0.20)	(0.15)	(0.02)
Fair value of plan assets at the end of the year	15.28	9.44	6.82

(Rs. in Millions)

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
(d)	Net assets / (liability) recognised in balance sheet			
	Present value of the defined benefit obligations at the end of the year	(10.91)	(9.62)	(5.82)
	Fair value of plan assets at the end of the year	15.28	9.43	6.82
	Liability recognised in the balance sheet	4.37	(0.19)	1.00

(Rs. in Millions)

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
(e)	Expenses recognised in statement of profit and loss:			
	Current service cost	3.10	1.50	1.13
	Interest cost on benefit obligation (net)	0.01	(0.08)	(0.06)
	Total expenses included in employees' benefit expenses	3.11	1.42	1.07

(Rs. in Millions)

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
(f)	Recognised in other comprehensive income for the year			
	Actuarial (gain) / loss due to Demographic assumptions	(1.16)	-	-
	Actuarial (gain) / loss due to experience adjustment	(1.13)	0.78	0.33
	Actuarial (gain) / loss due to Financial adjustment	0.02	1.22	0.07
	Return on plan assets	0.20	0.13	0.10
	Recognised in other comprehensive income	(2.07)	2.13	0.50

(Rs. in Millions)

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
(g)	Sensitivity analysis			
	Sensitivity to key assumptions			
	Discount rate sensitivity			
	Increase by 1.00%	(1.43)	(1.28)	(0.74)
	Decrease by 1.00%	1.76	1.58	0.91
	Salary growth rate sensitivity			
	Increase by 1.00%	1.74	1.56	0.90
	Decrease by 1.00%	(1.44)	(1.29)	(0.75)
	Employee Turnover sensitivity			
	Increase by 1.00%	(0.10)	(0.10)	0.02
	Decrease by 1.00%	0.11	0.11	(0.03)

A description of methods used for sensitivity analysis and its limitations:
The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

36 Related parties

a) Name and Relationship of the related party

Wholly-owned subsidiaries:
- Tatva Chintan USA Inc.
- Tatva Chintan Europe B.V.

Enterprises in which key management personnel have significant influence
- Chintan N. Shah (HUF)
- Ajay M. Patel (HUF)

Key management personnel (KMP)

- Chintan N Shah	Managing Director
- Ajay M Patel	Whole Time Director
- Shekhar R Somani	Whole Time Director
- Mahesh Tanna (w.e.f. December 22, 2020)	Chief Financial Officer
- Subhash Patel (w.e.f. February 27, 2021)	Independent Director
- Manher Desai (w.e.f. February 27, 2021)	Independent Director
- Avani Umatt (w.e.f. February 27, 2021)	Independent Women Director
- Mansi Ashar (upto February 24, 2021)	Company Secretary
- Apurva Dubey (w.e.f February 25, 2021)	Company Secretary

Relatives of KMP
- Shital C. Shah
- Priti A. Patel
- Kajal S. Somani

Notes:
(1) The related party relationships have been determined by the management on the basis of the requirements of the Indian Accounting Standard (Ind AS) - 24 'Related Party Disclosures', Section 188 of Companies Act, 2013 and the same have been relied upon by the auditors.

(2) The relationships as mentioned above are pertaining to those related parties with whom transactions have taken place during the year, except where control exist, in which case the relationships have been mentioned irrespective of transactions with the related parties.

b) Transactions with related parties

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Sale of finished goods			
Tatva Chintan USA Inc. (Net of Return)	374.51	587.51	411.14
Tatva Chintan Europe B.V.	278.93	47.06	-
	653.44	**634.57**	**411.14**

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Salary paid			
Shital C. Shah	0.60	0.60	0.60
Priti A. Patel	0.60	0.60	0.60
Kajal S. Somani	0.60	0.60	0.60
Mahesh Tanna	0.84	-	-
Mansi Ahar	0.19	-	-
Apurva Dubey	0.04	-	-
	2.87	**1.80**	**1.80**

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Remuneration paid			
Chintan N. Shah	14.40	14.40	14.40
Ajay M. Patel	14.40	14.40	14.40
Shekhar R. Somani	14.40	14.40	14.40
	43.20	**43.20**	**43.20**

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Sitting Fees paid			
Subhash Patel	0.12	-	-
Manher Desai	0.11	-	-
Avani Umatt	0.10	-	-
	0.33	**-**	**-**

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Dividend Paid during the year			
Chintan N. Shah	11.30	-	-
Ajay M. Patel	8.44	-	-
Shekhar R. Somani	12.61	-	-
Shital C. Shah	0.46	-	-
Priti A. Patel	2.47	-	-
Kajal S. Somani	0.64	-	-
Darshnaben N Shah	0.74	-	-
Shitalkumar R Somani	0.02	-	-
Samirkumar Rasiklal Somani	0.12	-	-
Chintan N. Shah (HUF)	0.90	-	-
Ajay M. Patel (HUF)	2.48	-	-
	40.18	**-**	**-**

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Bonus Issued during the year			
Chintan N. Shah	33.89	-	-
Ajay M. Patel	25.33	-	-
Shekhar R. Somani	37.83	-	-
Shital C. Shah	1.39	-	-
Priti A. Patel	7.42	-	-
Kajal S. Somani	1.92	-	-
Darshnaben N Shah	2.21	-	-
Shitalkumar R Somani	0.07	-	-
Samirkumar Rasiklal Somani	0.36	-	-
Chintan N. Shah (HUF)	2.69	-	-
Ajay M. Patel (HUF)	7.43	-	-
	120.54	**-**	**-**

(Rs. in Millions)

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Advance to Subsidiary (During the year)			
Tatva Chintan Europe B.V.	-	0.15	0.13
	-	0.15	0.13

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Trade Receivables			
Tatva Chintan USA Inc.	106.19	73.01	77.39
Tatva Chintan Europe B.V.	91.41	50.19	-
	197.60	**123.20**	**77.39**

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Advances to Subsidiary			
Tatva Chintan Europe B.V.	0.29	0.28	0.13
	0.29	**0.28**	**0.13**

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Salary Payable			
Chintan N Shah	0.77	0.77	0.77
Ajay M Patel	0.77	0.77	0.77
Shekhar R Somani	0.79	0.79	0.77
	2.33	**2.33**	**2.31**

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Renumeration Payable			
Shital C. Shah	0.04	0.04	0.05
Priti A. Patel	0.04	0.04	0.05
Kajal S. Somani	0.04	0.04	0.04
Mahesh Tanna	0.27	-	-
Apurva Dubey	0.03	-	-
	0.42	**0.12**	**0.14**

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Investments in Subsidiaries			
Tatva Chintan USA Inc.	6.66	6.66	6.66
Tatva Chintan Europe B.V.	0.01	0.01	-
	6.67	**6.67**	**6.66**

37 Financial risk management objectives and policies

The management of the Group has implemented a risk management system that is monitored by the Board of Directors. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Group are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims at identifying, analyzing, managing, controlling and communicating risks promptly throughout the Group. Risk management reporting is a continuous process.

The Group is exposed to credit, liquidity and market risks (foreign currency risk and interest risk) during the course of ordinary activities. The aim of risk management is to limit the risks arising from operating activities and associated financing requirements by applying selected derivative and non-derivative hedging instruments.

a) Credit risk

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. The balances with banks, loans given to employees and associated Group, security deposits are subject to low credit risk since the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets.

Trade receivables

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information.

The provision for expected credit loss is recognised on the basis of life-time expected credit losses (simplified approach). Trade receivables are evaluated separately for balances towards progress billings and retention money due from customers. An expected loss rate is calculated at each year-end, based on combination of rate of default and rate of delay. The Group considers the rate of default and delay upon initial recognition of asset, based on the past experience and forward-looking information, wherever available.

(Rs. in Millions)

Exposure to credit risk	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Financial asset for which loss allowance is measured using 12 months Expected Credit Losses (ECL)			
Loans and advances receivables (current)	19.03	16.79	14.45
Other financial assets (Current)	11.35	10.92	89.83

The Group does not expect any losses from the financial instruments of the Group result in material concentration of credit risk, except for trade receivables.

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Financial asset for which loss allowance is measured using Lifetime Expected Credit Losses (ECL)			
Trade receivables	907.43	495.71	412.57

(Rs. in Millions)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
The ageing analysis of the receivables has been considered from the date the invoice falls due.			
Up to 1 month	372.00	294.12	240.44
1 to 3 months	493.19	192.11	144.90
3 to 4 months	41.77	8.54	20.72
4 to 6 months	0.09	0.93	4.82
more than 6 months	0.38	0.01	1.69
	907.43	**495.71**	**412.57**

(Rs. in Millions)

The following table summarizes the change in the loss allowances measured using life-time expected credit loss model:	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening provision	1.53	1.54	0.86
Provided during the year	1.59	-	0.68
Amounts written back	-	(0.01)	-
Closing Provision	**3.12**	**1.53**	**1.54**

b) Market Risk

Currency Risk

The Group is exposed to exchange rate risk as certain portion of our revenues and expenditure are denominated in foreign currencies. We import certain raw materials, the price of which we are required to pay in foreign currency, which is mostly the U.S. dollar or Euro. Products that we export are paid for in foreign currency, which together acts as a natural hedge. Any appreciation/depreciation in the value of the Rupee against U.S. dollar, Euro or other foreign currencies would Increase/ decrease the Rupee value of debtors/ creditors. For exposure beyond natural hedge, the Group uses foreign exchange derivatives such as foreign exchange forward contracts to minimize the risk.

(in Millions)

Foreign currency exposure	**As at 31 March 2019**	**As at 31 March 2019**
Currency	USD	Rupees
Trade receivables	4.48	309.99
Trade payables	0.76	52.52
Cash & cash equivalents	0.66	45.96
Borrowings	5.37	371.25
Working Capital Loans	5.23	361.63
Currency	Euro	Rupees
Trade receivables	0.02	1.24
Trade payables	-	0.20

(in Millions)

Foreign currency exposure	**As at 31 March 2020**	**As at 31 March 2020**
Currency	USD	Rupees
Trade receivables	5.77	435.16
Trade payables	1.59	119.72
Cash & cash equivalents	0.54	40.99
Borrowings	6.64	500.41
Working Capital Loans	4.50	339.15
Currency	Euro	Rupees
Trade receivables	1.05	36.94
Trade payables	0.01	0.81

(in Millions)

Foreign currency exposure	**As at 31 March 2021**	**As at 31 March 2021**
Currency	USD	Rupees
Trade receivables	9.12	670.13
Trade payables	2.01	147.74
Cash & cash equivalents	0.46	33.89
Borrowings	5.14	377.45
Working Capital Loans	-	-
Currency	Euro	Rupees
Trade receivables	1.02	87.46
Trade payables	0.02	2.10
Cash & cash equivalents	0.03	2.75

(Rs. in Millions)

Foreign currency sensitivity:	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax:			
1 % increase in USD rate - Increase / (Decrease in profit or loss)	(1.79)	4.83	4.29
1 % Decrease in USD rate - Increase / (Decrease in profit or loss)	1.79	(4.83)	(4.29)
1 % increase in Euro rate - Increase / (Decrease in profit or loss)	0.87	0.01	(0.01)
1 % Decrease in Euro rate - Increase / (Decrease in profit or loss)	(0.87)	(0.01)	0.01

Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed rate instruments and changes in the interest payments of the variable rate instruments. The management is responsible for the monitoring of the group interest rate position. Various variables are considered by the management in structuring the group borrowings to achieve a reasonable, competitive cost of funding.

The Group has intertest rate risk exposure mainly from changes in rate of interest on borrowing, loan & securities. The following table analyse the breakdown of the interest bearing financial asset and liabilities by type of interest rate:

(Rs. in Millions)

Particular	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Financial assets			
Interest bearing			
Fixed interest rate			
- Bank fixed deposits less than or within 3 months maturity	6.53	26.38	76.28
- Fixed deposit with banks	8.43	10.92	85.40
- LC and bank gurantee and margin money deposit	8.61	6.73	6.45

(Rs. in Millions)

Financial liabilities			
Interest bearing	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Fixed interest rate			
- Borrowings (including Current maturities)	339.97	390.26	244.54
Floating interest rate			
- Borrowings (including Current maturities)	562.50	516.64	526.93

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonablly possible change in interest rate on that portion of loan and borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on Floating rate borrowings, as follows:

(Rs. in Millions)

Particular	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Effect on Profit Before Tax			
1% Increase in Basis point	5.63	5.17	5.27
Effect on Profit Before Tax			
1% Decrease in Basis point	(5.63)	(5.17)	(5.27)

c) **Liquidity risk**

Liquidity risk is the risk that the Group is unable to meet its existing or future obligations due to insufficient availability of cash or cash equivalents. Managing liquidity risk, and therefore allocating resources and hedging the Group's financial independence, are some of the central tasks of the Group's treasury department. In order to be able to ensure the Group's solvency and financial flexibility at all times, long-term credit limits and cash and cash equivalents are reserved on the basis of perennial financial planning and periodic rolling liquidity planning. The Group's financing is also secured for the nex fiscal year.

Maturity profile of financial liability

The table below provide details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(Rs. in Millions)

As at 31 March 2021	**Up to 6 months**	**6 months to 12 months**	**12 months to 2 years**	**More than 2 Years**
Borrowings (non-current, including Current maturities)	83.12	80.84	152.98	135.18
Borrowings (current)	492.94	-	-	-
Trade Payables and Other Payables	474.77	-	-	-
Other financial liabilities (Current)	0.59	-	-	-

As at 31 March 2020	**Up to 6 months**	**6 months to 12 months**	**12 months to 2 years**	**More than 2 Years**
Borrowings (non-current, including Current maturities)	66.47	77.05	160.20	267.41
Borrowings (current)	404.89	-	-	-
Trade Payables and Other Payables	316.13	-	-	-
Other financial liabilities (Current)	2.56	-	-	-

As at 31 March 2019	**Up to 6 months**	**6 months to 12 months**	**12 months to 2 years**	**More than 2 Years**
Borrowings (non-current, including Current maturities)	37.78	37.75	104.45	233.28
Borrowings (current)	399.09	-	-	-
Trade Payables and Other Payables	221.34	-	-	-

38 Financial instruments-Accounting, classifications and fair value measurements

The fair values of the financials assets and liabilities are included at the amount a which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:
Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financials institutions approximate their carrying amounts largely due to the short term maturities of these instruments.
Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluations, allowances are taken to account for the expected losses of these receivables.
The Group uses the following hierarchy for determining and disclosing the fair value of financials instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

		(Rs. in Millions)
	Carrying amount As at 31 March 2021	**Fair Value As at 31 March 2021**
Financial assets		
- Trade receivables	907.43	907.43
- Loans	19.03	19.03
- Other financial assets	11.35	11.35
- Other bank balances	8.61	8.61
- Cash and cash equivalents	44.81	44.81
Total	**991.23**	**991.23**
Financial liabilities		
- Borrowings (non-current, including Current maturities)	409.54	409.54
- Borrowings (current)	492.94	492.94
- Trade and other payables	474.77	474.77
- Other financial liabilities	0.59	0.59
Total	**1377.84**	**1377.84**

		(Rs. in Millions)
	Carrying amount As at 31 March 2020	**Fair Value As at 31 March 2020**
Financial assets		
- Trade receivables	495.71	495.71
- Loans	16.79	16.79
- Other financial assets	10.92	10.92
- Other bank balances	6.73	6.73
- Cash and cash equivalents	101.56	101.56
Total	**631.71**	**631.71**
Financial liabilities		
- Borrowings (non-current, including Current maturities)	502.00	502.00
- Borrowings (current)	404.89	404.89
- Trade and other payables	316.13	316.13
- Other financial liabilities	2.56	2.56
Total	**1225.58**	**1225.58**

		(Rs. in Millions)
	Carrying amount As at 31 March 2019	**Fair Value As at 31 March 2019**
Financial assets		
- Investments	-	-
- Trade receivables	412.57	412.57
- Loans	14.45	14.45
- Other financial assets	89.83	89.83
- Other bank balances	6.45	6.45
- Cash and cash equivalents	151.00	151.00
Total	**674.30**	**674.30**
Financial liabilities		
- Borrowings (non-current, including Current maturities)	372.39	372.39
- Borrowings (current)	399.09	399.09
- Trade and other payables	221.34	221.34
Total	**992.82**	**992.82**

* excludes investment in group companies which are measured at cost.
The management assessed that cash and cash equivalents including bank balances other than cash and cash equivalent, trade receivables, Loans and Advances, Other current Assets, trade payables, Borrowings and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

39 Capital management

For the purpose of the Group’s capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objectives of the Group’s

capital management is to maximise the shareholder value while providing stable capital structure that facilitate considered risk taking and pursued of business growth.
The Group manages its capital structure and makes adjustments in light of changes in economic conditions and business opportunities. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, raise/ pay down debt or issue new shares.

(Rs. in Millions)

Debt equity Ratio	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Debt (include non-current, current borrowings and current maturities of long term debts)	902.48	906.89	771.48
Less: Cash and cash equivalents	44.81	101.56	151.00
Net Debt	**857.67**	**805.33**	**620.48**
Total equity	1,659.64	1,176.94	797.00
Net Debt to total equity ratio	51.68%	68.43%	77.85%

In order to achieve this overall objective, the Group’s capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants c any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the aforesaid periods.

40 Leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less (Short-term Lease), leases of low-value assets and cancellable leases. The Group recognises the lease payments associated with these leases as an expense in Profit and loss account.

The Group has taken industrial shed under operating lease on leave and license agreement. It is generally cancellable in nature and executed for a period of 10 years. It is generally renewable or cancellable the option of the Group or the lessor.

Further Group has also taken Warehouse on Rent. These leases are generally renewable on expiry of the present lease term being of One year, further as may be mutually agreed between the Group and the lessor.

(Rs. in Millions)

	Year ended 31 March 2021	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Lease payment recognized in the Statement of Profit and Loss	14.48	11.35	10.67

(Rs. in Millions)

41 Payments to auditors (excluding Goods and Service Tax)	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
As auditor			
Tax & Statutory Audit fees	0.43	0.30	0.28
Other Services*	0.42	0.12	0.12
	0.85	**0.42**	**0.40**

*The above fees does not includes fees of Rs. 2.03 million charged for IPO related services as the same is not charged to Statement of Profit and Loss during the year.

(Rs. in Millions)

42 Research And Development Expenditure	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
The details of research and development expenditure incurred during the year is as under:			
Capital Expenditure	26.47	13.62	19.95
Revenue Expenditure	24.67	26.32	19.44
TOTAL	**51.14**	**39.94**	**39.39**
The details of revenue expenditure incurred on research and development are as under:			
Chemical Purchase	3.06	3.17	1.99
Employee Benefit Expense	14.09	10.80	8.65
Repairs and Maintenance to R & D Equipments	1.29	3.26	2.83
Other Research expenses	6.23	9.09	5.97
TOTAL	**24.67**	**26.32**	**19.44**

(Rs. in Millions)

43 Income tax expense	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
(a) Income tax expense			
Current tax	108.11	79.97	52.84
Tax for earlier years	-	6.64	(1.28)
Total	**108.11**	**86.61**	**51.56**
(b) Deferred tax	**(23.77)**	**11.47**	**16.94**
Income tax expense (a)+(b)	**84.34**	**98.08**	**68.50**

(Rs. in Millions)

(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Profit/(Loss) from continuing operations before income tax expense	606.96	475.97	273.93
Tax at the rate of	**29.12%**	**29.12%**	**29.12%**
Computed expected tax expense	176.75	138.60	79.77
Tax for earlier years	-	6.64	(1.28)
Effect of expenses that are not deductible	2.28	2.38	0.20
Effect of Eligible Additional Deduction	(3.79)	(3.34)	(1.53)
Effect of income that is exempt from tax	(92.97)	(38.98)	(0.03)
Expenditure on Scientific Research u/s 35(2AB) of Income Tax Act, 1961	-	(2.93)	(11.91)
Others	1.55	-	-
Effect of Difference in Tax rate	0.52	(4.29)	3.28
Current tax provision	84.34	98.08	68.50
Income tax expense reported in the statement of profit and loss	84.34	98.08	68.50

44 Earnings per share

The earnings per share are computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. The earnings per share is calculated as under :

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Equity share of Rs. 10 each.			
General			
Number of shares at the closing of the year	20,087,500	20,087,500	20,087,500
Total equity shares outstanding as on year end	**20,087,500**	**20,087,500**	**20,087,500**
a) Weighted average number of shares for basic EPS	20,087,500	20,087,500	20,087,500
b) Weighted average number of shares for diluted EPS	20,087,500	20,087,500	20,087,500
c) Net Profit / (Loss) after tax (Rs. in millions)	522.62	377.89	205.43
d) Basic Earning Per Share (Rs.)	26.02	18.81	10.23
e) Diluted Earning Per Share (Rs.)	26.02	18.81	10.23

Note:

1 During the year, The Group has alloted 1,20,52,500 number of equity shares as Bonus issue to the existing shareholders of the Group in the ratio of 1.5:1 vide Board resolution dated 3 March 2021 which was passed pursuant to passing of special resolution by shareholders in Extra Ordinary General meeting held on 27 January 2021 against existing 80,35,000 equity shares. Hence total Share Capital of Company post bonus issue is Rs. 200.88 Millions.

2 As per Ind AS 33 paragraph 28, in case of bonus share , the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported.

45 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Group. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care including preventive health care, ensuring environmental sustainability education, promoting gender equality and empowering women and other activities. The amount has been expended on the activities which are specified in Schedule VII of the Companies Act, 2013.

(Rs. in Millions)

	Year ended 31 March 2021	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Gross amount required to be spent by the Group during the year	**5.45**	**4.56**	**3.83**
Amount approved by the Board to be spent during the year	**5.45**	**4.56**	**3.83**
Amount spent during the year ending on March 31, 2021:			
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	5.81	5.58	0.50
Total (A)	**5.81**	**5.58**	**0.50**
Accruals towards unspent obligation in relation to:			
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	-	-	-
Total (B)	-	-	-
Total (A)+ (B)	**5.81**	**5.58**	**0.50**
Less: Excess spent during the year to be carry forward to FY 2021-22	0.36	-	-
Amount recognised in Statement of Profit and Loss	**5.45**	**5.58**	**0.50**

46 Disclosure of Interest in Subsidiary

The Group has two wholly owned subsidiaries, Tatva Chintan USA INC. and Tatva Chintan Europe B.V., which is engaged in the business of trading of Quaternary compounds, bulk drugs and specialty chemicals.

Details of Holding Company's Subsidiary at the end of the reporting periods are as follows:

Name of Subsidiary	Principle Activity	Place of Incorporation	Date of Incorporation	% held by the Holding company
Tatva Chintan USA INC.	Trading of specialty chemicals	950 Taylor Avenue Suite 230A Grand Haven, MI 49417, USA	16 March 2015	100%
Tatva Chintan Europe B.V.	Trading of specialty chemicals	Amsterdam NL.	1 March 2019	100%

47 Impact of COVID-19

Due to the outbreak of the COVID-19 pandemic and the consequent lock-down announced by Government, the operations of the Group were temporarily-suspended in initial phase of the financial year. The Group continued to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations. The Group has been running on its normal operations after government allowed the same since June, 2020. However, situation of COVID-19 outbreak has resurged again towards the end of the current financial year, it is expected to not affect the operations of the Group. The management has made an assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets as at the balance sheet date and has made appropriate provision, wherever required, on account of COVID-19. The Group has considered various known internal and external information available up to the date of approval of financial statements in assessing the impact arising from COVID-19 in the preparation of the financial statements and continues to monitor any material changes to future economic conditions and assess the impact on Group.

48 GST

In the opinion of the Board and to the best of their knowledge & belief, the GST provisions were properly complied, to the extent applicable to the Group for the year under audit. Difference, if any, betwee the figures as per books of account and the GST Returns, are reconciled and would be corrected in next period GST returns and in Annual Returns. The said differences do not have any material impact on the financial statements regarding classification, tax liability and other requirement of the GST Provisions. Previous years’ figures have been regrouped, rearranged,restated,and reclassified to compare with that of the current years’ figures.

49 Approval of Financial Statements

The financial statements were approved by the Board of Directors on 15 June 2021

50 On 31 March 2021, Company has filed DRHP with Securities Exchange Board of India (SEBI) for public issue of equity shares valuing Rs. 450 millions.

51 Reconciliation

Statement On Adjustment to Restated Consolidated Financials

The restatement are on account of first time adoption of Ind AS and Other material adjustment which has been for the purposes of restatement financial statement effective April 1, 2017

The summary of changes made in these Audited Ind AS Consolidated financial statements as compared to Audited Consolidated financials statements is as follows.

	31 March 2021*	31 March 2020	31 March 2019
Net Profit as per GAAP	**524.09**	**383.72**	**145.1**
Government Grant Credited to Capital Reserve being restated as deferred	-	0.09	0.09
Change in depreciation for Sale of Asset	-	0.01	0.03
(Increase)/Decrease of Depreciation on PPE due to revision of useful life	-	14.76	10.14
Expected Credit Loss Provision on Trade receivables	-	0.01	(0.68)
Net Gain/(Loss) arising on financials assets designated as at FVTPL	-	1.12	2.36
Provision for gratuity as per Acturial Report	-	(1.18)	0.28
Exchange difference on Year end restatment of Trade Receivables and Advances	-	0.01	0.50
Restatement of Prior Period expense	-	(0.03)	(0.08)
Revenue booked as per Ind AS 115 (Transfer of Control)	-	-	28.82
Regrouping from Other equity	-	3.43	-
Tax effect of above Ind AS adjustments	-	(3.72)	(5.84)
Revision of expenses on Audit of Subsidairies	-	0.30	(1.39)
Due to Change in Exchange Rate	-	(0.63)	(1.90)
Change in Stock Reserve Calculation	-	(21.51)	27.65
Total Ind AS Adjustments	-	(7.34)	59.98
Net Profit as per Ind AS	**524.09**	**376.38**	**205.08**

	31 March 2021*	31 March 2020	31 March 2019
Total equity as per previous GAAP	**1446.63**	**1,156.36**	**765.36**
Change in depreciation for Sale of Asset	-	0.09	0.08
Expected Credit Loss Provision on Trade receivables	-	(1.53)	(1.54)
(Increase)/Decrease of Depreciation on PPE due to revision of useful life	-	31.31	16.50
Remeaasurement of defined benefits obligation	-	(0.19)	1.00
Net Gain/(Loss) arising on financials assets designated as at FVTPL	-	-	(1.12)
Revenue booked as per Ind AS 115 (Transfer of Control)	-	-	-
Exchange difference on Year end restatment of Trade Receivables and Advances	-	-	-
Government Grant Credited to Capital Reserve being restated as deferred	-	(0.35)	(0.44)
Restatement of Prior Period expense	-	(0.27)	(0.24)
Tax effect of above Ind AS adjustments	-	(9.17)	(5.44)
Change in Stock Reserve at year end	-	-	22.44
Revision of expenses on Audit of Subsidairies	-	(0.69)	(0.04)
Rectification of Error	-	1.38	0.44
Total Ind AS adjustments	-	20.58	31.64
Total Equity as per Ind AS	1,446.63	1,176.94	797.00

*There are no reconciling items between Net profit as per IGAAP and Net profit as per Ind AS for the year ended 31 March 2021 as the financial statements for the year ended 31 March 2021 has been prepared as per Ind AS only.

There are no further changes in Restated Consolidated financial statements as compared to audited Consolidated financials statements.

52 Subsequent events

No significant subsequent events have been observed except disclosed which may require an adjustment to the balance sheet.

TATVA CHINTAN PHARMA CHEM LIMITED
(formerly known as Tatva Chintan Pharma Chem Private Limited)
(CIN: U24232GJ1996PLC029894)
Notes to Restated Consolidated financial statements for years ended March 31, 2021, March 31, 2020 and March 31, 2019

Other Financial Information

The Accounting Ratios required under Clause 11 of Part A (B)(I) of Schedule VI of the SEBI ICDR Regulations are given below:

	Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
A	Net Worth (Rs. In Million)	1,659.64	1,176.94	797.00
B	Total comprehensive income attributable to the owners of the company (Rs. In Million)	524.09	376.38	205.08
C	Restated Net profit for the year (Rs. In Million)	522.62	377.89	205.43
	Weighted average number of equity shares outstanding during the year (after giving effect of Bonus shares issued vide board resolution dated 3 March 2021)			
D	For basic earnings per share	20,087,500	20,087,500	20,087,500
E	For diluted earnings per share	20,087,500	20,087,500	20,087,500
F	Number of shares outstanding at the end of the year (after giving effect of Bonus shares issued vide board resolution dated 3 March 2021)	20,087,500	20,087,500	20,087,500
G	Restated basic earnings per share (Rs.) (C/D)	26.02	18.81	10.23
H	Restated diluted earnings per share (Rs.) (C/D)	26.02	18.81	10.23
I	Return on net worth (%) (C/A)	31.49%	32.11%	25.78%
J	Net assets value per share of Rs. 10 each (A/F)	82.62	58.59	39.68
K	EBITDA (Rs. In Million)	716.35	563.35	342.96
L	Face value (Rs.)	10.00	10.00	10.00

Basic earnings per share (Rs)	Net Profit as restated, attributable to the owners of the company / Weighted average number of equity shares outstanding during the year
Diluted Earnings per share (Rs)	Net Profit as restated, attributable to the owners of the company / Weighted average number of dilutive equity shares outstanding during the year
Return on Net Worth (%)	Net Profit as restated, attributable to the owners of the company / Net Worth as restated, including Share Capital and Reserves & Surplus, as restated at the end of the year
Net Asset Value (NAV) per equity share (Rs.)	Net Worth as restated, including Share Capital and Reserves & Surplus, as restated at the end of the year / Number of equity shares outstanding at the end of the year
Earnings before interest, Tax, Depreciation and Amortisation (EBITDA) (Rs.)	EBITDA stands for earnings before interest, taxes, depreciation and amortization (Restated profit/ (loss) for the year/ period + tax expense + exceptional items + Finance costs + depreciation and amortization).

Notes:

1 Earnings per share calculations are in accordance with Indian Accounting Standard 33 - Earnings Per Share ('Ind AS 33') , notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2015. As per Ind AS 33 paragraph 28, in case of bonus share , the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported.

2 Net worth means the aggregate value of the paid up share capital of the group and all reserves created out of profits and securities premium account, net of pre-issue expenses, as per Restated Statement of Assets and Liabilities of the Group.

3 The amounts disclosed above are based on the Restated Financial Information of the Group.

4 Pursuant to the recommendation and resolution passed at Board meeting held on 3 March 2021, approved the bonus shares in the ratio 1.5:1

Non- GAAP financial measures

This section includes certain Non-GAAP financial measures relating to our financial performance (together, "Non-GAAP financial measures" and each a "Non-GAAP financial measure"), as presented below. These Non-GAAP financial measures are not required by or presented in accordance with Indian GAAP.

Reconciliation of non GAAP Measures

Reconciliation for the following non-GAAP financial measures included in this Red Herring Prospectus, EBITDA, net debt/ (net cash), return on net worth, return on capital employed, net asset value per share and debt equity ratio are given below:

Reconciliation of EBITDA **Rs. In Million**

	As at and for the year ended 31 March 2021	**As at and for the year ended 31 March 2020**	**As at and for the year ended 31 March 2019**
Restated Net profit for the year (I)	522.62	377.89	205.43
Total tax expense (II)	84.34	98.08	68.50
Exceptional items (III)	-	-	(7.49)
Depreciation expense (IV)	67.32	47.93	40.18
Finance expense (V)	42.07	39.45	36.34
EBITDA (I+II+III+IV+V)	**716.35**	**563.35**	**342.96**

TATVA CHINTAN PHARMA CHEM LIMITED
(formerly known as Tatva Chintan Pharma Chem Private Limited)
(CIN: U24232GJ1996PLC029894)
Notes to Restated Consolidated financial statements for years ended March 31, 2021, March 31, 2020 and March 31, 2019

Reconciliation of Net debt/ (net cash)

Rs. In Million

	As at and for the year ended 31 March 2021	As at and for the year ended 31 March 2020	As at and for the year ended 31 March 2019
Non-current borrowings (I)	267.63	387.09	315.19
Current maturities of long tern debt (II)	141.91	114.91	57.20
Current borrowings (III)	492.94	404.89	399.09
Total borrowings IV = (I+II+III)	902.48	906.89	771.48
Cash and cash equivalents (V)	44.81	101.56	151.00
Bank balances other than cash and cash equivalents (VI)	8.61	6.73	6.45
Net Debt / (Net Cash) (VII=IV-V-VI)	**849.06**	**798.6**	**614.03**

Reconciliation of return on net worth

Rs. In Million

	As at and for the year ended 31 March 2021	As at and for the year ended 31 March 2020	As at and for the year ended 31 March 2019
Equity share capital (I)	200.875	80.35	80.35
Other equity (II)	1458.76	1096.59	716.65
Net worth (III)=(I+II)	1659.635	1176.94	797.00
Restated net profit for the year (IV)	522.62	377.89	205.43
Return on net worth (IV/(I+II))*	31.49%	32.11%	25.78%

Reconciliation of return on capital employed

Rs. In Million

	As at and for the year ended 31 March 2021	As at and for the year ended 31 March 2020	As at and for the year ended 31 March 2019
Total assets (I)	3,148.03	2,489.38	1,875.08
Current liabilities (II)	1180.15	876.5	726.52
Capital employed (III=I-II)	1,967.88	1,612.88	1,148.56
EBIT (IV)	649.03	515.42	302.78
Return on capital employed (V=IV/III)	32.98%	31.96%	26.36%

Reconciliation of net asset value per share

Rs. In Million

	As at and for the year ended 31 March 2021	As at and for the year ended 31 March 2020	As at and for the year ended 31 March 2019
Equity share capital (I)	200.88	80.35	80.35
Other equity (II)	1458.76	1,096.59	716.65
Net worth (III)=(I+II)	1659.64	1176.94	797
Number of equity shares (IV)	20,087,500	20,087,500	20,087,500
Net asset value per share (V= (I+II)/IV)	82.62	58.59	39.68

Bonus shares issued on 3 March 2021 have been reckoned for the purpose of computing EPS & net asset value per share for the entire reporting period.

Reconciliation of debt equity ratio

Rs. In Million

	As at and for the year ended 31 March 2021	As at and for the year ended 31 March 2020	As at and for the year ended 31 March 2019
Non-current borrowings (I)	267.63	387.09	315.19
Current maturities of long term debt (II)	141.91	114.91	57.20
Current borrowings (III)	492.94	404.89	399.09
Total borrowings IV = (I+II+III)	902.48	906.89	771.48
Equity share capital (V)	200.875	80.35	80.35
Other equity (VI)	1458.76	1096.59	716.65
Equity (VII)=(V+VI)	1659.635	1176.94	797
Debt equity ratio (VIII=IV/VII)	0.544	0.771	0.968

Other financial statements

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company and our Material Subsidiary for Fiscals 2021, 2020 and 2019 (collectively, the "Audited Financial Statements") are available on our website at https://www.tatvachintan.com/investors.

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 Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence (collectively, the "Group") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor BRLMs or the Promoter Selling Shareholder, 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.

53 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

(Rs. in Millions)

Name of the entity	31 March 2021				31 March 2020				31 March 2019			
	Net assets i.e. Total assets minus Total liabilities		Share in profit / (loss)		Net assets i.e. Total assets minus Total liabilities		Share in profit / (loss)		Net assets i.e. Total assets minus Total liabilities		Share in profit / (loss)	
	As % of consolidated net assets	Rs.	As % of consolidated profit / (loss)	Rs.	As % of consolidated net assets	Rs.	As % of consolidated profit / (loss)	Rs.	As % of consolidated net assets	Rs.	As % of consolidated profit / (loss)	Rs.
Parent:												
Tatva Chintan Pharma Chem Limited	97.57%	1,619.38	98.28%	515.07	97.15%	1,144.49	92.24%	348.13	99.92%	796.36	98.26%	201.51
Subsidiaries:												
Foreign:												
Tatva Chintan USA Inc.	3.49%	57.88	2.29%	12.02	4.01%	47.16	5.49%	19.72	3.02%	24.04	4.50%	9.23
Tatva Chintan Europe B.V.	0.33%	5.52	0.50%	2.64	0.24%	2.80	0.73%	2.75	-0.01%	(0.10)	-0.05%	(0.10)
Minority interest in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Eliminations and consolidation adjustments	-1.39%	(23.14)	-1.08%	(5.64)	-1.49%	(17.50)	1.54%	5.80	-2.92%	(23.29)	-2.71%	(5.56)
Total	**100.00%**	**1659.64**	**100.00%**	**524.09**	**100.00%**	**1,176.95**	**100.00%**	**376.40**	**100.00%**	**797.01**	**100.00%**	**205.08**

The accompanying notes form an integral part of Restated Consolidated financial statements
As per our report of even date attached

For NDJ & Co.
Chartered Accountants
Firm Reg.No.136345W

(CA. Shirish Shah)
Partner
M. No.: 035742
Date: 15 June 2021
Place : Surat

For and on behalf of the Board of Directors of
Tatva Chintan Pharma Chem Limited
(formerly known as Tatva Chintan Pharma Chem Private Limited)

(Mr. Chintan N. Shah)
Managing Director
DIN: 00183618

(Mr. Shekhar R. Somani)
Whole Time Director
DIN: 00183665

(Apurva Dubey)
Company Secretary
MN: A-41130

(Mahesh Tanna)
Chief Financial Officer

Date: 15 June 2021
Place: Vadodara

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at March 31, 2021, derived from our Restated Consolidated Financial Statements:

(in ₹ million)

Particulars	Pre-Offer as at March 31, 2021	As adjusted for the Offer*
Borrowings		
Non-current borrowings (I)	267.63	267.63
Current maturity of long-term loans (II)	141.91	141.91
Current borrowings (III)	492.94	492.94
Total borrowings (IV = I + II + III)	**902.48**	**902.48**
Equity		
Equity share capital (V)	200.88	221.65
Other equity (VI)	1,458.76	3,687.98
Total equity (VII = V + VI)	**1,659.64**	**3,909.63**
Total borrowings / Equity (VIII = IV / VII)	**0.54**	**0.23**

** figures adjusted as at March 31, 2021*

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

*You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements which is included in this Prospectus. Our Restated Financial Statements have been prepared under Indian Accounting Standards ("**Ind AS**") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act 2013 to the extent applicable. Our Restated Consolidated Financial Statements differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries, and our assessment of the factors that may affect our prospects and performance in future periods. Accordingly, the degree to which our Restated Consolidated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS. These regulations may also vary with ICDS, which may be material to an investor's assessment of our results of operations and financial condition.*

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" on page 17 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements as a result of various factors, including those described below and elsewhere in this Prospectus. Also read "Risk Factors" and "– Significant Factors Affecting our Results of Operations" on pages 24 and 254, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Independent Market Report – India Chemicals and Specialty Chemicals Markets" dated March 31, 2021 (the "**F&S Report**") prepared and released by Frost & Sullivan and commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Overview

We are a specialty chemicals manufacturing company engaged in the manufacture of a diverse portfolio of structure directing agents ("**SDAs**"), phase transfer catalysts ("**PTCs**"), electrolyte salts for super capacitor batteries and pharmaceutical and agrochemical intermediates and other specialty chemicals ("**PASC**"). Our Company is the largest and only commercial manufacturer of SDAs for zeolites in India. It also enjoys the second largest position globally. (*Source: F&S Report*) In addition, our Company is one of the leading global producers of an entire range of PTCs in India and one of the key producers across the globe. (*Source: F&S Report*) As a manufacturer of specialty chemicals, we focus on application of our products which form a key ingredient to our customers' manufacturing and industrial processes. For instance, our SDA and PTC products have various applications in green chemistry, which is pertinent considering the growing focus on green and sustainable technologies. For further details, see " - *Our Products and Operations*" on page 158. We continuously strive to improve our processes and infrastructure to help reduce our impact on the environment and have accordingly, undertaken various 'green' chemistry processes such as electrolysis. Considering the wide application of our products, we serve customers across various industries, including the automotive, petroleum, pharmaceutical, agro chemicals, paints and coatings, dyes and pigments, personal care and flavour and fragrances industries. Apart from our customers in India, we also export our products to over 25 countries, including the USA, China, Germany, Japan, South Africa, and the UK. During the Fiscals ended March 31, 2019, 2020, and 2021, exports of products amounted to ₹ 1,435.19 million, ₹ 2,020.20 million and ₹ 2,119.92 million, which accounted for 69.57%, 76.74%, and 70.58%, of our revenue from operations, respectively.

As on March 31, 2021, we manufactured over 154 products which can be divided into the following four broad categories:

- ***Structure Directing Agents***: Our SDAs are quarternary salts which are chemicals which helps in the formation of particular channels and pores during the synthesis of zeolites. Zeolites have varied applications including as catalysts and adsorbents. In particular, zeolites promoted with transition metals such as copper and iron have been proven to be active for the selective catalytic reduction, which is currently considered as one of the preferred technologies for emission control in automotive applications. With a great focus on green technology and a healthy environment, industries are evaluating new technologies by investing in R&D. New and innovative applications are driving the growth of the zeolite market, in turn driving the quaternary ammonium compounds market. (*Source: F&S Report*) During the Fiscals ended March 31, 2019, 2020, and 2021, our revenue from sale of SDAs was ₹ 253.83 million, ₹ 1,016.54 million, and ₹ 1,202.43 million, respectively, which accounted for 12.30%, 38.62% and 40.03% respectively, of our revenue from operations.

- ***Phase Transfer Catalysts***: Our PTCs are used to facilitate the migration of a reactant from one phase into another phase where the reaction occurs, in a heterogeneous multi-phase system. PTCs are used for a variety of industrial processes.

  Phase transfer catalysts are a type of catalyst that allows a reactant to be migrated from one phase to another where the reaction takes place eliminating the need for costly and unsafe solvents that can dissolve all reactants in one phase, and costly raw materials minimizing the issue of waste. Phase transfer catalysts are widely used in green chemistry applications. Therefore, the increasing global focus of the chemical industry on reducing residual waste and reducing the use of organic solvents is boosting the market for catalysts for phase transfer. (*Source: F&S Report*)

  During the Fiscals ended March 31, 2019, 2020, and 2021, our revenue from sale of PTCs was ₹ 864.06 million, ₹ 749.11 million, and ₹ 816.12 million, respectively, which accounted for 41.88%, 28.46% and 27.17% respectively, of our revenue from operations.

- ***Electrolyte salts for super capacitor batteries***: Our electrolyte salts are used in the manufacture of super capacitor batteries, which are used in automobile batteries and other batteries. Our Company is the largest producer of electrolyte salts for super capacitor batteries in India. (*Source: F&S Report*). During the Fiscals ended March 31, 2019, 2020, and 2021, our revenue from sale of electrolyte salts for super capacitor batteries was ₹ 32.02 million, ₹ 46.29 million, and ₹ 30.35 million, respectively, which accounted for 1.55%, 1.76%, and 1.01% respectively, of our revenue from operations.

- ***Pharmaceutical and agrochemical intermediates and other specialty chemicals***: The products manufactured by us under this category are used in the manufacture of various pharmaceutical and agrochemical products as intermediates, disinfectants and catalysts, and solvents. In addition, we also manufacture specialty chemicals under this category that are used in dyes and pigments, personal care ingredients, flavour and fragrance sectors. During the Fiscals ended March 31, 2019, 2020, and 2021, our revenue from sale of PASC was ₹ 874.58 million, ₹ 764.91 million, and ₹ 912.18 million, respectively, which accounted for 42.39%, 29.06%, and 30.37% respectively, of our revenue from operations.

Our customers include Merck, Bayer AG, Asian Paints Ltd., Ipox Chemicals KFT, Laurus Labs Ltd., Tosoh Asia Pte. Ltd., SRF Limited, Navin Fluorine International Limited, Oriental Aromatics Ltd., Atul Limited, Otsuka Chemical (i) Pvt Ltd., Meghmani Organics Limited, Divi's Laboratories Limited, Hawks Chemical Company Limited, Firmenich Aromatics Prod.(I) Pvt. Ltd., Jiangsu Guotai Super Power New Materials Co., Ltd. and Jade Chem Co. Ltd.

Our Company, which was incorporated on June 12, 1996, currently operates through two manufacturing facilities situated at Ankleshwar and Dahej in Gujarat, both of which are strategically located very close to the Hazira port. These manufacturing facilities have an annual installed reactor capacity of 280 KL and 17 Assembly Lines, as on March 31, 2021. Our manufacturing facilities employ various modern machinery and equipment, including reactors, Assembly Lines, ANFDs, centrifuges and RCVDs. These equipment enable our facilities to undertake various chemistry processes, such as, quaternization, methylation, amination, phase transfer reactions, cyclization, halogenation, condensation, and electrolysis. As part of our eco-friendly and environmentally sustainable initiatives, we have adopted various 'green' chemistry processes, including electrolysis as part of our manufacturing process. Besides the single starting raw material, electrolysis only uses water and electricity to produce the target product. Considering that no additional chemicals are used, this helps ensure we do not generate any additional waste or by-products. Over the years, we have invested in our processes and our manufacturing infrastructure and systems. From Fiscal 2019 to Fiscal 2021, our installed reactor capacity grew from 160 KL to 280 KL, and our Assembly Lines grew from 10 Assembly Lines to 17 Assembly Lines respectively.

We have a dedicated R&D facility that is recognized by the Department of Scientific and Industrial Research ("**DSIR**"), Government of India, at Vadodara, Gujarat, with state-of-the-art research and development infrastructure. For further, details see "*Our Business - Research and Development*" on page 162. Further, we have developed 22 products, 15 products, and 16 products, respectively, in the Fiscals ended 2019, 2020, and 2021, respectively, which have contributed ₹ 9.94 million, ₹ 57.63 million and ₹ 0.01 million to our total revenue, amounting to 0.48%, 2.18%, and 0.00 (negligible)%, of our total revenue, in the respective periods. Further, 82 products have been developed by us since March 31, 2011, and these products have contributed ₹ 710.43 million, ₹ 549.11 million and ₹ 266.26 million to our total revenue, which constituted 23.19%, 20.75%, and 12.88% of our total revenue, in Fiscals 2021, 2020, and 2019, respectively.

Our Company is promoted by Chintan Shah, Ajay Patel and Shekhar Somani, who each have over 24 years in the specialty chemicals manufacturing industry and have established strong business relationships with domestic as well as overseas customers. In addition, we are led by a well – qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations and has substantial experience in the sectors in which we operate. We believe that the knowledge and experience of our management team provides us with a significant competitive advantage as we seek to grow our business.

In the Fiscals 2019, 2020, and 2021, our total revenue was ₹ 2,068.01 million, ₹ 2,646.22 million, and ₹ 3,062.92 million, respectively. Our profit after tax in Fiscal 2021 was ₹ 522.62 million. We have been able to increase our total revenue and our profit after tax from Fiscal 2019 to Fiscal 2021 at a CAGR of 21.70% and 59.50% respectively. Our EBITDA has grown to ₹ 716.35 million for Fiscal 2021 from ₹ 342.96 million for Fiscal 2019. As on March 31, 2021, our debt-to-equity ratio was 0.54. Further, in the Fiscals ended 2019, 2020, and 2021, our ROCE was 26.36%, 31.96%, and 32.98%, respectively. In the Fiscals ended 2019, 2020, and 2021, our ROE was 25.78%, 32.11%, and 31.49% respectively.

Presentation of Financial Statements

Unless stated or the context requires otherwise, the financial information in this Prospectus is derived from our Restated Consolidated Financial Statements, which have been prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations, as amended from time to time, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI. For further information on our Company's financial information, see "*Financial Statements*" on page 198.

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

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

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Prospectus are to a calendar year.

Significant Factors Affecting Our Results of Operations and Financial Condition

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future:

Expansion of our existing product categories and development of new products

Our ability to develop and manufacture products is critical to launch new products and grow revenues. Our results of operations also depend on our ability to manufacture existing and new products for sale in India and abroad. Our manufacturing process is designed to facilitate production flexibility and deliver high and consistent product quality. We consider that diversification of our product portfolio across our multiple manufacturing units mitigates our exposure to regulatory risk with respect to any particular manufacturing unit and provides increased certainty of supply. We expect our revenue to continue to grow due to both continued commercial success of our existing products and the launch of new products. The timing of new product launches and their commercial success will impact our results of operations. Our future growth is dependent on our ability to expand our product segments, particularly our structure directing agents, and electrolyte salts for super capacitor batteries. The process of expanding our business requires long-term investments and commitment of significant resources before knowing whether these investments will eventually result in businesses that achieve customer acceptance (which, in turn, is dependent on whether the relevant products of our customers achieve market acceptance) and generate the revenues required to provide desired returns. We may face difficulties in developing and growing the demand for our new products, which may affect our result of operations. Please see "*Risk Factors - We commit substantial effort, funds and other resources towards our research and development activities in order to introduce new products and respond to changing customer preferences, and our inability to do the same in a timely and effective manner, may have an adverse effect on our business, results of operations and financial condition.*" on page 29.

Availability and cost of raw materials

The success of our operations depends on, among other things, our ability to source raw materials at competitive prices. Our cost of raw materials consumed represented 50.24%, 55.52% and 57.34% of our revenue from operations in Fiscals 2021, 2020, and 2019, respectively. Availability and prices of raw materials are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand and changes in government policies and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use.

We do not have long term agreements with any of our raw material suppliers and we acquire such raw materials pursuant to our purchase orders from suppliers as a result of which, we are required to forecast our supply and demand. Our inability to correctly forecast demand and supply may have an impact on our working capital. Further, any increase in raw material prices may result in corresponding increases in our product costs. However, we may not be successful in passing on such costs, fully or partly, thereby impacting our margins and profitability. The availability and price of raw materials is subject to a number of factors beyond our control including demand and supply, general economic and political conditions, price of crude oil, transportation and labour costs, natural disasters, competition and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Furthermore, any increase in the cost of raw materials which results in an increase in prices of our products, may reduce demand for our products and thereby affect our margins and profitability. If we are unable to purchase the raw materials from such suppliers for any reason and on commercially acceptable terms, or if we are unable to pass on the increased cost of production to our customers, our revenue levels and results of operations may be adversely impacted. 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.

R&D and innovation efforts and growth of our new products

Our business depends to a significant degree on the outcome our R&D and innovation efforts as well as the growth of our new products. We have a dedicated R&D facility that is recognized by the Department of Scientific and Industrial Research ("**DSIR**"), Government of India, at Vadodara, Gujarat, with state-of-the-art research and development infrastructure. Product development requires significant time and cost investment before a product is commercialised. During Fiscals 2019, 2020, and 2021, we have incurred research and development expenditure aggregating to ₹ 39.39 million, ₹ 39.94 million, and ₹ 51.14 million, respectively . Our research and development capabilities have enabled us to expand our product offerings from 72 products as at March 31, 2011 to more than 154 products as at March 31, 2021.

In addition, our R&D personnel are critical to the success of our research and development efforts. We have a dedicated R&D team of 20 employees. Any inability to attract new research scientists or adequately manage attrition may have an adverse impact on our R&D and innovation efforts. During the development period of new products, we will incur costs for raw material related to the development of the products. Further, the R&D costs could adversely affect our operating results for a particular period leading to shortfall in resulting profit. Our investment in research and development for future products could result in higher costs without a proportionate increase in revenues. Consequently, any failure on our part to successfully introduce such new products may adversely affect our business and financial condition.

Relationship with key customers

Revenue from sale of products constitutes a significant portion of our revenue from operations. Our revenue from products constituted 98.58% of our total revenue from operations in Fiscal 2021. Accordingly, our ability to manage and sustain customer relationships is critical. In Fiscals 2021, 2020, and 2019, 59.99%, 58.44%, and 46.99%, respectively, of our revenue from operations were derived from our top ten customers (in the respective periods). The demand for our products from our key customers determines our revenue from operations and profitability. Increased sales by our customers tend to increase our revenue and results of operations. The volume of sales of goods to our customers may vary due to our customers' efforts to manage their inventory, market demand, product and supply pricing trends and customer preferences, among others, which may result in a decrease in demand for products of which we are a supplier, affecting our sales and results of operations.

Foreign Currency Fluctuations

Our products are typically priced in Indian Rupees for Indian sales and in U.S. Dollars for sales in the other jurisdictions where we sell our products. Further, we source our raw materials from India, USA, China and Germany. The cost of our imported raw materials is also affected by fluctuations in the rate of exchange of the currency in which we purchase these raw materials (including USD and the Euro) and the Rupee.

As a consequence, we are exposed to currency rate fluctuations between the Indian Rupee and the U.S. Dollar, and other local currencies in jurisdictions where our products are sold, in the event that we have sold our products under such local currency. We are exposed to exchange rate risk primarily due to payables in respect of our imported raw material and from receivables in respect of our exports, which are mainly denominated in foreign currencies. Any fluctuation in the value of the Indian Rupee against such currencies may adversely affect our results of operations.

Since we export our products and import some of our raw materials it helps us to naturally hedge our foreign currency exposure, however a devaluation of any of the foreign currencies against the Indian Rupee may result in reduction of our margins. Any gains or losses arising on account of differences in foreign exchange rates on settlement and translation of monetary assets and liabilities are recognized in the statement of profit and loss. While we enter into hedging transactions, steps taken by us to hedge the foreign exchange fluctuation risks may not adequately hedge against any losses we incur due to such fluctuations. Please see "*Risk Factors - Increase in the cost of raw materials could have a material adverse effect on our results of operations and financial conditions." and "Risk Factors - We are subject to risks resulting from foreign exchange rate fluctuations that could adversely affect our results of operations.*" on pages 26 and 35, respectively.

Competition and pricing pressure

We operate in a competitive environment and we expect to face greater competition from existing competitors located both in India and globally, and in particular from companies in India, USA and China. We compete with different companies depending on the market and type of products. We compete on the basis of our ability to fulfil our contractual obligations including the timely delivery of products manufactured by us and the price and quality of such products. We compete with large multinational companies and smaller regionally based competitors. Some of these competitors have more resources than us, have greater financial, manufacturing, R&D and other resources, while certain competitors may have lower cost of operations. In addition, certain competitors may have competitive advantages in manufacturing certain types of precision products compared to us. Consequently, our competitors may possess wider product ranges, larger sales teams, greater intellectual property resources and broader appeal across various divisions. Our competitors include Aarti Industries Limited, PI Industries Limited, Fine Organic Industries Limited, Delta Finochem, Dishman group and Pacific Organics Private Limited. For further details, see "*Industry Overview*" on page 106.

Our ability to negotiate price with our customers is also impacted by international and domestic competition. We believe that our ability to compete as well as offer competitive prices of our manufactured products is highly dependent on our ability to optimize our product portfolio. As we continue to expand our operations into new geographies, we are exposed to competition from newer players. There can be no assurance that we will be able to successfully enter into new geographies, compete with our competitors or be able to sell our products at desired margins.

Impact of COVID-19 pandemic

On account of the COVID-19 pandemic, India had imposed a nationwide lockdown on March 24, 2020. While progressive relaxations have since been granted for movement of goods and people and cautious re-opening of businesses and offices, lockdowns may be re-introduced in the future. Certain countries have reinstated lockdown conditions due to a "second wave" of the COVID-19 outbreak and the discovery of new strains of the coronavirus, and the Central Government and State Governments may reinstate complete lockdown conditions or impose additional restrictions.

The 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 had 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 the automotive, petroleum, pharmaceutical, agro chemicals, paints and coatings, dyes and pigments, personal care and flavours and fragrances industries. 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. We continue to closely monitor the effect that COVID-19 may have on our business and results of operations. 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.

Significant Accounting Policies under Ind AS

1) <u>Significant Accounting Policies:</u>

a) Basis of preparation and Presentation of consolidated financial statements:

- The financial statements are in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and rules made thereunder. As prescribed by the Ind AS, if the particular Ind AS is not in conformity with the applicable laws, the provisions of the said law shall prevail and financial statements shall be prepared in conformity with such laws. Consequently, the Group has applied this norm while preparing the financial statements.
- These Consolidated financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the consolidated financial statements. Also Terminologies and classification of certain products has been changed as recommended by management.
- The Group follows mercantile system of accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.
- The classification of assets and liabilities of the Group is done into current and non-current based on the operating cycle of the business of the Group. The operating cycle of the business of the Group is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.
- The financial statements are presented in Indian Rupees (‘INR’) and all values are rounded to the nearest Millions, except otherwise indicated.

b) Basis of consolidation:

The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the holding company and the group entities have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances/transactions and resulting unrealized profits in full. Unrealized losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the group.

   Transactions relating to statement of profit and loss of the acquired entities have been included in the consolidated statement of profit and loss from the effective date of acquisition on proportionate basis assuming that profits / losses have accrued evenly throughout the year.

ii) The excess of the cost to the holding company of its investment in the group entities over its portion of equity in the group entities is recognized in the financial statements as 'goodwill'. The excess of holding company's portion of equity in group entities over the cost to the holding company of its investment in the group entities is recognized in the financial statements as 'capital reserve'.

iii) The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the holding company for its separate financial statements.

iv) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except for differences disclosed in financial statements.

v) The financial statements of the group entities used in the consolidation are drawn up to the same reporting date as of the Holding Company i.e. year ended 31 March 2021.

c) Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of consolidated financial statements and reported amounts of revenues and expenses during the periods. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the consolidated financial statements.

Estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

Judgements

The Company's management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements, while formulating the Company's accounting policies:

a) **Taxes –** The Company is eligible for deductions for business which are established in Special Economic Zones (SEZ) under section 10A of the Income Tax Act, 1961.

b) **Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

Due to the outbreak of the COVID-19 pandemic and the consequent lock-down announced by Government, the operations of the Group were temporarily-suspended in initial phase of the financial year. The Group continued to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations. The Group has been running on its normal operations after government allowed the same since June, 2020. However, situation of COVID-19 outbreak has resurged again towards the end of the current financial year, it is expected to not affect the operations of the Group. Based on the current assessment of impact of COVID-19 on the operations of the Group and ongoing discussions with the Customers, vendors and service providers, the Group is positive of serving customer orders and obtaining regular supply of raw materials and logistics services. The Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of its current and non-current assets, after considering internal and external sources of information as at the date of approval of these financial statements. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Trade Receivables and Inventories. In assessing recoverability of trade receivables, the Group has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available up to the date of issuance of these financial statements. In assessing the recoverability of inventories, the Group has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Group is of the view that carrying amounts of trade receivables and inventories are expected to be realisable. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements, and the Group will continue to closely monitor the developments.

c) **Defined benefit plans (gratuity benefits)** -The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date

Discount rate: The said parameter is subject to change. In determining the appropriate discount rate (for plans operated in India), the management considers the interest rates of government bonds in currencies which are consistent with the post-employment benefit obligation. The underlying bonds are reviewed periodically for quality. Those having excessive credit spreads are excluded from the analysis since that they do not represent high quality corporate bonds.

Mortality rate: It is based on publicly available mortality tables. Those mortality tables tend to change at an interval in response to demographic changes. Prospective increase in salary and gratuity are based on expected future inflation rates.

d) **Useful lives of property, plant and equipment** - The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

e) **Impairment of property, plant and equipment -** For property, plant and equipment and intangibles an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

f) **Impairment of investment -** For determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have estimated the future cash flow, capacity utilization, operating margins and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

g) **Inventories** -The Group estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

h) **Recognition and measurement of other Provisions** - The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

i) **Revenue from Contracts with Customers:**

The Group has evaluated the impact of COVID-19 resulting from (i) the possible constraints to continue its operations and revisions in costs to fulfill the pending obligations (ii) onerous obligations (iii) penalties, if any, relating to breaches of agreements and (iv) termination or deferment of contracts by customers. The Group has concluded that there is no impact of COVID-19 based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

d) 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 for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group 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 Consolidated Financial Statements 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 Ind AS Summary Statements on a recurring basis, the Group 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.

Management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

e) Property, plant and equipment:

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all expenses and financing costs related to acquisition and construction of the concerned assets and any attributable cost of bringing the asset to the condition of its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance sheet date is classified as capital advances under other non-current assets. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repair and maintenance cost are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Property, plant and equipment 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 asset. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset. An impairment loss is reviewed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.
Gains or losses arising from the retirement or disposal of an asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. These are included in profit or loss within other gains/ (losses).

f) Capital work in progress

Capital work in progress includes cost of assets under development, all taxes and duties and other expenses to bring the asset to the Group.

Cost of Property, plant and equipment not ready for their intended use before such date is disclosed under Capital work-in-progress.

g) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets.

Computer software where it is expected to provide future enduring economic benefits is capitalized. The capitalized cost includes license fees and cost of implementation/system integration services.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. These are included in profit or loss within other gains/ (losses).

h) Depreciation and amortization:

Depreciation on tangible Property, Plant and Equipment has been provided on the basis of useful life as stated in Schedule II of the Companies Act, 2013 using the straight-line method.
Lease hold land is amortized over the period of lease.
Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

The following are the estimated useful lives:

Class of Assets	Useful Lives estimated by the management (years)
Buildings	Factory Building - 30 years Building (RCC Frame Structure) – 60 years Building (Other than RCC Frame Structure) – 30 Years
Plant and equipment	Special Plant and Machinery used in manufacture of pharmaceuticals and chemicals – 20 years Plant and Machinery other than continuous process plant not covered under specific – 15 year; Continuous process plant for which no special rate has been prescribed in Special Plant and Machinery – 8 Years
Computer	3 / 6 years

Vehicles	8 to 10 years
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	10 years
Software	3 to 10 years
Lease hold Land	30 to 99 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

i) Investments and other financial assets:

i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through statement of profit and loss); and
- those measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

ii) Initial measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

iii) Subsequent measurement – Debt instruments

Subsequent measurement of the debt instruments depend on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments in the following three categories:

- **Amortized cost**
  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not a part of the hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI)**
  Assets that are held for collection of contractual cash flows and for selling the financial assets where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (OCI). Movements in the carrying amount are taken through OCI, except for recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the statement of profit and loss. When financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains / losses. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through profit or loss (FVPL)**
  Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not a part of hedging relationship is recognized in the statement of profit and loss. Interest income from these financial assets is included in finance income.

iv) Subsequent measurement – Equity instruments

The Group subsequently measures all equity instruments at fair value. When the management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognized in the statement of profit and loss as other income when the Group's right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognized in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

v) The Group has accounted for its investments in subsidiaries at cost less impairment loss.

vi) Impairment of financial assets

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognized.

vii) Derecognition of financial assets

A financial asset is derecognized when the Group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. When the Group has transferred an asset, it evaluates whether it has transferred substantially all the risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Group has neither transferred a financial asset nor retains substantially all the risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset.

j) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method.

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Fair value measurement of financial instruments:

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), correlation and volatility.

Derivative financial instrument:

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

i) **Financial assets or financial liabilities, at fair value through profit or loss**:

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

k) Cash and cash equivalents:

Cash and cash equivalents comprise cash at bank, cash on hand and short term highly liquid investments with original maturities of three months or less that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

l) Inventories:

Items of inventories are valued lower of cost or estimated net realisable value as given below.

- **Raw Materials, Components and Packing Materials**: Raw Materials, Components and packing materials are valued at Lower of Cost or Net Realizable Value, (Cost is net of Excise duty and Value Added Tax, wherever applicable). However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on first in, first out (FIFO) method.
- **Finished Goods and Work in Progress**: Finished Goods and work in progress are valued at lower of cost and net realizable value. The cost is determined on FIFO basis and includes cost of materials, cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition. Excise duty is considered as cost for finished goods, wherever applicable.
- **Stores and Spares**: Stores and spare parts are valued at lower of purchase Costs are determined on FIFO method and net realisable value. Obsolete and slow-moving items are valued at cost or estimated net realizable value, whichever is lower.
- **Stock in Trade**: Stock in Trade is valued at lower of purchase cost and net realisable value.

m) Revenue recognition:

- The Group earns revenue primarily from sale of specialty chemicals, Pharma & Agro intermediates, Quaternary Compounds and Quats. The Group is primarily engaged in manufacturing and selling of specialty chemicals, Pharma & Agro intermediates, Quaternary Compounds and Quats.

- Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

  - Identify the contract(s) with a customer;
  - Identify the performance obligations;
  - Determine the transaction price;
  - Allocate the transaction price to the performance obligations;
  - Recognize revenue when or as an entity satisfies performance obligation.

- Revenue from contract with customers is recognized when the Group satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. The point at which control passes is determine based on the terms and condition by each customer agreements, but generally occurs on dispatch to the customer.

- Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST), where applicable. Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

- Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

- Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

- Claims and rebates receivables are accounted as and when settled.

- Interest income from a financial asset is recognized using the effective interest rate method when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

- Dividends are recognized in statement of profit and loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

- Incomes in respect of Duty Drawback in respect of exports made during the year are accounted on accrual basis

- Merchandise Exports from India Scheme (MEIS) income is recognized on accrual basis when considering the related expenses to the same profit or losses on transfer of licenses are accounted in year of the sales. Duty free imports of material under Advance License matched with the export made against the said licenses. Export benefits on account of export promotion schemes are accrued and accounted in the period of export and are included in other operating revenue. MEIS Scheme has been ended as on December 31, 2020 and replaced by the new scheme introduced by the Government of India i.e. Remission of Duties and Taxes on Exported Products (RoDTEP). Notification related to the final incentive rates is still awaited accordingly Company has recognized the MEIS incentive till December 31, 2020.

- Other incomes are recognized on accrual basis.

n) Employee benefits:

I. Defined Contribution Plans:

Contribution to retirement benefit plans in the form of provident fund, employee state insurance scheme, pension scheme and superannuation schemes as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Group has no further payment obligations once the contributions have been paid.

II. Defined Benefit Plans:

Defined benefit plan in the form of gratuity, are recognized on the basis of actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method or in compliance with the requirements of the domestic laws. Gratuity and leave encashment costs are included in employees' benefit expense in the statement of profit and loss.

The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability.

Gains and losses through remeasurement of the net defined benefit liability/ (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effects of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

The undiscounted amount of short-term employee benefits that are expected to be paid in exchange for services rendered by an employee is recognized during the period/year when the employee renders the services.

III. Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The said obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

o) Leases:

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition i.e. April 1, 2017.

Short-term leases and leases of low-value assets The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less, leases of low-value assets and cancellable leases. The Group recognises the lease payments associated with these leases as an expense in Profit and loss account.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

p) Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or where out of general borrowings, funds may have been used, the borrowing cost is calculated by applying weighted average cost of borrowing applicable to such general borrowing which is outstanding during the year, are capitalized up to the date by which qualifying assets are ready for its intended use and included in the carrying amount of such assets. All other borrowing costs are charged to statement of Profit and Loss.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

q) Transaction in foreign currencies:

- Foreign currency transactions are translated in to functional currency at the exchange rates prevailing on the date of such transactions. Foreign currency monetary assets and liabilities as at the balance sheet date are translated at the rates of exchange prevailing at the date of the balance sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement / translation of foreign currency monetary assets and liabilities are recognized in the statement of profit and loss in the year in which they are incurred. Non-monetary foreign currency items that are measured at fair value are translated using the exchange rates when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as a part of the fair value gain or loss.

- The Any profit or loss arising on cancellation, maturity or renewal of forward exchange contracts is recognized as income or expenses in the statement of profit and loss of the year and included in Exchange Difference.

- Gains and losses on account of foreign exchange fluctuation in respect of liabilities in foreign currencies specific to acquisition of property, plant and equipment in foreign currency are recognized as income and expense in profit and loss account.

r) Income tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

i) Current tax

The tax currently payable is based on estimated taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and revises the provisions, if so required where consider necessary.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to offset and intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

ii) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognized for all taxable temporary differences to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognized and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

Transaction or event which is recognized outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

iii) Minimum Alternate Tax (MAT)

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realized.

Current and deferred tax expense is recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

s) Provisions, contingent liabilities and contingent assets:

A provision is made when there is a present obligation (legal or constructive) as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are determined based on the present value of the management's best estimate of the amount required to settle the present obligation at the end of the reporting period. The discount rate used to determine present value is a pre-tax rate that reflects current market assessment of time value of money and the risks specific to the liability.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements.

t) Impairment of assets:

Financial assets:

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of profit and loss.

Non-financial assets:

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or change in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the statement of profit and loss for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of assets' fair value less costs of disposal and value in use.

If, at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

u) Accounting and reporting of information for Operating Segments:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Segment accounting policies are in line with the accounting policies of the Group.

v) Earnings per share:

Earnings per share are calculated by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

- After tax effect of interest and other financing costs associated with dilutive potential equity shares
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

w) Cash flow statement:

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
ii. Non-cash items such as depreciation, provisions, deferred taxes, unrealized foreign currency gains and losses, and undistributed profits of associates; and
iii. All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

x) Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss, Development expenditure of certain nature is capitalized when the criteria for recognizing an intangible asset are met. Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes.

y) Exceptional items

Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

z) Recent accounting pronouncements:

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2020:

- Definition of material - amendments to Ind AS 1 and Ind AS 8
- Definition of business - amendments to Ind AS 103
- Covid-19 related concessions - amendments to Ind AS 116
- Interest rate benchmark reform - amendments to Ind AS109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Principal Components of revenue and expenditure

Revenue

Our total revenue comprises (i) revenue from operations; and (ii) other income.

Revenue from operations

Revenue from operations comprise sale of products and other operating revenue. Our other operating revenue comprises (i) duty drawback received, (ii) FMS / MEIS / FPS credit received, and (iii) duty charges.

Other income

Other income includes, (i) interest income; (ii) government grant (Technology Upgradation Fund subsidy), (iii) interest on income tax refund, (iv) net gain on foreign currency transaction and unrealised gain on fair valuation of investments, (v) profit/(loss) on sale of fixed assets (net), (vi) discount on purchases received, (vii) import duty refund, (viii) freight on sale, (ix) insurance claims, (x) Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) subsidy, (xi) provision for doubtful debts written off, (xii) sundry creditors written off, (xiii) income tax refund and (xiv) miscellaneous income.

Expenses

Our expenses comprise (i) cost of materials consumed, (ii) purchases of stock-in-trade, (iii) changes in inventories of work-in-progress & finished goods, (iv) employee benefit expenses, (v) finance costs, (vi) depreciation and amortization expense and (vii) other expenses.

Cost of materials consumed

Cost of materials consumed include cost of raw materials, components and purchase expenses.

Purchases of stock-in-trade

Purchases of stock-in-trade include purchase of chemicals and direct expenses.

Changes in inventories of work-in-progress & finished goods

Changes in inventories of work-in-progress and finished goods comprises increase or decrease in inventory levels of finished goods and work in progress / semi-finished goods.

Employee benefits expense

Employee benefits expense comprises (i) salaries, wages, and bonus; (ii) gratuity; (iii) contribution to statutory funds; and (iv) staff welfare expenses.

Finance costs

Finance costs comprises (i) interest expenses on borrowings to banks and to others, and late payment of statutory dues; and (ii) other borrowing costs which include letter of credit opening charges and loan processing charges.

Depreciation and amortisation expense

Depreciation and amortisation expense comprises (i) depreciation on property, plant and equipment; (ii) amortisation of right of use assets; and (ii) amortisation of other intangible assets.

Other expenses

Other expenses primarily includes, (i) consumable, store and spare; (ii) research and development chemical and consumable expense; (iii) electricity, power and fuel; (iv) rent; (v) repairs and maintenance of buildings, plant and equipment and others; (vi) insurance; (vii) payments to auditors; (viii) effluent treatment expenses; (ix) labour and service charges; (x) laboratory expenses; (xi) packing expenses; (xii) security and safety expense; (xiii) printing and stationery charges; (xiv) legal and professional fees; (xv) rates and taxes; (xvi) membership fees and subscription expenses; (xvii) postage and telephone charges; (xviii) bank commission and other charges; (xix) travelling and conveyance expenses; (xx) selling and business promotion expenses; (xxi) freight clearing and forwarding expenses; (xxii) commission and brokerage; (xxiii) bad debts written off; (xxiv) provision for doubtful debts; (xxv) donation/ CSR expenditure; (xxvi) net loss on foreign currency transaction; (xvii) loss on sale of assets; (xxviii) loss on sale of mutual fund; (xxix) sundry balances written; and (xxx) miscellaneous expenses.
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Results of Operations

The following table sets forth certain information with respect to our results of operations, on a consolidated basis, for the years indicated :

Particulars	Fiscal 2019		Fiscal 2020		Fiscal 2021	
	₹ in million	% of total revenue	₹ in million	% of total revenue	₹ in million	% of total revenue
Revenue from operations	2,063.07	99.76	2,632.39	99.48	3,003.59	98.06
Other income	4.94	0.24	13.83	0.52	59.33	1.94
Total revenue	2,068.01	100.00	2,646.22	100.00	3,062.92	100
Expenses						
Cost of materials consumed	1,182.92	57.20	1,461.59	55.23	1,509.12	49.27
Purchases of stock-in-trade	2.75	0.13	24.51	0.93	25.37	0.83
Changes In Inventories of WIP & Finished Goods	(43.26)	(2.09)	(158.43)	(5.99)	(40.57)	(1.32)
Employee Benefit Expenses	163.13	7.89	205.29	7.76	241.31	7.88
Finance costs	36.34	1.76	39.45	1.49	42.07	1.37
Depreciation and amortization expense	40.18	1.94	47.93	1.81	67.32	2.20
Other expenses	419.51	20.29	549.91	20.78	611.34	19.95
Total expenses	1801.57	87.12	2170.25	82.01	2,455.96	80.18
Profit/(Loss) before exceptional and tax	266.44	12.88	475.97	17.99	606.96	19.82
Exceptional, Non-recurring items	(7.49)	(0.36)	0.00	0.00	-	-
Profit / (loss) before tax	273.93	13.25	475.97	17.99	606.96	19.82
Tax expense						
Current tax	52.84	2.56	79.97	3.02	108.11	3.53
Deferred tax	16.94	0.82	11.47	0.43	(23.77)	(0.77)
Tax for earlier years	(1.28)	(0.06)	6.64	0.25	-	-
Profit/(Loss) after tax	205.43	9.93	377.89	14.28	522.62	17.06
Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
Remeasurement gain/(loss) of defined benefit plan obligations	(0.50)	(0.02)	(2.13)	(0.08)	2.07	0.07
Income tax relating to items that will not be reclassified to profit or loss	0.15	0.01	0.62	0.02	(0.60)	(0.02)
Total Other Comprehensive Income	(0.35)	(0.02)	(1.51)	(0.06)	1.47	0.05
Total Comprehensive Income	205.08	9.92	376.38	14.22	524.09	17.11
Net profit for the year attributable to						
Owners of the Company	205.43	9.93	377.89	14.28	522.62	17.06
Non-controlling interests	0.00	0.00	0.00	0.00	0.00	0.00
Total comprehensive income attributable to						
Owners of the Company	205.08	9.92	376.38	14.22	524.09	17.11
Non-controlling interests	0.00	0.00	0.00	0.00	0.00	0.00
Earnings per equity share						
Basic	10.23		18.81		26.02	

Particulars	Fiscal 2019		Fiscal 2020		Fiscal 2021	
	₹ in million	**% of total revenue**	**₹ in million**	**% of total revenue**	**₹ in million**	**% of total revenue**
Diluted	10.23		18.81		26.02	

FISCAL 2021 COMPARED WITH FISCAL 2020

Set forth below is a discussion of our results of operations in Fiscal 2020 as compared with Fiscal 2021.

Revenue

Our total revenue increased by ₹ 416.70 million, or 15.75% from ₹ 2,646.22 million in Fiscal 2020 to ₹ 3,062.92 million in Fiscal 2021.

Revenue from operations

Revenue from operations increased by ₹ 371.20 million or 14.10%, from ₹ 2,632.39 million in Fiscal 2020 to ₹ 3,003.59 million in Fiscal 2021. This was primarily attributable to the increase in export sales from ₹ 2,020.20 million in Fiscal 2020 to ₹ 2,127.41 million in Fiscal 2021 and domestic sales from ₹ 556.65 million in Fiscal 2020 to ₹ 841.16 million in Fiscal 2021, This was further driven by increase in sale of SDAs from ₹ 1,016.54 million in Fiscal 2020 to ₹ 1,202.43 million in Fiscal 2021 and increase in sale of PASCs from ₹ 764.91 million in Fiscal 2020 to ₹ 912.18 million in Fiscal 2021. This was partially offset by decrease in other operating revenue from ₹ 55.54 million in Fiscal 2020 to ₹ 35.02 million in Fiscal 2021.

Other income

Our other income increased by ₹ 45.50 million or 328.99%, from ₹ 13.83 million in Fiscal 2020 to ₹ 59.33 million in Fiscal 2021. This was primarily on account of increase in our gain on foreign currency transaction and translation from NIL in Fiscal 2020 to ₹ 45.21 million in Fiscal 2021.

Expenses

Our total expenses increased by ₹ 285.71 million, or 13.16% from ₹ 2,170.25 million in Fiscal 2020 to ₹ 2,455.96 million in Fiscal 2021. This was primarily due to an increase in cost of materials consumed, purchases of stock-in-trade, changes in inventory of work-in-progress and finished goods, employee benefits expense, finance costs, depreciation and amortisation expense and other expenses.

Cost of materials consumed

Cost of materials consumed increased by ₹ 47.53 million, or 3.25% from ₹ 1,461.59 million in Fiscal 2020 to ₹ 1,509.12 million in Fiscal 2021.

Purchases of stock-in-trade

Purchases of stock-in-trade increased by ₹ 0.86 million, or 3.51% from ₹ 24.51 million in Fiscal 2020 to ₹ 25.37 million in Fiscal 2021.

Changes in inventories of work-in-progress and finished goods

Changes in inventories of work-in-progress and finished goods changed from ₹ (158.43) million in Fiscal 2020 to ₹ (40.57) million in Fiscal 2021. This was primarily due to increase in level of work-in-progress inventory and finished goods.

Employee benefits expense

Employee benefits expense increased by ₹ 36.02 million or 17.55%, from ₹ 205.29 million in Fiscal 2020 to ₹ 241.31 million in Fiscal 2021. This was due to increase in salaries, wages and bonus from ₹ 186.52 million in Fiscal 2020 to ₹ 221.47 million in Fiscal 2021, which was partially attributable to increase in the number of our employees), gratuity from ₹ 1.42 million in Fiscal 2020 to ₹ 3.11 million in Fiscal 2021, and contribution to statutory funds from ₹ 8.62 million in Fiscal 2020 to ₹ 10.27 million in Fiscal 2021. This was partially offset by decrease in staff welfare expenses from ₹ 8.73 million in Fiscal 2020 to ₹ 6.46 million in Fiscal 2021.

Finance costs

Finance costs increased by ₹ 2.62 million or 6.64%, from ₹ 39.45 million in Fiscal 2020 to ₹ 42.07 million in

Fiscal 2021. This was due to increase in interest expenses from ₹ 37.52 million in Fiscal 2020 to ₹ 39.85 million in Fiscal 2021, and other borrowing costs from ₹ 1.93 million in Fiscal 2020 to ₹ 2.22 million in Fiscal 2021. Our total borrowings as of March 31, 2021 and March 31, 2020 were ₹ 902.48 million and ₹ 906.89 million respectively.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by ₹ 19.39 million or 40.45%, from ₹ 47.93 million in Fiscal 2020 to ₹ 67.32 million in Fiscal 2021. This was primarily due to increase in depreciation of property, plant and equipment from ₹ 44.98 million in Fiscal 2020 to ₹ 64.56 million in Fiscal 2021. Our net assets as of March 31, 2021 and March 31, 2020 were ₹ 1,302.57 million and ₹ 1,160.72 million and respectively.

Other expenses

Our other expenses increased by ₹ 61.43 million or 11.17%, from ₹ 549.91 million in Fiscal 2020 to ₹ 611.34 million in Fiscal 2021. This was primarily due to increase in (i) consumable, store and spare from ₹ 56.73 million in Fiscal 2020 to ₹ 60.74 million in Fiscal 2021, (ii) electricity, power and fuel from ₹ 89.64 million in Fiscal 2020 to ₹ 99.21 million in Fiscal 2021, (iii) effluent treatment expenses from ₹ 35.43 million in Fiscal 2020 to ₹ 42.04 million in Fiscal 2021, (iv) labour and service charges from ₹ 38.77 million in Fiscal 2020 to ₹ 66.75 million in Fiscal 2021, and (v) freight clearing and forwarding expenses from ₹ 71.11 million in Fiscal 2020 to ₹ 94.41 million in Fiscal 2021.

This was partially offset by decrease in (i) net loss on foreign currency transaction and translation from ₹ 21.97 million in Fiscal 2020 to ₹ 7.33 million in Fiscal 2021, (ii) travelling and conveyance expenses from ₹ 17.54 million in Fiscal 2020 to ₹ 11.21 million in Fiscal 2021, and (iii) legal and professional fees from ₹ 17.78 million in Fiscal 2020 to ₹ 11.76 million in Fiscal 2021.

Profit before tax

For the reasons discussed above, our profit before tax increased by ₹ 130.99 million or 27.52%, from ₹ 475.97 million in Fiscal 2020 to ₹ 606.96 million in Fiscal 2021.

Tax expenses

Our total tax expenses decreased by ₹ 13.74 million or 14.01%, from ₹ 98.08 million in Fiscal 2020 to ₹ 84.34 million in Fiscal 2021. This was due to a decrease in the deferred tax from ₹ 11.47 million in Fiscal 2020 to ₹ (23.77) million in Fiscal 2021, which was partially offset by an increase in current tax from ₹ 79.97 million in Fiscal 2020 to ₹ 108.11 million in Fiscal 2021. Our effective tax rate for Fiscal 2021 and Fiscal 2020 was 29.12%.

Profit after tax

For the reasons discussed above, our profit after tax increased by ₹ 144.73 million or 38.30%, from ₹ 377.89 million in Fiscal 2020 to ₹ 522.62 million in Fiscal 2021.

Total comprehensive income for the year

Our total comprehensive income for the year increased by ₹ 147.71 million or 39.24%, from ₹ 376.38 million in Fiscal 2020 to ₹ 524.09 million in Fiscal 2021.

FISCAL 2020 COMPARED WITH FISCAL 2019

Set forth below is a discussion of our results of operations in Fiscal 2019 as compared with Fiscal 2020.

Revenue

Our total revenue increased by ₹ 578.21 million, or 27.96% from ₹ 2,068.01 million in Fiscal 2019 to ₹ 2,646.22 million in Fiscal 2020.

Revenue from operations

Revenue from operations increased by ₹ 569.32 million or 27.60%, from ₹ 2,063.07 million in Fiscal 2019 to ₹ 2,632.39 million in Fiscal 2020. This was primarily attributable to the increase in export sales from ₹ 1435.19 million in Fiscal 2019 to ₹ 2020.20 million in Fiscal 2020, which was further driven by increase in sale of SDAs from ₹ 253.83 million in Fiscal 2019 to ₹ 1,016.54 million in Fiscal 2020. This was partially offset by decrease in domestic sales from ₹ 589.30 million in Fiscal 2019 to ₹ 556.65 million in Fiscal 2020.

Other income

Our other income increased by ₹ 8.89 million or 179.96%, from ₹ 4.94 million in Fiscal 2019 to ₹ 13.83 million in Fiscal 2020. This was primarily on account of increase in interest income from ₹ 2.71 million in Fiscal 2019 to ₹ 5.17 million in Fiscal 2020, and freight on sales from ₹ 0.15 million in Fiscal 2019 to ₹ 8.19 million in Fiscal 2020.

Expenses

Our total expenses increased by ₹ 368.68 million, or 20.46% from ₹ 1,801.57 million in Fiscal 2019 to ₹ 2,170.25 million in Fiscal 2020. This was primarily due to an increase in cost of materials consumed, purchases of stock-in-trade, employee benefits expense, finance costs, depreciation and amortisation expense and other expenses.

Cost of materials consumed

Cost of materials consumed increased by ₹ 278.67 million, or 23.56% from ₹ 1,182.92 million in Fiscal 2019 to ₹ 1,461.59 million in Fiscal 2020.

Purchases of stock-in-trade

Purchases of stock-in-trade increased by ₹ 21.76 million, or 791.27% from ₹ 2.75 million in Fiscal 2019 to ₹ 24.51 million in Fiscal 2020.

Changes in inventories of work-in-progress and finished goods

Changes in inventories of work-in-progress and finished goods changed from ₹ (43.26) million in Fiscal 2019 to ₹ (158.43) million in Fiscal 2020. This was primarily due to increase in level of work-in-progress inventory.

Employee benefits expense

Employee benefits expense increased by ₹ 42.16 million or 25.84%, from ₹ 163.13 million in Fiscal 2019 to ₹ 205.29 million in Fiscal 2020. This was due to increase in salaries, wages and bonus from ₹ 150.66 million in Fiscal 2019 to ₹ 186.52 million in Fiscal 2020 (which was partially attributable to increase in the number of our employees), gratuity from ₹ 1.07 million in Fiscal 2019 to ₹ 1.42 million in Fiscal 2020, contribution to statutory funds from ₹ 5.93 million in Fiscal 2019 to ₹ 8.62 million in Fiscal 2020, and staff welfare expenses from ₹ 5.47 million in Fiscal 2019 to ₹ 8.73 million in Fiscal 2020.

Finance costs

Finance costs increased by ₹ 3.11 million or 8.56%, from ₹ 36.34 million in Fiscal 2019 to ₹ 39.45 million in Fiscal 2020. This was due to increase in interest expenses from ₹ 32.98 million in Fiscal 2019 to ₹ 37.52 million in Fiscal 2020, and other borrowing costs from ₹ 3.36 million in Fiscal 2019 to ₹ 1.93 million in Fiscal 2020. Our total borrowings as of March 31, 2020 and March 31, 2019 were ₹ 906.89 million and ₹ 771.48 million respectively.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by ₹ 7.75 million or 19.29%, from ₹ 40.18 million in Fiscal 2019 to ₹ 47.93 million in Fiscal 2020. This was due to increase in depreciation of property, plant and equipment from ₹ 37.25 million in Fiscal 2019 to ₹ 44.98 million in Fiscal 2020, amortisation of intangible assets from ₹ 0.74 million in Fiscal 2019 to ₹ 0.76 million in Fiscal 2020. Our net assets as of March 31, 2020 and March 31, 2019 were ₹ 1,176.94 million and ₹ 797.00 million and respectively.

Other expenses

Our other expenses increased by ₹ 130.40 million or 31.08%, from ₹ 419.51 million in Fiscal 2019 to ₹ 549.91 million in Fiscal 2020. This was primarily due to increase in (i) consumable, store and spare from ₹ 20.60 million in Fiscal 2019 to ₹ 56.73 million in Fiscal 2020, (ii) research and development chemical and consumable expense from ₹ 1.99 million in Fiscal 2019 to ₹ 10.14 million in Fiscal 2020, (iii) electricity, power and fuel from ₹ 62.52 million in Fiscal 2019 to ₹ 89.64 million in Fiscal 2020, (iv) effluent treatment expenses from ₹ 13.84 million in Fiscal 2019 to ₹ 35.43 million in Fiscal 2020, and (v) labour and service charges from ₹ 17.30 million in Fiscal 2019 to ₹ 38.77 million in Fiscal 2020.

This was partially offset by decrease in membership fees and subscription expenses from ₹ 1.63 million in Fiscal 2019 to ₹ 0.85 million in Fiscal 2020 and legal and professional fees from ₹ 35.80 million in Fiscal 2019 to ₹ 17.90 million in Fiscal 2020.

Profit before tax

For the reasons discussed above, our profit before tax increased by ₹ 202.04 million or 73.76%, from ₹ 273.93 million in Fiscal 2019 to ₹ 475.97 million in Fiscal 2020.

Tax expenses

Our total tax expenses increased by ₹ 29.58 million or 43.18%, from ₹ 68.50 million in Fiscal 2019 to ₹ 98.08 million in Fiscal 2020. This was due to an increase in current tax from ₹ 52.84 million in Fiscal 2019 to ₹ 79.97 million in Fiscal 2020, deferred tax from ₹ 16.94 million in Fiscal 2019 to ₹ 21.85 million in Fiscal 2020 and tax for earlier years from ₹ (1.28) million in Fiscal 2019 to ₹ 6.64 million in Fiscal 2020, which was partially offset by MAT credit of ₹ 10.38 million in Fiscal 2020. Our effective tax rate for Fiscal 2020 and Fiscal 2019 was 29.12%.

Profit after tax

For the reasons discussed above, our profit after tax increased by ₹ 172.46 million or 83.95%, from ₹ 205.43 million in Fiscal 2019 to ₹ 377.89 million in Fiscal 2020.

Total comprehensive income for the year

Our total comprehensive income for the year increased by ₹ 171.30 million or 83.53%, from ₹ 205.08 million in Fiscal 2019 to ₹ 376.38 million in Fiscal 2020.

Liquidity and Capital Resources

We fund our operations primarily with cash flow from operating activities and borrowings under term loan and working capital facilities from banks and financial institutions. We evaluate our funding requirements regularly in light of our cash flow from our operating activities and market conditions. To the extent we do not generate sufficient cash flow from operating activities, we may rely on debt financing activities, subject to market conditions.

Cash Flows

As of Fiscal 2021, 2020, and 2019, we had consolidated cash and cash equivalents of ₹ 53.41 million, ₹ 108.29 million, and ₹ 157.45 million, respectively. The following table sets forth certain information relating to our cash flows in the Fiscals indicated below:

(in ₹ million)

Particulars	Fiscal		
	2019	2020	2021
Net cash flow (used in) / from operating activities	73.56	253.12	243.19
Net cash flow (used in) investing activities	(167.70)	(401.80)	(210.06)
Net cash flows from / (used in) financing activities	173.99	99.52	(88.01)
Net increase / (decrease) in cash and cash equivalents	79.85	(49.16)	(54.88)
Cash and cash equivalents at the beginning of the year	77.60	157.45	108.29
Cash and cash equivalents at the end of the year	157.45	108.29	53.41

Operating Activities

Fiscal 2021

Cash generated from operations after tax was ₹ 243.19 million in Fiscal 2021. Profit before tax was ₹ 606.96 million in Fiscal 2021. Adjustments for non cash and non-operating items primarily consisted of depreciation and amortization expenses of ₹ 67.32 million, balance written off of ₹ 0.22 million, provision for doubtful debts of ₹ 1.59 million, loss on sale of asset/scrap of assets of ₹ 0.34 million, interest income of ₹ 3.04 million, interest expense of ₹ 38.56 million, other borrowing costs of ₹ 2.22 million and translation reserve of ₹ 3.55 million, which was partially offset by translation reserve of ₹ 4.76 million. Our operating profit before working capital changes was ₹ 719.04 million in Fiscal 2021. The changes in working capital in Fiscal 2021, included increase in trade and other payables of ₹ 158.64 million, increase in other financial liabilities and other liabilities of ₹ 40.10 million and increase in provision of ₹ 1.95 million. This was offset by increase in inventory of ₹ 84.63 million, increase in other financial assets and other assets of ₹ 80.49 million, and increase in trade and other receivables of ₹ 413.33 million. Cash generated from operations in Fiscal 2021 amounted to ₹ 341.28 million. Taxes paid amounted to ₹ 98.09 million.

Fiscal 2020

Cash generated from operations after tax was ₹ 253.12 million in Fiscal 2020. Profit before tax was ₹ 475.97 million in Fiscal 2020. Adjustments for non cash and non-operating items primarily consisted of depreciation and amortization expenses of ₹ 47.93 million, balance written off of ₹ 0.48 million, loss on sale of asset/scrap of assets of ₹ 0.31 million, interest expense of ₹ 36.57 million, other borrowing costs of ₹ 1.93 million and translation reserve of ₹ 3.55 million, which was partially offset by interest income of ₹ 5.17 million and provision for doubtful debts of ₹ 0.01 million. Our operating profit before working capital changes was ₹ 561.56 million in Fiscal 2020. The changes in working capital in Fiscal 2020, included increase in trade and other payables of ₹ 94.77 million, decrease in other financial assets and other assets of ₹ 52.95 million, and increase in provision of ₹ 1.37 million. This was offset by increase in inventory of ₹ 279.64 million, decrease in other financial liabilities and other liabilities of ₹ 12.76 million, and increase in trade and other receivables of ₹ 83.13 million. Cash generated from operations in Fiscal 2020 amounted to ₹ 335.12 million. Taxes paid amounted to ₹ 82.00 million.

Fiscal 2019

Cash generated from operations after tax was ₹ 73.56 million in Fiscal 2019. Profit before tax was ₹ 273.93 million in Fiscal 2019. Adjustments for non cash and non-operating items primarily consisted of depreciation and amortization expenses of ₹ 40.18 million, bad debts written off of ₹ 0.30 million, provision for doubtful debts of ₹ 0.68 million, unrealized gain on fair valuation of investments of ₹ 0.02 million, interest expense of ₹ 32.66 million, other borrowing costs of ₹ 3.36 million and translation reserve of ₹ 0.80 million, which was partially offset by interest income of ₹ 2.14 million, balance written back of ₹ 0.12 million, and profit on sale of asset/scrap of assets of ₹ 0.02 million. Our operating profit before working capital changes was ₹ 349.65 million in Fiscal 2019. The changes in working capital in Fiscal 2019, included decrease in trade and other payables of ₹ 25.68 million, increase in other financial liabilities and other liabilities of ₹ 28.75 million, and increase in provision of ₹ 1.97 million. This was offset by increase in inventory of ₹ 67.72 million, increase in other financial assets and other assets of ₹ 28.75 million and increase in trade and other receivables of ₹ 125.16 million. Cash generated from operations in Fiscal 2019 amounted to ₹ 133.06 million. Taxes paid amounted to ₹ 59.50 million.

Investing Activities

Fiscal 2021

Cash used in investing activities in Fiscal 2021 was ₹ 210.06 million. This was on account of purchase of property, plant and equipment of ₹ 209.70 million and interest income of ₹ (3.04) million. This was partially offset on account of sale of property, plant and equipment of ₹ 0.19 million and Maturity of fixed deposit of ₹ 2.49 million.

Fiscal 2020

Cash used in investing activities in Fiscal 2020 was ₹ 401.80 million. This was on account of purchase of property, plant and equipment of ₹ 481.72 million. This was partially offset by proceeds from sale of property, plant and equipment of ₹ 0.27 million, sale of fixed deposit of ₹ 74.48 million and interest income of ₹ 5.17 million

Fiscal 2019

Cash used in investing activities in Fiscal 2019 was ₹ 167.70 million. This was on account of purchase of property, plant and equipment of ₹ 97.86 million, and purchase of fixed deposit of ₹ 77.34 million. This was offset by proceeds from sale of property, plant and equipment of ₹ 0.05 million, sale of current investments of ₹ 5.31 million, and interest income of ₹ 2.14 million.

Financing Activities

Fiscal 2021

Cash used in financing activities in Fiscal 2021 was ₹ 88.01 million. This was on account of dividend payment of ₹ 40.18 million, repayment of long term borrowings of ₹ 183.99 million, increase in loan to employees of ₹ 0.21 million, interest expense of ₹ 40.99 million, and other borrowing cost of ₹ 2.22 million. This was partially offset by proceeds from long term borrowings of ₹ 91.53 million, and increase in short term borrowings of ₹ 88.05 million.

Fiscal 2020

Cash generated from financing activities in Fiscal 2020 was ₹ 99.52 million. This was on account of proceeds from long term borrowings of ₹ 216.76 million, and increase in short term borrowings of ₹ 5.80 million. This was partially offset by repayment of long term borrowings of ₹ 87.15 million, decrease in loan to employees of ₹ 0.46 million, interest expense of ₹ 33.50 million, and other borrowing cost of ₹ 1.93 million.

Fiscal 2019

Cash generated from financing activities in Fiscal 2019 was ₹ 173.99 million. This was on account of proceeds from long term borrowings of ₹ 195.81 million, and increase in short term borrowings of ₹ 80.49 million. This was partially offset by repayment of long term borrowings of ₹ 66.29 million, decrease in loan to employees of ₹ 0.02 million, interest expense of ₹ 32.64 million, and other borrowing cost of ₹ 3.36 million.

Capital Expenditure

In Fiscals 2021, 2020, and 2019, our capital expenditure was ₹ 209.70 million, ₹ 481.72 million, and ₹ 97.86 million, respectively. The following table sets forth additions to property, plant and equipment by category of expenditure, for the Fiscals indicated below:

(₹ million)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Building	25.79	127.06	48.74
Plant and Machineries	82.17	307.05	65.35
Electrical Installation	6.26	46.49	10.46
Office Equipments	3.81	3.25	3.41
Furniture and Fixtures	1.47	5.79	6.01
Vehicles	36.49	0.58	0.06
Computer Hardware	2.53	2.38	2.09
Computer Software	0.32	0.58	0.84
Technical Know-how	0.00	0.00	0.00
Increase/(Decrease) in Capital WIP	49.19	(11.46)	(40.00)
Purchase of Leasehold land	1.67	0.00	0.00
Total	209.70	481.72	97.86

Indebtedness

The following table sets forth certain information relating to our outstanding indebtedness as of June 30, 2021, and our repayment obligations in the periods indicated :

(₹ million)

Particulars	Outstanding amount as of June 30, 2021
Long term borrowings	
Secured	378.02
Unsecured	-
Total long term borrowings	**378.02**

Particulars	Outstanding amount as of June 30, 2021
Short Term Borrowings	
Secured	641.20
Unsecured	-
Total Short Term Borrowings	**641.20**

For further details regarding our indebtedness, see "*Financial Indebtedness*" and "*Financial Statements*" on pages 283 and 198**,** respectively.

Contingent Liabilities, Commitments and Other Off-balance Sheet Arrangements

Contingent Liabilities

As of March 31, 2021, our contingent liabilities, on a consolidated basis that have not been provided for were as follows:

Particulars	Amount (₹ in million)
Payment of excess refund on zero rated supplies Under GST	0.61
Guarantees excluding financial guarantees	0.20
Interest Payable on IGST Paid Under Advance Authorisation	4.53
Total	5.34

Particulars	Amount (USD in million)
Letter of Credits are secured against the pledge of fixed deposits with the banks under lien	0.34
Total	**0.34**

Commitments

The amount of capital commitments that are estimated as of March 31, 2021, March 31, 2020, and March 31, 2019 was ₹ 35.75 million, ₹ 20.00 million, and ₹ 383.80 million, respectively. For further information on our contingent liabilities and commitments, see "*Financial Statements*" on page 198.

Off Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions, see "*Financial Statements*" on page 198.

Changes in Accounting Policies

Other than as required for the preparation of our Restated Consolidated Financial Statements, there have been no changes in our accounting policies during Fiscals 2019, 2020, and 2021.

Quantitative and qualitative analysis of financial risks

In the course of business, amongst others, our Company is exposed to several financial risks arising from our underlying operations and finance activities. Our Company is primarily exposed to market risk (i.e. interest rate and foreign currency risk), credit risk and liquidity risk.

Market risk

Our Company is exposed to the market risk arising out of the fluctuations in fair value of future cash flows of a financial instrument because of changes in market prices. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. Our Company enters into the derivative contracts as approved by the Board to manage our exposure to interest rate risk and foreign currency risk, from time to time. Market risk comprises three types of risks: foreign currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. Details of the foreign currency risk and interest rate risk are set forth below:

Foreign currency risk:

Our Company is exposed to the foreign currency risk arising out of fluctuations in the fair value or future cash flows of an exposure because of changes in foreign exchange rates. Foreign currency risk in our Company is attributable to our Company's operating activities and financing activities. In the operating activities, our Company's exchange rate risk primarily arises when revenue/costs are generated in a currency that is different from the reporting currency.

Interest rate risk:

Our Company is exposed to the interest rate risk arises from movements in interest rates which could have effects on our Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest bearing assets and liabilities. Our Company's exposure to the risk of changes in market interest rates relates primarily to our Company's long-term debt obligations with floating interest rates.

Credit risk

Our Company is exposed to the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Our Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. To manage trade receivables, our Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and ageing of such receivables.

Liquidity risk

Our Company is exposed to the risk of non-availability of financial facilities available to our Company to meet its financial obligations. Our Company seeks to maintain a balance between continuity of funding and flexibility using money market instruments, bank overdrafts, bank loans and other types of facilities. Our Company assesses the concentration of risk with respect to refinancing its debt, guarantee given, and funding of its capital expenditure needs of the future.

Commodity price risk

Commodity prices, especially prices for certain our raw materials, have a significant impact on our results of operations. Commodity prices are influenced by changes in global economic conditions, related industry cycles, demand-supply dynamics and attempts by individual producers to capture market share. In addition to market fluctuations, our average selling prices can be affected by contractual arrangements.

Unusual or Infrequent Events or Transactions

Except as described in "*Risk Factors*" and "*Our Business*", on pages 24 and 151, respectively, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been impacted and we expect will continue to be impacted by the trends identified above under "*Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 254 and 24, respectively. To our knowledge, except as described in this Prospectus, there are no known factors, which are expected to have a material adverse impact on our revenues or income from continuing operations.

Significant economic changes that materially affected or are likely to affect income from operations

Other than as described in this chapter, the chapters "*Our Business*" and "*Industry Overview*" on pages 151 and 106 respectively and the section "*Risk Factors*" on page 24, there have been no significant economic changes that materially affected or are likely to affect our income from operations.

Material Increase in Revenue from Contracts with Customers or Other Revenue

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "*Significant Factors Affecting Our Results of Operations*" and the uncertainties described in the section "*Risk Factors*" on pages 254 and 24, respectively. To our knowledge, except as disclosed in this Prospectus, there are no known factors which we expect to have a material adverse impact on revenue from operations or other income.

Future Relationships between Costs and Income

Other than as described elsewhere in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 24, 151 and 252, respectively, to our knowledge there are no known factors that will affect the future relationship between cost and revenue.

New Products or New Business Segments

Except as set out in this Prospectus, we have not announced and do not expect to announce in the near future any new products or new business segments.

Competitive Conditions

For a description of the competitive conditions in which we operate, see "*Our Business—Competition*" and "*Industry Overview*" respectively on pages 165 and 106, respectively.

Seasonality of Business

Our business is not seasonal in nature.

Significant dependence on a single or few Customers or Suppliers

Other than as described in this Prospectus, particularly in the section "*Risk Factors*" on page 24, respectively, to our knowledge, there is no significant dependence on a single or few customers or suppliers, including on our foreign customers and suppliers.

Significant Developments after March 31, 2021 that may affect our Future Results of Operations

Except as otherwise as set out in this Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Prospectus which have materially or adversely affected or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Our Company avails loans and bank facilities in the ordinary course of its business for meeting its working capital and business requirements. For details of the borrowing powers of our Board, see "*Our Management – Borrowing Powers*" on page 178.

Our Company has obtained the necessary consents required under the relevant financing documentation for undertaking the Offer**.**

The details of our indebtedness (on a consolidated basis) as on June 30, 2021 is provided below:

(in ₹ million, unless stated otherwise)

Category of borrowing	Sanctioned amount	Outstanding amount
Borrowings of our Company		
Secured		
Foreign currency term loan	387.50	347.33
Working capital facilities	1,125.00	641.20
Vehicle loan	33.00	30.69
Total consolidated borrowings	**1,545.50**	**1,019.22**

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 financing documentation executed by us in relation to our indebtedness.

1. ***Interest:*** In terms of the facilities availed by us, the interest rate is typically the base rate of a specified lender and spread per annum. The spreads are different for different facilities.

   The interest rates for the facilities availed by our Company in foreign and domestic currencies respectively typically range as under:

   - Domestic currency denominated loans (including vehicle loan): 7.46% to 11.50%
   - Foreign currency term denominated loans: 5.50% to 6.40%

2. ***Penal interest***: The terms of certain financing facilities availed by us prescribe penalties for non-compliance of certain obligations by us. These include, *inter alia*, breach of financial covenants, non-compliance of terms pertaining to security creation, irregularity / overdrawing in the account *etc*. Further, the default interest payable on the facilities availed by us typically ranges from to 1.00% to 18.00% per annum.

3. ***Pre-payment penalty:*** The terms of facilities availed by us typically have prepayment provisions which allow for pre-payment of the outstanding loan amount on giving notice to the concerned lender, subject to such prepayment penalties as laid down in the facility agreements. The prepayment premium for the facilities availed by us, where specified, is typically 0.25% to 4.00% of the sanctioned amount or principal outstanding whichever is higher at the discretion of the lender.

4. ***Validity / tenor:*** The working capital facilities availed by us are available for a period of 12 months, subject to periodic review by the relevant lender. The tenor of the term loans availed by us are typically for a tenor of five years.

5. ***Security:*** In terms of our secured borrowings, we are required to *inter alia*:

   (a) create charge over: (i) our present and future current assets; and (ii) all of our movable and immovable fixed assets;
   (b) furnish guarantees from our Promoters, Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani; and
   (c) furnish a non-disposal undertaking from our Promoters, Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani.

6. ***Repayment:*** The working capital facilities are typically repayable on demand. The term loans are typically repayable in structured instalments.

7. ***Key covenants:*** Certain of our borrowing arrangements provide for covenants restricting certain corporate actions and we are required to take the prior approval of the relevant lender before undertaking such corporate actions, such as:

   (g) effecting any change in shareholding of, or voting rights exercisable by, Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, and Shekhar Rasiklal Somani, below pre-determined levels;
   (h) effecting any change in equity, management, and operating structure of our Company;
   (i) undertaking any new project or diversification, modernisation, or substantial expansion of a project;
   (j) engage in business or activities other than those which our Company is currently engaged in;
   (k) contracting, creating, incurring, assuming, or suffering further indebtedness; and
   (l) creating of subsidiaries or permitting other companies / entities to become subsidiaries of our Company.

8. ***Events of default:*** Borrowing arrangements entered into by us, contain standard events of default, including, among others:

   (a) default in payment of interest or instalment amount due;
   (b) non-compliance of financial covenants;
   (c) any default under any other facility from any bank or financial institution;
   (d) misleading information and representations furnished by our Company at the time of making the credit application;
   (e) inadequate security or insurance; and
   (f) cessation or change in business.

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding (i) criminal proceedings, (ii) actions by statutory or regulatory authorities, (iii) claims for any direct or indirect tax liabilities; or (iv) other pending litigation as have been determined to be material pursuant to the Materiality Policy (as disclosed herein below), involving our Company, Directors, Promoters or Subsidiaries.

In relation to (iv) above, our Board in its meeting held on March 13, 2021, has considered and adopted the Materiality Policy, inter alia, for identification of material litigation. In terms of the Materiality Policy, any outstanding litigation or arbitration proceeding:

a) involving our Company, our Subsidiaries, our Promoters and / or our Directors, in which the aggregate monetary claim made by or against our Company, our Subsidiaries, our Promoters and / or our Directors (individually or in the aggregate) is in excess of 1.00% of our consolidated profit after tax, derived from the Restated Consolidated Financial Statements for the Fiscal ended March 31, 2021, would be considered as material. The total restated profit after tax for the year, on a consolidated basis, of our Company for the Fiscal 2021 is ₹ 522.62 million, and accordingly, all litigation involving our Company, our Subsidiaries, our Promoters and / or our Directors, in which the amount involved exceeds ₹ 5.23 million have been considered as material, if any; and

b) involving our Company, our Subsidiaries, our Directors and our Promoters, wherein the monetary liability is not quantifiable or which does not fulfil the thresholds specified in (a) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company, has been considered as material.

Further, except as disclosed in this section, there are no (i) disciplinary actions, including penalties, taken against any of our Promoters by SEBI or any stock exchange in the five Fiscals preceding the date of this Prospectus, including outstanding actions; and (ii) any litigation involving any group company which may have a material impact on our Company.

For the purposes of the above, pre-litigation notices received by our Company, Subsidiaries, Directors or Promoters from third parties (excluding those notices issued by statutory / regulatory / tax authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that our Company, our Subsidiaries, or such Director or Promoter, as the case may be, is impleaded as a defendant in litigation before any judicial / arbitral forum.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Further, in terms of the Materiality Policy, a creditor of our Company shall be considered 'material' if the amount due to such creditor exceeds 5.00% percent of the trade payables of our Company, on a consolidated basis, as at the end of the most recent period included in the Restated Consolidated Financial Statements. The trade payables of our Company as on March 31, 2021 was ₹ 474.77 million. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 23.74 million as on March 31, 2021.

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

Litigation proceedings involving our Company

(a) ***Criminal proceedings***

Except as stated below, as on the date of this Prospectus, there are no criminal proceedings involving our Company:

Our Company has filed two criminal complaints against Kaveri Engineering Works ("**Accused**"), before the Chief Judicial Magistrate, Ankleshwar, under the provisions of Sections 138 and 141 of the Negotiable Instruments Act, 1881, wherein it is alleged that two cheques for ₹ 0.39 million each was issued by the Accused to our Company (in respect of certain advance payments made to the Accused that was to be reimbursed to the Company, in light of the failure of the Accused to deliver certain materials to the Company) was subsequently dishonoured. The matter is currently pending.

(b) ***Actions by statutory or regulatory authorities***

As on the date of this Prospectus, there are no pending actions taken by statutory or regulatory authorities against our Company.

(c) ***Claims related to direct and indirect taxes***

Other than disclosed below, as on the date of this Prospectus, there are no pending claims related to direct or indirect taxes against our Company:

S. No.	Nature of Proceedings	Number of cases	Approximate amount in dispute (in ₹ million)
1	Goods and services tax	2	19.16
Total		**2**	**19.16**

(d) ***Other pending proceedings***

As on the date of this Prospectus there are no other pending proceedings involving our Company, which have been considered material by our Company in accordance with the Materiality Policy.

Litigation proceedings involving our Directors

(a) ***Criminal proceedings***

Except as stated below, as on the date of this Prospectus, there are no pending criminal proceedings involving any of our Directors:

Our Director, Shekhar Rasiklal Somani ("**Complainant**"), filed a first information report with the Navsari Police Station on February 25, 2011, against Mahendra Nanubhai Gandhi, Ritaben Mahendrabhai Gandhi, Bhavin Amrutlal Joshi, Shailesh Jadhavbhai Tanti, and Maheshbhai Babubhai Hirpara ("**Accused**") alleging offences of criminal breach of trust, cheating and dishonestly inducing delivery of property, and criminal intimidation in terms of the Indian Penal Code, 1860. It was alleged that, while the sale of certain property had been agreed to by the Complainant and the Accused and part of the consideration had been paid by the Complainant, the Accused subsequently asserted that the amount agreed to was insufficient and would need to be renegotiated prior to the parties entering into an agreement. The matter is currently pending.

(b) ***Actions by statutory or regulatory authorities***

As on the date of this Prospectus, there are no pending actions taken by statutory or regulatory authorities against our Directors.

(c) ***Claims related to direct and indirect taxes***

As on the date of this Prospectus, there are no pending claims related to direct or indirect taxes against our Directors.

(d) ***Other pending proceedings***

As on the date of this Prospectus there are no other pending proceedings involving any of our Directors, which have been considered material by our Company in accordance with the Materiality Policy.

Litigation proceedings involving our Promoters

(a) ***Criminal proceedings***

Except as disclosed under " – *Litigation proceedings involving our Directors – Criminal proceedings*", there are no pending criminal proceedings involving any of our Promoters.

(b) ***Actions by statutory or regulatory authorities***

As on the date of this Prospectus, there are no pending actions taken by statutory or regulatory authorities against our Promoters.

(c) ***Claims related to direct and indirect taxes***

As on the date of this Prospectus, there are no pending claims related to direct or indirect taxes against our Promoters.

(d) ***Other pending proceedings***

As on the date of this Prospectus, there are no pending proceedings involving any of our Promoters, which have been considered material by our Company in accordance with the Materiality Policy.

(e) ***Disciplinary action taken against our Promoters by SEBI or any stock exchange***

No disciplinary action has been taken against our Promoter in the five Fiscals preceding the date of this Prospectus either by SEBI or any stock exchange, or is currently outstanding.

Litigation proceedings involving our Subsidiaries

(e) ***Criminal proceedings***

As on the date of this Prospectus, there are no criminal proceedings involving our Subsidiaries.

(f) ***Actions by statutory or regulatory authorities***

As on the date of this Prospectus, there are no pending actions taken by statutory or regulatory authorities against our Subsidiaries.

(g) ***Claims related to direct and indirect taxes***

As on the date of this Prospectus, there are no pending claims related to direct or indirect taxes against our Subsidiaries.

(h) ***Other pending proceedings***

As on the date of this Prospectus there are no other pending proceedings involving any of our Subsidiaries, which have been considered material by our Company in accordance with the Materiality Policy.

Litigation proceedings involving our group companies

Our Company does not have any group company as on the date of this Prospectus.

Outstanding dues to small scale undertakings or any other creditors

As of March 31, 2021, our Company owed a total sum of ₹ 474.77 million to a total number of 378 creditors. The details of our outstanding dues to the 'material' creditors of our Company, MSMEs and other creditors, on a consolidated basis, as on March 31, 2021 are as follows:

Particulars	No. of creditors	Amount due (in ₹ million)
Micro, small or medium enterprises	163	129.13
'Material' creditors	3	149.25
Other creditors	212	196.39

For complete details of outstanding overdues to material creditors, see www.tatvachintan.com.

Material developments

Other than as stated in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 252, there have not arisen, since the date of the last financial information disclosed in this Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorized by a resolution of our Board dated March 3, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated March 15, 2021.

Our Board had approved the Draft Red Herring Prospectus pursuant to its resolution dated March 31, 2021. Our Board had approved the Red Herring Prospectus pursuant to its resolution dated July 10, 2021. Our Board approved this Prospectus pursuant to its resolution dated July 22, 2021.

Each of the Selling Shareholders has, severally and not jointly, authorized and confirmed inclusion of their portion of the Offered Shares as part of the Offer for Sale, as set out below:

S. No.	Name of the Selling Shareholder	Offered Shares	Date of Selling Shareholders' consent letter
Promoter Selling Shareholders			
1.	Ajaykumar Mansukhlal Patel	215,143* Equity Shares aggregating to ₹ 233.00 million*	July 5, 2021
2.	Chintan Nitinkumar Shah	751,616* Equity Shares aggregating to ₹ 814.00 million*	July 5, 2021
3.	Shekhar Rasiklal Somani	674,054* Equity Shares aggregating to ₹ 730.00 million*	July 5, 2021
Promoter Group Selling Shareholders			
1.	Ajay Mansukhlal Patel HUF	315,789* Equity Shares aggregating to ₹ 342.00 million*	July 5, 2021
2.	Priti Ajaykumar Patel	315,789* Equity Shares aggregating to ₹ 342.00 million*	July 5, 2021
3.	Darshana Nitinkumar Shah	95,106* Equity Shares aggregating to ₹ 103.00 million*	July 5, 2021
4.	Kajal Shekhar Somani	101,570* Equity Shares aggregating to ₹ 110.00 million*	July 5, 2021
5.	Shitalkumar Rasiklal Somani	10,157* Equity Shares aggregating to ₹ 11.00 million*	July 5, 2021
6.	Samirkumar Rasiklal Somani	60,018* Equity Shares aggregating to ₹ 65.00 million*	July 5, 2021

**Subject to finalisation of Basis of Allotment*

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated May 14, 2021 and May 26, respectively.

Prohibition by SEBI or other governmental authorities

Our Company, our Promoters, our Directors, persons in control of our Company, the members of the Promoter Group and each of the Selling Shareholders have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority / court.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, the members of the Promoter Group and each of the Selling Shareholders are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent in force and applicable.

Directors associated with the securities market

None of the Directors are, in any manner, associated with the securities market. There are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

(a) Our Company has had net tangible assets of at least ₹ 30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

(b) Our Company has an average operating profit of at least ₹ 150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

(c) 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 and consolidated basis; and

(d) Our Company was converted into a public limited company, and consequently, a fresh certificate of incorporation dated February 26, 2021 was issued by the RoC recording the change of our Company's name from 'Tatva Chintan Pharma Chem Private Limited' to our present name. No change in business activity is indicated by our present name and there has not been any change in the business activities of our Company.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, restated pre-tax operating profits and net worth, on a consolidated basis, derived from the Restated Consolidated Financial Statements included in this Prospectus, as at and for the Fiscals ended March 31, 2019, 2020, and 2021 is set forth below:

(*₹ in million, unless otherwise stated*)

Particulars	As at and for the Fiscal ended		
	March 31, 2019	March 31, 2020	March 31, 2021
Net tangible assets	828.70	1,220.29	1,679.47
Monetary assets	242.85	119.21	61.85
Monetary assets as a percentage of net tangible assets (in %)	29.30	9.77	3.68
Restated pre-tax operating profits	310.08	515.03	647.99
Net worth	797.00	1,176.94	1,659.64

Our Company has operating profits in each of Fiscal 2019, 2020, and 2021, in terms of our Restated Consolidated Financial Statements.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

(a) None of our Company, our Promoters, members of our Promoter Group, our Directors or any of the Selling Shareholders are debarred from accessing the capital markets by the SEBI.

(b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.

(c) None of our Company, our Promoters or Directors is a Wilful Defaulter.

(d) None of our Promoters or Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

(e) There are no outstanding 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 Prospectus.

Each of the Selling Shareholders confirms that it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE 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 THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED AND JM FINANCIAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 31, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE 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 AND / 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 BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this 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.tatvachintan.com, or the website of any affiliate of our Company, would be doing so at his or her own risk.

Each of the Selling Shareholders accept or undertake no responsibility for any statements other than those specifically undertaken or confirmed by such Selling Shareholder in relation to itself and its respective portions of the Offered Shares.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

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

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software / hardware system or otherwise, or (ii) the blocking of the Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

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

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

The Offer was made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

The Draft Red Herring Prospectus did not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer have been 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. Any person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and transfer restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders were advised to ensure that any Bid from them did not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer clause of BSE

As required, a copy of the Draft Red Herring Prospectus was submitted to BSE. The disclaimer clause as intimated by BSE to our Company, is set forth below:

"*BSE Limited ("the Exchange") has given vide its letter dated May 14, 2021 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -*

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer clause of the NSE

As required, a copy of the Draft Red Herring Prospectus was submitted to NSE. The disclaimer clause as intimated by NSE to our Company, is set forth below:

"*As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/1019 dated May 26, 2021 permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.*

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Listing

The Equity Shares issued pursuant to the Red Herring Prospectus and this Prospectus are proposed to be listed on BSE and NSE. BSE is the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications have been made to the BSE and NSE for the listing and trading of the Equity Shares.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the Bidders in pursuance of this Prospectus and each of the Selling Shareholders will be liable to reimburse our Company for such repayment of monies, on its behalf, with respect to its respective portion of the Offered Shares. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditors, legal counsel to the Company, legal counsel to the Book Running Lead Managers, Banker(s) to our Company, the BRLMs, the Registrar to the Offer, Frost & Sullivan, Projectplus Consultants LLP, Manish B. Kevadiya, Chartered Engineer, Syndicate Member, Public Offer Account Bank, Sponsor Bank, Escrow Collection Bank, and Refund Bank have been obtained to act in their respective capacities, which were filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents have not been withdrawn up to the time of filing of this Prospectus with the RoC.

Experts to the Offer

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

Our Company has received written consent dated July 5, 2021 from our Statutory Auditors, NDJ & Co., Chartered Accountants to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as independent statutory auditors and in respect of their (i) examination report dated June 15, 2021 on the Restated Consolidated Financial Statements; and (ii) report dated July 5, 2021 on the statement of special tax benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

The term "experts" and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Additionally, our Company has also received a letter dated July 5, 2021 from Manish B. Kevadiya, Independent Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013.

Further, our Company has received a letter dated July 5, 2021 from Projectplus Consultants LLP, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013, for the issuance of project reports with respect to (i) the proposed expansion of our Dahej Manufacturing Facility and (ii) the proposed upgradation of our R&D facility in Vadodara.

Particulars regarding public or rights issues by our Company during the last five years and performance *vis-à-vis* objects

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Prospectus.

Performance *vis-à-vis* objects – last one public / rights issue of Subsidiaries and Promoters

Our Company does not have any corporate Promoters. Our Subsidiaries have not made any public issue or rights issue during the ten years immediately preceding the date of this Prospectus.

Underwriting commission, brokerage and selling commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Prospectus.

Capital issue during the previous three years by our Company

Our Company has not undertaken a capital issue in the last three years preceding the date of this Prospectus.

Capital issue during the previous three years by listed group companies, subsidiaries or associates of our Company

Our Company does not have any associate or group companies. None of the securities of our Subsidiaries are listed on any stock exchange**.**

Price information of past issues handled by the Book Running Lead Managers (during the current Fiscal and two Fiscals preceding the current Fiscal)

A. *ICICI Securities Limited*

1. Price information of past issues handled by ICICI Securities Limited (during the current Fiscal and two Fiscals preceding the current financial year):

S. 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.	Indigo Paints Limited	11,691.24	1,490.00(1)	02-Feb-21	2,607.50	+75.72%,[+4.08%]	+55.40%,[-0.11%]	NA*
2.	Home First Finance Company India Limited	11,537.19	518.00	03-Feb-21	618.80	+4.98%,[+1.97%]	-5.64%,[-1.05%]	NA*
3.	Railtel Corporation of India Limited	8,192.42	94.00	26-Feb-21	109.00	+35.64%,[-0.15%]	+37.50%,[+5.32%]	NA*
4.	Kalyan Jewellers India Limited	11,748.16	87.00(2)	26-Mar-21	73.95	-24.60%,[-1.14%]	-7.07%,[+8.13%]	NA*
5.	Suryoday Small Finance Bank Limited	5,808.39	305.00(3)	26-Mar-21	292.00	-18.38%,[-1.14%]	-26.87%,[+8.13%]	NA*
6.	Nazara Technologies Limited	5,826.91	1,101.00(4)	30-Mar-21	1,990.00	+62.57%,[+0.13%]	+37.59%,[+6.84%]	NA*
7.	Macrotech Developers Limited	25,000.00	486.00	19-Apr-21	436.00	+30.22%,[+5.21%]	+75.43%,[+10.89%]	NA*
8.	Shyam Metalics and Energy Limited	9,087.97	306.00(5)	24-Jun-21	380.00	NA*	NA*	NA*
9.	Dodla Dairy Limited	5,201.77	428.00	28-Jun-21	550.00	NA*	NA*	NA*
10.	G R Infraprojects Limited	9,623.34	837.00(6)	19-Jul-21	1,715.85	NA*	NA*	NA*

**Data not available*

(1) Discount of Rs. 148 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 1,490.00 per equity share.
(2) Discount of Rs. 8 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 87.00 per equity share.
(3) Discount of Rs. 30 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 305.00 per equity share.
(4) Discount of Rs. 110 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 1,101.00 per equity share.
(5) Discount of Rs. 15 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 306.00 per equity share.
(6) Discount of Rs. 42 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 837.00 per equity share.

2. Summary statement of price information of past issues handled by ICICI Securities Limited

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			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*	4	48,913.08	-	-	-	-	1	-	-	-	-	-	-	-
2021	14	1,74,546.09	-	-	5	5	2	2	-	-	1	3	2	1
2020	4	49,850.66	-	-	2	-	1	1	1	-	-	2	-	1

* Covers issues upto year to date

Notes:

1. All data sourced from www.nseindia.com, except for Computer Age Management Services Limited for which the data is sourced from www.bseindia.com
2. Benchmark index considered is NIFTY
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day

B. *JM Financial Limited*

1. Price information of past issues handled by JM Financial Limited (during the current Fiscal and two Fiscals preceding the current financial year):

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	India Pesticides Limited	8,000.00	296.00	July 5, 2021	350.00	Not Applicable	Not Applicable	Not Applicable
2.	Shyam Metalics and Energy Limited[7]	9,085.50	306.00	June 24, 2021	380.00	Not Applicable	Not Applicable	Not Applicable
3.	Sona BLW Precision Forgings Limited	55,500.00	291.00	June 24, 2021	301.00	Not Applicable	Not Applicable	Not Applicable
4.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	30.22% [5.21%]	75.43% [10.89%]	Not Applicable
5.	Anupam Rasayan India Limited[8]	7,600.00	555.00	March 24, 2021	520.00	-0.11% [-0.98%]	30.49%[8.23%]	Not Applicable
6.	Easy Trip Planners Limited	5,100.00	187.00	March 19, 2021	212.25	-7.27% [-0.86%]	124.68%[6.94%]	Not Applicable
7.	MTAR Technologies Limited	5,964.14	575.00	March 15, 2021	1050.00	69.45% [-2.84%]	78.83% [5.83%]	Not Applicable
8.	Stove Kraft Limited	4,126.25	385.00	February 05, 2021	498.00	30.68% [0.09%]	28.92% [-2.05%]	Not Applicable
9.	Burger King India Limited	8,100.00	60.00	December 14, 2020	112.50	146.50% [7.41%]	135.08% [10.86%]	168.25% [16.53%]
10.	Equitas Small Finance Bank Limited	5,176.00	33.00	November 02, 2020	31.10	5.45% [12.34%]	19.55% [16.84%]	68.18% [25.38%]

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details
Notes:

1. *Opening price information as disclosed on the website of NSE.*

2. *Change in closing price over the issue/offer price as disclosed on NSE.*
3. *Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of 4.90 % on the Offer Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion ("**Employee Discount**") equivalent to ₹ 15 per Equity Share.*
8. *A discount of Rs. 55 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

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			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	4	97,585.50	-	-	-	-	1	-	-	-	-	-	-	-
2021	8	62,102.09	-	-	3	2	1	2	-	-	-	2	1	1
2020	4	36,400.83**	-	-	1	-	1	2	-	1	1	-	1	1

***Spandana Sphoorty Financial Limited raised Rs. 11,898.49 million as against the issue size of Rs. 12,009.36 million*

Track record of past issues handled by the BRLMs

For details regarding the track record of the Book Running Lead Managers, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as set forth in the table below:

S. No.	Name of the Book Running Lead Manager	Website
1.	ICICI Securities Limited	www.icicisecurities.com
2.	JM Financial Limited	www.jmfl.com

Stock market data of Equity Shares

This being an initial public issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of investor grievances in the Offer

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least eight years from date of listing and commencement of trading of the Equity Shares to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Bidders can contact the Company Secretary and Compliance Officer and / or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs or the Registrar to the Offer, in the manner provided below.

All Offer related grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or First Bidder, ASBA Form number, Bidders' DP ID, Client ID, UPI ID, PAN, address of the Bidder, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Bid was submitted 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 enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

For offer related grievance investors may contact Book Running Lead Managers, details of which are given in "*General Information*" on page 64.

In case of any delay in unblocking of amounts in the ASBA Accounts 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.

Separately, pursuant to the SEBI circular bearing no. SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated March 16, 2021, 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

Scenario	Compensation amount	Compensation period
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 in relation to unblocking of amounts beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

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. 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.

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, name and address of the relevant Designated Intermediary, unique transaction reference number, the name of the relevant bank, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

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.

Disposal of Investor Grievances by our Company

We shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders' Relationship Committee to review and redress the shareholders and investor grievances such as non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or non-receipt of balance sheet, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints. For details of our Stakeholders' Relationship Committee, please see "*Our Management*" on page 175.

Our Company has also appointed Apurva Dubey, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, "*General Information – Company Secretary and Compliance Officer*" on page 65. The Selling Shareholders have authorised the Company Secretary and Compliance Officer of our Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Our Company has not received any investor complaint during the three years preceding the date of filing of the Draft Red Herring Prospectus, the Red Herring Prospectus or this Prospectus. Further, no investor complaint in relation to our Company was pending as on the date of filing of the Draft Red Herring Prospectus or the Red Herring Prospectus nor is pending as on the date of the filing of this 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 15 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein, our Company and TC USA, our material subsidiary, have obtained all material consents, licenses, registrations, permissions and approvals from various governmental, statutory and regulatory authorities, which are necessary for undertaking their current business activities and operations. Except as disclosed below, no further approvals are material for carrying on the present business operations of our Company and TC USA. 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 material approvals are valid as on the date of this Prospectus. For details in connection with the regulatory and legal framework within which our Company operates, see "Key Regulations and Policies in India" on page 166.

For Offer-related approvals, see "Other Regulatory and Statutory Disclosures" on page 289 and for incorporation details of our Company, see "History and Certain Corporate Matters" on page 171.

Material approvals in relation to our Company's business and operations

Business related approvals

1. Consent to establish issued by the Gujarat Pollution Control Board under the Water (Prevention and Control of Pollution) Act 1974, Air (Prevention and Control of Pollution) Act 1981 and Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016, consolidated consent and authorisation issued by the Gujarat Pollution Control Board under the Water (Prevention and Control of Pollution) Act 1974, Air (Prevention and Control of Pollution) Act 1981 and Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016 for our manufacturing facilities at Ankleshwar and Dahej and our R&D facility at Vadodara;

2. Licenses to work a factory issued by the Directorate Industrial Safety and Health, Gujarat State under the Factories Act, 1948 and the relevant rules framed thereunder for our manufacturing facilities at Ankleshwar and Dahej and our R&D facility at Vadodara;

3. License to manufacture for sale (or for distribution) of drugs other than those specified in Schedule C, C(1), and X of the Drugs and Cosmetics Rules, 1945, issued by the Food and Drugs Control Administration, Gujarat state for our manufacturing facility at Ankleshwar;

4. No-objection certificates / fire service licenses, from fire safety authorities for our manufacturing facilities at Ankleshwar and provisional no-objection certificates / fire service licenses for our manufacturing facility at Dahej and R&D facility at Vadodara;

5. MA – 1 license from the Office of the Commissioner of Prohibition and Excise for our manufacturing facilities at Ankleshwar and Dahej and MA – 2 license for our manufacturing facility at Dahej; and

6. Factory plan approval issued by the Directorate Industrial Safety and Health, Gujarat State under the Factories Act, 1948 and the relevant rules framed thereunder for our R&D facility at Vadodara.

Tax related approvals

1. Permanent account number issued by the Income Tax Department under the Income Tax Act, 1961; and

2. Goods and services tax registration issued by the Government of India, under the Central Goods and Service Tax Act, 2017 and the Gujarat Goods and Services Tax Act, 2017.

Labour / employment related approvals

1. Certificates of registration as a principal employer under the Contract Labour (Regulation & Abolition) Act, 1970 for our manufacturing facility at Dahej issued by relevant registering officer, to enable our Company to employ labour on a contractual basis.

Material approvals applied for by our Company, including renewal applications

As on the date of this Prospectus, there are no material approvals for which applications have been made by our Company, but which are yet to be received.

Material approvals to be applied for by our Company, including renewal applications

As on the date of this Prospectus, there are no material approvals required by our Company, for which applications are yet to be made.

Material approvals in relation to TC USA's business and operations

As on the date of this Prospectus, there are no material approvals in relation to TC USA's business and operations

Material approvals applied for by TC USA, including renewal applications

As on the date of this Prospectus, there are no material approvals for which applications have been made by TC USA, but which are yet to be received.

Material approvals to be applied for by TC USA, including renewal applications

As on the date of this Prospectus, there are no material approvals required by TC USA, for which applications are yet to be made.

Intellectual property

Our Company has obtained registration for the following trademark under class 1:

SECTION IX - OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and transferred pursuant to this Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, this Prospectus and the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by the SEBI, the Government, the Stock Exchanges, the RoC, the RBI, 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 such governmental, regulatory or statutory authority while granting its approval for the Offer.

The Offer

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

The listing fees shall be borne by our Company. Other Offer-related expenses shall be shared be borne by each Selling Shareholder in proportion to the Equity Shares to be offered by each Selling Shareholder. However, all Offer-related expenses shall initially be borne by our Company. Upon successful completion of the Offer, each of Selling Shareholder shall reimburse our Company their proportionate share of the Offer-related expenses.

Ranking of the Equity Shares

The Equity Shares being offered and transferred in the Offer shall be subject to the provisions of the Companies Act, our Memorandum of Association and our Articles of Association, and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of the Articles of Association*" on page 332.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our MoA and AoA, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, including pursuant to the Offer for Sale, for the entire year, in accordance with applicable law. For further details in relation to dividends, see *"Dividend Policy"* and *"Main Provisions of the Articles of Association"* on pages 196 and 332, respectively.

Face Value and Offer Price

The face value of the Equity Shares is ₹ 10. The Floor Price of Equity Shares is ₹ 1,073 per Equity Share and the Cap Price is ₹ 1,083 per Equity Share. The Anchor Investor Offer Price is ₹ 1,083 per Equity Share. The Price Band and minimum Bid Lot for the Offer were decided by our Company, in consultation with the BRLMs, and advertised in all editions of the English national daily newspaper Financial Express, all editions of the Hindi national daily newspaper Jansatta, and Vadodara edition of the Gujarati daily newspaper Vadodara Samachar (Gujarati being the regional language of Gujarat, where our Registered Office is located), each with wide circulation, respectively, at least two Working Days prior to the Bid / Offer Opening Date and were made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, were pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges.

The Offer Price was determined by our Company in consultation with the BRLMs, after the Bid / Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting', in accordance with the provisions of the Companies Act;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory or preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our MoA and AoA.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and / or consolidation / splitting, see "*Main Provisions of the Articles of Association*" on page 332.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated January 20, 2021 amongst our Company, NSDL and the Registrar to the Offer.
- Agreement dated March 19, 2021 amongst our Company, CDSL and the Registrar to the Offer.

Market lot and trading lot

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of 13 Equity Shares.

Joint holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Mumbai will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See "*Terms of the Offer – Bid / Offer Programme*" on page 305.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, alienation or transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders wish to change their nomination, they are requested to inform their respective Depository Participant.

Bid / Offer Programme

BID / OFFER OPENED ON*	Friday, July 16, 2021
BID / OFFER CLOSED ON(1)	Tuesday, July 20, 2021

* *The Anchor Investment Bidding Date was one Working Day prior to the Bid / Offer Opening Date i.e. July 15, 2021.*
(1) *UPI mandate end time and date shall be at 12.00pm on July 22, 2021.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Monday, July 26, 2021
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account*	On or about Tuesday, July 27, 2021
Credit of the Equity Shares to depository accounts of Allottees	On or about Wednesday, July 28, 2021
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Thursday, July 29, 2021

**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 the applicable law 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. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and 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, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.*

For helpline details of the BRLMs, the Registrar to the Offer and the Sponsor Bank as required by SEBI, see "*General Information*" on page 64.

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs.

While our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid / Offer Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid / Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Each Selling Shareholder confirms that it 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 case of any delay in unblocking of amounts in the ASBA Accounts 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 Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Separately, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, 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	3. Instantly revoke the blocked funds other than the original application amount and 4. ₹ 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	3. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 4. ₹ 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 in relation to unblocking of amounts beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids were accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time ("**IST**")) during the Bid / Offer Period (except on the Bid / Offer Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form **except that:**

(i) on the QIB Bid / Offer Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids were accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)* and uploaded until 4.00 p.m. (IST);

** UPI mandate end time and date shall be at 12.00pm on July 22, 2021*

(ii) on the Bid / Offer Closing Date:

(a) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids were accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and

(b) in case of Bids by Retail Individual Bidders, the Bids and the revisions in Bids were accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid / Offer Closing Date, the Bidders were 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. Bidders were cautioned that, in the event a large number of Bids were 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 could not be uploaded on the electronic bidding system have not been considered for allocation under this Offer. Bids were only accepted on Working Days.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. Neither our Company, nor the Selling Shareholders, nor any member of the Syndicate is liable for any failure in: (i) uploading or downloading the Bids due to faults in any software / hardware system or otherwise, and (ii) the blocking of the Bid Amount in the ASBA Account of Bidders 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.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Minimum Subscription

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 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 if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus and this Prospectus, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every Director of our Company who is an officer in default, shall pay interest at the rate of fifteen percent per annum.

However, no liability to make any payment of interest or expenses shall accrue to any Selling Shareholder unless the delay in making any of the payments/refund hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder and to the extent of its portion of the Offered Shares.

In the event of under-subscription in the Offer, the Allotment for the valid Bids will be made, in the first instance, towards subscription for 90% of the Fresh Issue. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made *pro rata* towards Equity Shares offered by the Selling Shareholders, and thereafter, towards the balance Fresh Issue.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Share Capital of our Company, Promoters' Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 72 and except as provided in our AoA, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Main Provisions of the Articles of Association*" on page 332.

Option to receive Equity Shares in dematerialized form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

Our Company, 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. Further, each of the Selling Shareholders reserves the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of their respective portion of the Offered Shares, after the Bid / Offer Opening Date but before 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, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company, and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days from the Bid / Offer Closing Date or such other period as may be prescribed, and the final RoC approval of this Prospectus after it is filed with the RoC.

OFFER STRUCTURE

The Offer was made through the Book Building Process. The Offer is of 4,616,804* Equity Shares for cash at price of ₹ 1,083 per Equity Share (including a premium of ₹ 1,073 per Equity Share) aggregating to ₹ 5,000.00 million* comprising of a Fresh Issue of 2,077,562* Equity Shares aggregating to ₹ 2,250.00 million* by our Company and an Offer of Sale of 2,539,242* Equity Shares aggregating to ₹ 2,750.00 million* by the Selling Shareholders. The Offer will constitute 20.83%* of the post-Offer paid-up Equity Share capital of our Company.

**Subject to finalisation of Basis of Allotment*

Particulars	QIBs [(1)]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation* [(2)]	2,308,401 Equity Shares	692,521 Equity Shares	1,615,882 Equity Shares
Percentage of Offer Size available for Allotment/ allocation	Not more than 50% of the Offer size was made available for allocation to QIB Bidders. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) was available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion were also eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund portion was made available for allocation to other QIBs.	Not less than 15% of the Offer, or the Offer less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Offer, or the Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) 46,169 Equity Shares were made available for allocation on a proportionate basis to Mutual Funds only; and (b) 877,192 Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above 1,385,040 Equity Shares were allocated on a discretionary basis to Anchor Investors	Proportionate	Proportionate, subject to the minimum Bid Lot. The 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 if any, shall be allotted on a proportionate basis. For details see, "*Offer Procedure*" on page 312
Minimum Bid	Such number of Equity Shares in multiples of 13 Equity Shares, that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of 13 Equity Shares thereafter	13 Equity Shares and in multiples of 13 Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of 13 Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of 13 Equity Shares not exceeding the size of the Offer (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of 13 Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Bid Lot	13 Equity Shares and in multiples of 13 Equity Shares thereafter		
Mode of allotment	Compulsorily in dematerialised form		
Allotment Lot	13 Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply[(3)(4)]	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013,	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the *karta*), companies,	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the *karta*)

Particulars	QIBs [(1)]	Non-Institutional Bidders	Retail Individual Bidders
	scheduled commercial banks, Mutual Funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.	corporate bodies, scientific institutions societies and trusts, corporate bodies and family offices which are recategorised as Category II FPIs and registered with SEBI	
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount was payable by the Anchor Investors at the time of submission of their Bids[(5)] **In case of all other Bidders**: Full Bid Amount was blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) that is specified in the ASBA Form at the time of submission of the ASBA Form		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).	Only through the ASBA process.	Only through the ASBA process

* *Subject to finalisation of the Basis of Allotment*

(1) *Our Company, in consultation with the BRLMs, allocated up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For further details, see "Offer Procedure" on page 312.*

(2) *Subject to valid Bids being received at or above the Offer Price. The Offer was made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer was made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer was available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion were available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion was available for allocation on a proportionate basis to QIBs (other than Anchor Investors), 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 was less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion would have been added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer was available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer was 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.*

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 is allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion is not allowed to be met with spill-over from other categories or a combination of categories. In the event of under-subscription in the Offer, the Allotment for the valid Bids will be made, in the first instance, towards subscription for 90% of the Fresh Issue. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made pro rata towards Equity Shares offered by the Selling Shareholders, and thereafter, towards the balance Fresh Issue. For further details, please see "Terms of the Offer" on page 303.

(3) *In the event that a Bid is submitted in joint names, the relevant Bidders were required to ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form was required to contain only the name of the First Bidder whose name should also have appeared as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder was required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*

(4) *The Bids by FPIs with certain structures as described under "Offer Procedure - Bids by FPIs" on page 316 and having same PAN could 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. Bidders were required to confirm and were deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

[5] *Anchor Investors shall have paid the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, is payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

Note: *Bidders were required to confirm and were 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 review 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 highlight 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. 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, especially in relation to the process for Bids by RIBs through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*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; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Forms; (viii) other instructions (limited to joint Bids in cases of individual, multiple Bids and instances when an application would be rejected on technical grounds); (ix) designated date; (x) disposal of applications; (xi) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI, through the UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. 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 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 was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). 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 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 and the provisions of this circular are deemed to form part of this Prospectus. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 has altered its earlier circular dated March 16, 2021 in relation to certain aspects of completion of unblocking process and deferred implementation of certain measures for initial public offers opening on or after January 1, 2022.*

Our Company, the Selling Shareholders and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.

Further, our Company, the Selling Shareholders and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer was 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 Net Offer was made available for allocation to QIBs on a proportionate basis, and our Company, in consultation with the BRLMs, allocated up to 60% of the QIB Category to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third was reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the QIB Category (excluding the Anchor Investor Portion) was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category was 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, not less than 15% of the Net Offer was available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer was 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.

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

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN and UPI ID (for RIBs using the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia*, equity shares. 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 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. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

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 is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Bidders (other than Anchor Investors) were compulsorily required to use the ASBA process to participate in the Offer. Anchor Investors were not permitted to participate in this Offer through the ASBA process.

Copies of the ASBA Forms and the abridged prospectus were available with the Designated Intermediaries at relevant Bidding Centres and at our Registered Office and Corporate Office. The ASBA Forms were also available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid / Offer Opening Date. Anchor Investor Application Forms were available at the offices of the BRLMs at the Anchor Investor Bidding Date.

Bidders (other than RIBs using the UPI Mechanism and Anchor Investors) were required to provide bank account details and authorisation by the ASBA bank account holder to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form. ASBA Forms that do not contain such details are liable to be rejected. The Sponsor Bank shall provide details of the UPI linked bank account of the Bidders to the Registrar to the Offer for purpose of reconciliation.

RIBs using the UPI Mechanism were required to 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 were required to 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 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 are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or by Sponsor Bank under the UPI Mechanism, as applicable at the time of submitting the Bid.

Anchor Investors were not permitted to participate in the Offer through the ASBA process. For Anchor Investors, the Anchor Investor Application Form was available with the Book Running Lead Managers.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including FPIs and Eligible NRIs, FVCIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors	White**

** Excluding electronic Bid cum Application Forms*
***Bid cum Application Forms for Anchor Investors were made available at the office of the Book Running Lead Managers.*
Notes:
(1) Electronic Bid cum Application forms and the abridged prospectus were also available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)
(2) Bid cum Application Forms for Anchor Investors were available at the office of the BRLMs

In case of ASBA Forms, Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges.

Designated Intermediaries (other than SCSBs) were required to submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and were required to not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges were required to validate the electronic bids with the records of the CDP for DP ID / Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges allow modification of either DP ID / Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For RIBs using UPI Mechanism, the Stock Exchanges were required to share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank was required to initiate request for blocking of funds through NPCI to RIBs, who were required to accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI were required to 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 is with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI were required to share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the issuer banks were required to provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as 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 Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on a daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank on a continuous basis.

Participation by associates and affiliates of the BRLMs and the Syndicate Member, Promoters, Promoter Group and persons related to Promoters / Promoter Group.

The BRLMs and the Syndicate Member were not allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Member could purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such Bid subscription could be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Member, were treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associates of the Book Running Lead Managers could apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the Book Running Lead Managers

(ii) insurance companies promoted by entities which are associate of the Book Running Lead Managers

(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Managers; or

(iv) FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of the Book Running Lead Managers.

Further, persons related to our Promoters and Promoter Group could not 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 members of the 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 a BRLM, 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 Selling Shareholders, Promoters and the members of the Promoter Group did not participate in the Offer except to the extent of the Offered Shares.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate was required to be lodged with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserved the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds were required to specifically state names of the concerned schemes for which such Bids were made. In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund would not be treated as multiple Bids, provided that such Bids clearly indicated the scheme for which the Bid is submitted.

No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme.

Bids by HUFs

Bids by HUFs were required to be made in the individual name of the *karta*. The Bidder / Applicant was required to specify that the Bid was being made in the name of the HUF in the Bid cum 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 were considered at par with Bids / Applications from individuals.

Bids by Eligible NRIs

Eligible NRIs could obtain copies of Bid cum Application Form from the BRLMs, Syndicate Member and sub-syndicate members at select locations as specified in the Bid cum Application Form. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms could authorise their SCSB or could confirm / accept the UPI Mandate Request (in case of RIBs using the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms could authorise their SCSBs or could confirm / accept the UPI Mandate Request (in case of RIBs Bidding using the UPI Mechanism) to block their Non- Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. However, NRIs applying in the Offer through the UPI Mechanism, were advised to enquire with the relevant bank where their account is UPI linked prior to submitting their Bid cum Application.

Eligible NRIs were permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, Eligible NRIs could use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility is enabled for their NRE / NRO accounts.

Eligible NRIs Bidding on non-repatriation basis were advised to use the Bid cum Application Form for residents. Eligible NRIs Bidding on a repatriation basis were advised to use the Bid cum Application Form meant for Non-Residents.

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 331. Participation of Eligible NRIs was subject to the FEMA NDI Rules.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of equity shares to a single FPI or an investor group (which means multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of the post-Offer equity share capital of a company. The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the FEMA Regulations, except as respects things done or omitted to be done before such supersession. 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 case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April

1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Additionally, the aggregate foreign portfolio investment up to 24% of the paid-up capital on a fully diluted basis or the sectoral / statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance with sectoral conditions as laid down in these regulations.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (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; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI was required to ensure that the transfer of an offshore derivative instrument issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under 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 were to be transferred, were pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager ("**MIM**") 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 the 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 the same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilized any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids were required to be rejected.

The FPIs who wished to participate in the Offer were advised to use the Bid cum Application Form for non-residents.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations, *inter-alia*, prescribe the respective investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI. Accordingly, the holding by any individual VCF or FVCI registered with SEBI, in any company should not exceed 25% of the corpus of the VCF. Further, VCFs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A Category III AIF cannot invest more than 10% of the corpus 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. 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 notification of the SEBI AIF Regulations.

There was no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders were treated on the same basis with other categories for the purpose of allocation.

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.

Neither our Company, nor the Selling Shareholders nor the BRLMs will 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, should have been attached to the Bid cum Application Form. Failing this, our Company, 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 were required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids by SCSBs

SCSBs participating in the Offer were 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 respectively. Such SCSBs were required to ensure that for making applications on their own account using ASBA, they should have had a separate account in their own name with any other SEBI registered SCSBs. Further, such account should have been used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by systemically important non-banking financial companies

In case of Bids made by NBFC-SI, (i) a certified copy of the certificate of registration issued by the RBI, (ii) a certified copy of its last audited financial statements on a standalone basis, and (iii) a net worth certificate from its statutory auditor(s), should have been attached to the Bid cum Application Form, along with other approval as may be required by the Systemically Important NBFCs. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. The investment limit for NBFC-SIs shall be as prescribed by RBI from time to time. NBFC-SIs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

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 was required to be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders were advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

Bids under power of attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million, in each case, subject to applicable law and in accordance with their respective constitutional documents 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 as applicable were required to be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the BRLMs, may deem fit, without assigning any reasons thereof.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

(i) Anchor Investor Application Forms were made available for the Anchor Investor Portion at the offices of the BRLMs.

(ii) The Bid should have been for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid could not be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund were aggregated to determine the minimum application size of ₹ 100 million.

(iii) One-third of the Anchor Investor Portion was reserved for allocation to domestic Mutual Funds.

(iv) Bidding for Anchor Investors opened one Working Day before the Bid / Offer Opening Date, i.e., the Anchor Investor Bidding Date, and was completed on the same day.

(v) Our Company, in consultation with the BRLMs finalised allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion were not less than:

    (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

    (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and

(c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

(vi) Allocation to Anchor Investors was completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation was made has been made available in the public domain by the BRLMs before the Bid / Offer Opening Date, through intimation to the Stock Exchange.

(vii) Anchor Investors could not withdraw or lower the size of their Bids at any stage after submission of the Bid.

(viii) If the Offer Price had been greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price would have been payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price had been lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors would have been at the higher price, i.e., the Anchor Investor Allocation Price would still be the Anchor Investor Office Price.

(ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(x) Neither the BRLMs or any associate of the BRLMs ((except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies or family offices sponsored by the entities which are associate of the BRLMs) nor any "person related to the Promoters or Promoter Group" could apply in the Offer under the Anchor Investor Portion. For further details, see "– *Participation by associates and affiliates of the BRLMs and the Syndicate Member, Promoters, Promoter Group and persons related to Promoters / Promoter Group*" beginning on page 315.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion were not considered multiple Bids.

(xii) For more information, see the General Information Document.

Bids by provident funds / pension funds

In case of Bids made by provident funds / pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund / pension fund was required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid, without assigning any reason therefor.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, 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 state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the members of Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in the Red Herring Prospectus and this Prospectus.

In accordance with existing regulations issued by the RBI, OCBs could not participate in the Offer**.**

Information for Bidders

The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip ("**Acknowledgement Slip**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder could have recieved up to three Acknowledgement Slips for each Bid cum Application Form. It was 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 revised his or her Bid, he/she was required to surrender the earlier Acknowledgement Slip and could request for a revised Acknowledgment Slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company, after filing the Red Herring Prospectus with the RoC, published a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper), and Vadodara edition of Vadodara Samachar (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located). Our Company, in the pre-Offer advertisement stated the Bid / Offer Opening Date, the Bid / Offer Closing Date and the Bid / Offer Closing Date for QIBs.

Allotment Advertisement

Our Company, the Book Running Lead Managers and the Registrar shall publish an advertisement in relation to Allotment before commencement of trading, disclosing the date of commencement of trading of the Equity Shares, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Vadodara edition of Vadodara Samachar, a Gujarati newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located, each with wide circulation.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Selling Shareholders have entered into an Underwriting Agreement with the Underwriters. Our Company has filed this Prospectus with the RoC, in accordance with applicable law. This Prospectus contains details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and is complete in all material respects.

GENERAL INSTRUCTIONS

Please note that QIBs and Non-Institutional Bidders were 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 could revise their Bid(s) during the Bid / Offer Period and withdraw their Bid(s) until Bid / Offer Closing Date. Anchor Investors were not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

6. Ensure that your Bid cum Application Form bearing the stamp of the relevant Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

7. 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;

8. Bidders (other than RIIs bidding through the non-UPI Mechanism) should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. RIIs bidding through the non-UPI Mechanism should either submit the physical Bid cum Application Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the UPI Circulars) or submit the Bid cum Application Form online using the facility of 3-in 1 type accounts under Channel II (described in the UPI Circulars);

9. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Bid cum Application Form;

10. RIBs using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form;

11. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

12. RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue;

13. RIBs submitting a Bid cum Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid is listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;

14. RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the Field Number 7: Payment Details in the Bid cum Application Form;

15. RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;

16. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

17. 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;

18. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

19. Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

20. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

21. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

22. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market. 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;

23. Ensure that Anchor Investors submit their Anchor Investor Application Form only to the BRLMs;

24. Ensure that the Demographic Details are updated, true and correct in all respects;

25. 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;

26. Ensure that the correct investor category and the investor status is indicated in the Bid cum Application Form;

27. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;

28. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

29. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN 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 and PAN available in the Depository database;

30. Ensure that where the Bid cum Application Form is submitted in joint names, the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

31. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors) is submitted to a Designated Intermediary in a Bidding Centre and in case of Bidding through a Designated Intermediary (other than for Anchor Investors and RIBs) 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) or such other websites as updated from time to time;

32. 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 Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

33. For RIBs using the UPI Mechanism, ensure that you approve the Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

34. 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 authorise 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 Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

35. RIBs shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid / Offer Closing Date;

36. 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;

37. RIBs using the UPI Mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the Bid cum Application Form;

38. 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 Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

39. RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and

40. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Offer.

The Bid cum Application Form was liable to be rejected if the above instructions, or any other condition as specified in the Red Herring Prospectus, as applicable, were 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 was 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 on another Bid cum Application Form or the Anchor Investor Application Form, as the case maybe, after you have submitted a Bid to a Designated Intermediary;

4. RIBs should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;

5. RIB should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;

6. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

7. Do not submit a Bid using UPI ID, if you are not a RIB;

8. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

9. Anchor Investors should not Bid through the ASBA process;

10. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company or at a location other than the Bidding Centres. Provided that RIBs not using the UPI Mechanism should not submit Bid cum Application Forms with Designated Intermediaries (other than SCSBs);

11. Do not Bid on a physical ASBA Form that does not have the stamp of the relevant Designated Intermediary;

12. Do not Bid at Cut-off Price in case of Bids by QIBs and Non-Institutional Bidders;

13. 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 the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

14. If you are a Non-Institutional Bidder or a Retail Individual Bidder, do not submit your Bid after 3.00 pm on the Bid / Offer Closing Date;

15. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid / Offer Closing Date;

16. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

17. Do not submit the General Index Register (GIR) number instead of the PAN;

18. Do not submit incorrect UPI ID details if you are a RIB Bidding through the UPI Mechanism;

19. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

20. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;

21. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs using the UPI Mechanism;

22. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;

23. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations;

24. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

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 on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

27. Do not Bid for Equity Shares in excess of what is specified for each category;

28. 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;

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 RIB Bidders using the UPI Mechanism;

30. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

31. 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);

32. Do not submit a Bid cum Application Form using a third party bank account or using third party linked bank account UPI ID (in case of in case of Bids submitted by RIBs using the UPI Mechanism); and

33. Do not Bid if you are an OCB.

The Bid cum Application Form was liable to be rejected if any of the above instructions or any other condition mentioned in the Red Herring Prospectus, as applicable, were not complied with.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders were requested to note that Bids may be rejected on the following additional technical grounds:

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account or UPI ID (for RIBs using the UPI Mechanism) details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by RIBs using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;

5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID, subject to availability of information from the Sponsor Bank;

6. Bids by HUFs not mentioned correctly as provided in *"– Bids by HUFs"* on page 316;

7. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

8. Bids submitted without the signature of the First Bidder or sole Bidder;

9. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 200,000;

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash; and

15. Bids by OCBs.

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 Book Running Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares 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 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 Equity Shares, if any, shall be Allotted on a proportionate basis. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

Payment into Escrow Account

Our Company in consultation with the BRLMs, in their absolute discretion, had decided the list of Anchor Investors to whom the CAN was sent, pursuant to which the details of the Equity Shares allocated to them in their respective names were notified to such Anchor Investors. Anchor Investors were not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors were required to transfer the Bid Amount (through direct credit, RTGS or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts were to be drawn in favour of:

(i) In case of resident Anchor Investors: "Tatva Chintan Pharma Chem Limited – IPO – Anchor Investor - R"
(ii) In case of non-resident Anchor Investors: "Tatva Chintan Pharma Chem Limited – IPO – Anchor Investor - NR"

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 and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated January 20, 2021 among NSDL, our Company and the Registrar to the Offer.

- Tripartite Agreement dated March 19, 2021 among CDSL, our Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

(i) adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and to consider them similar to Anchor Investors while finalising the Basis of Allotment

(ii) the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily

(iii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period

(iv) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid / Offer Closing Date or such other time as may be prescribed

(v) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company

(vi) 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

(vii) 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

(viii) that if our Company, in consultation with the BRLMs, withdraws the Offer after the Bid / Offer Closing Date, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company subsequently decides to proceed with the Offer thereafter

(ix) Promoter's contribution, if any, was brought in advance before the Bid / Offer Opening Date

(x) that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received

(xi) that adequate arrangements were made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

(xii) that no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded / unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

Undertakings by each Selling Shareholder

Each Selling Shareholder, severally and not jointly, undertakes the following in respect of itself as a Selling Shareholder and its respective portion of the Offered Shares:

(i) that the Offered Shares are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or encumbrances and are eligible to be a part of the Offer for Sale, in accordance with Regulation 8 of the SEBI ICDR Regulations and shall continue to be in dematerialised form at the time of transfer

(ii) that they are the legal and beneficial owner of and has full title to its respective portion of the Offered Shares

(iii) that they shall provide all support and cooperation as may be reasonably requested by our Company and the BRLMs to the extent such support and cooperation is in relation to its Offered Shares and in relation to necessary formalities for listing and commencement of trading at the Stock Exchanges, the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of its respective portion of the Offered Shares

(iv) that each Selling Shareholder specifically confirms that they shall not have any recourse to the proceeds of the Offer, until final listing and trading approvals have been received from the Stock Exchanges

(v) that they shall not 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 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, except as permitted under applicable law

(vi) that they shall not offer, lend, pledge, create lien, charge, encumber, sell, contract to sell or otherwise transfer or dispose of, directly or indirectly, any of the Equity Shares offered in the Offer

(vii) that they will provide such assistance as may be required by our Company and BRLMs acting reasonably, in redressal of such investor grievances that pertain to the Equity Shares being offered pursuant to the Offer and statements specifically made or confirmed by it in relation to itself as a Selling Shareholder; and

(viii) that they shall transfer their portion of the Offered Shares to an escrow demat account in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement.

The Selling Shareholders have authorised the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of their respective portion of Offered Shares.

Utilisation of Offer Proceeds

Our Company and the Selling Shareholders, severally and not jointly, specifically confirm and declare that all monies received from the Offer shall be credited / transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

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.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is governed *inter alia* through the Industrial Policy, 1991 of the Government of India, FEMA and the FEMA NDI Rules. 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 of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the "**FDI Policy**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the 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.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, 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 state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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 offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

For further details, see "*Offer Procedure*" on page 312.

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 Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION X – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

INTERPRETATION

1. In these regulations:

a) “Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the Companies Act, 1956, so far as may be applicable.

b) “Articles” means these Articles of Association of the Company as originally framed or as altered from time to time by special resolution.

c) "Associate Company", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation. — For the purposes of this clause, "significant influence" means control of at least twenty per cent of total share capital, or of business decisions under an agreement

d) “Auditors” shall mean and include those persons appointed as such for the time being by the Company.

e) “Board of Directors” or “Board”, means the collective body of the directors of the Company and shall include a Committee thereof.

f) “Company” means **TATVA CHINTAN PHARMA CHEM LIMITED**.

g) “Controlling”, “controlled by” or “Control” with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management, business or policies or actions of such person, whether through the ownership of voting securities, by contract or otherwise, or the power to elect, appoint at least 50% of the directors, managers, partners or other individuals exercising similar authority with respect to such Person(s).

h) “Depositories Act” means the Depositories Act, 1996, or any statutory modification or re-enactment thereof, for the time being in force.

i) “Depository” means a depository as defined under Section 2(1)(e) of the Depositories Act, 1996.

j) “Director” means a member of the Board appointed in accordance with these Articles, including any additional and/or alternate director.

k) “Debenture” includes Debenture stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the Company or not.

l) “Dividend” shall include interim dividend.

m) “Document” includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.

n) “General Meeting” means a general meeting of the Shareholders of the Company, whether an annual general meeting or an extraordinary general meeting.

o) “Independent Director” shall have the meaning ascribed to it in the Act.

p) “Key Managerial Personnel” means the Chief Executive Officer or the Managing Director or the manager; the Company Secretary; whole-time director; Chief Financial Officer; and such other officer as may be notified from time to time in the Rules.

q) “Memorandum” shall mean the memorandum of association of the Company, as amended from time to time.

r) “Ordinary & Special Resolution” shall have the meanings assigned to these terms by Section 114 of the Act.

s) "Promoter" means a person—

(a) who has been named as such in a prospectus or is identified by the company in the annual return referred to in Section 92; or
(b) who has control over the affairs of the Company, directly or indirectly whether as a shareholder, director or otherwise; or
(c) in accordance with whose advice, directions or instructions the Board of Directors of the Company is accustomed to act:

Provided that nothing in sub-clause (c) shall apply to a person who is acting merely in a professional capacity.

t) "Rules" means the applicable rules for the time being in force as prescribed under relevant Sections of the Act.

u) "Seal" means the Common Seal of the Company.

v) "Secretary" is a Key Managerial Person appointed by the Directors to perform any of the duties of a Company Secretary.

w) "The office" means the Registered Office for the time being of the Company.

2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or the rule, as the case may be or any statutory modification thereof in force at the date at which these regulations become binding on the company.

3. The regulations contained under Table F of Schedule I of the Companies Act, 2013 shall be applicable to the Company to the extent not modified or excluded by these Articles.

4. Words importing the singular number shall, where the context requires or admits, also include the plural number and vice-versa.

5. Words importing the masculine gender shall, where the context requires or admits, also include the feminine and neuter gender.

6. Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

7. In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail

SHARE CAPITAL AND VARIATION OF RIGHTS

8. The Share Capital of the Company shall be as per Clause V of the Memorandum of Association of the Company. If the share capital of the Company consists of Preference Shares, the Company shall have right to issue and redeem the preference shares in accordance with the provisions of the Act. 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 Directors who may 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 a 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 the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board may think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.

PROVIDED THAT option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

9. (i) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Board of Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the directors may prescribe and approve.

PROVIDED THAT in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder.

(ii) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to the first holder of the share. The Company shall be entitled to decline to register more than three persons as the joint holders of any shares. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.

(iii) 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 the article shall be issued without payment of fees if the Board of Directors so decide, or on payment of such fees (not exceeding ₹ 2 for each certificate) as the Board of Directors shall prescribe.

PROVIDED THAT no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

FURTHER PROVIDED THAT notwithstanding what is stated above, the Board of Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Companies Act, 2013 or rules made under Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable thereof in this behalf.

(iv) The provisions of Articles 2 and 3 shall *mutatis mutandis* apply to debentures or other securities of the company as and when applicable.

10. Except as required by law, no person shall be recognized 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 recognize (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.

11. (i) The company may exercise the powers of paying commissions conferred under the Act to any person in connection with the subscription to its securities, 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 under the Act and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed under the rules.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.

12. (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 the Act, and whether or not the company is being wound up, be varied with the consent in writing of such

number of holders of the issued shares of that class, or with the sanction of a resolution passed at a separate General Meeting of the holders of the shares of that class, in the manner prescribed under the Act.

(ii) To every such separate meeting, the provisions of these regulations relating to 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.

13. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

14. Subject to the provisions of the Act, any preference shares of one or more classes which are liable to be redeemed or converted into equity shares, may be issued or re-issued by the Company by special resolution and on such terms and in such manner as the Company may before the issue of the shares determine.

15. Subject to the provisions of Section 55 of the Act and the Rules and subject to the provisions on which any Shares may have been issued, the redemption of preference Shares may be effected on such terms and in such manner as may be provided by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.

FURTHER ISSUE OF SHARE CAPITAL

16. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

17. (a) Where, at any time, it is proposed to increase the subscribed capital of the company by allotment of further shares of any class then:

    (i) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;

    (ii) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

    (iii) The aforesaid offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (ii) shall contain a statement of this right; and

    (iv) After the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the company.

    (b) Notwithstanding anything contained in sub-clause (a), the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (i) of sub-clause (a) hereof) in any manner whatsoever.

    (i) If a special resolution to that effect is passed by the company in general meeting, or

    (ii) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the company.

    (c) Nothing in sub-clause (iii) of (a) hereof shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) 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.

(d) Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued by the company:

(i) To convert such debentures or loans into shares in the company; or

(ii) To subscribe for shares in the company.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(b) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the company in General Meeting before the issue of the loans.

DEBENTURES

18. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

LIEN

19. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause. The Board may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

20. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien;

Provided that no sale shall be made —

(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.

21. (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.

22. (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.

23. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other Person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

24. The provisions of these Articles relating to Lien shall *mutatis mutandis* apply to any other Securities including debentures of the Company, if any.

CALLS ON SHARES

25. (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.

26. A call shall be deemed to have been made at the time when the resolution of the Board authorizing 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.

(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.

28. (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.

29. (i) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the monies so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon.

The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that monies paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.

(ii) No Member paying any such sum in advance shall be entitled to voting rights in respect of the monies so paid by him until the same would but for such payment become presently payable.

30. The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company, if any.

TRANSFER OF SHARES

31. (i) Any member may transfer his/her shares to any other existing members or legal heirs of member;

(ii) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee and shall be deposited with the Company for the registration of transfer of shares within 60 days from the date of execution;

(iii) The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All the instruments of transfer which the Board may decline to register shall on demand be returned to the person depositing the same unless the Board otherwise determines. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine;

(iv) 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.

32. The Board may, subject to the right of appeal conferred by the Act 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 a share on which the Company has a lien.

33. (a) The Board may decline to recognize any instrument of transfer unless—

(i) The instrument of transfer is in the form as prescribed in the Rules.

(ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(iii) the instrument of transfer is in respect of only one class of shares.

(b) No fee shall be charged for registration of transfer, transmission, probate, succession certificate, letters of administration, certificate of death or marriage, power of attorney or other similar document.

34. Further to the Articles above, and subject to the provisions of Section 58 and 59 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, these Articles and other applicable provisions of the Act, the Directors may, whether in pursuance of any power of the company under these Articles or otherwise, decline to register the transfer of, or the transmission by operation of law of the right to, any shares, or interest of a Member therein, or debentures of the Company.

The Company shall, within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

PROVIDED THAT registration of transfer shall however 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.

35. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letter of administration, certificate of death or marriage, power of attorney or similar other document with the Company.

36. The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 of the Act and other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debentures and registration thereof.

37. On giving not less than seven days' previous notice in accordance with the Act 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.

The provision of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

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 sole holder, 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 the 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 the 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 was 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 been complied with.

42. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.

FORFEITURE OF SHARES

43. If a member fails to pay any call, or instalment 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 instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

44. The aforesaid notice 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. Neither the receipt by the Company for a portion of any money which may from time to time be due from any Member in respect of such Member's shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited shares and not actually paid before the forfeiture. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

48. (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.

49. (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.

50. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

51. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company, if any.

SHARE WARRANTS

52. The Company may issue share warrants subject to, and in accordance with, the provisions of the Act; and accordingly the Board may in its discretion, with respect to any share which is fully paid up, on application in writing signed by the person registered as the holder of the share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

53. The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.

54. Not more than one person shall be recognized as depositor of the share warrant.

55. The Company shall, on two days' written notice, return the deposited share warrant to the depositor.

56. Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privilege of a Shareholder at a meeting of the Company, or be entitled to receive any notices from the Company.

57. The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the shares included in the warrant, and he shall be a member of the Company.

58. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

ALTERATION OF CAPITAL

59. Subject to the provisions of the Act, the company may, from time to time, increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

Subject to the provisions of the Act, the company may, from time to time:

(a) increase its share capital by such amount as it thinks expedient by issuing new shares;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and

(e) 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.

60. 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;

(b) 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;

(c) 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;

(d) 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.

61. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,—

(a) its share capital;

(b) any capital redemption reserve account;

(c) any share premium account; or

(d) any other reserve in the nature of share capital.

CAPITALIZATION OF PROFITS

62. (i) The company in general meeting may, upon the recommendation of the Board, resolve –

(a) that it is desirable to capitalize 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; and

(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).

(iii) 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.

(iv) The Board shall give effect to the resolution passed by the company in pursuance of this Article.

63. (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 capitalized 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 authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, 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

64. Notwithstanding anything contained in these Articles but subject to the provisions of the Act 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.

EMPLOYEE STOCK OPTION SCHEME

65. Subject to and in accordance with the provisions of the Act and any other rules, regulations or guidelines as may be prescribed if any, the Company may frame guidelines or scheme to be known as Employee Stock Option Scheme (ESOP) or Employees Stock Purchase Scheme (ESPS).

66. ESOP or ESPS may provide for the issue of shares/warrants, bonds or other debt instruments including the terms of payment.

67. The Board of Directors shall have the power to vary, alter or amend the terms and conditions of the ESOP or ESPS, at their sole discretion, in such manner as they may deem fit in the best interest of the Company.

ISSUE OF SWEAT EQUITY SHARES

68. Notwithstanding anything contained in these Articles the Company shall have right to issue sweat equity shares to its promoters, Directors, employees or to such other persons as may be decided by the Board in accordance with the provisions of the Companies Act, 2013 and any statutory amendments or re-enactment thereof.

GENERAL MEETINGS

69. (i) Section 101 to 107 and Section 109 of the Act shall apply to the Company to the extent not contrary to the provisions of these Articles.

(ii) All general meetings other than annual general meeting shall be called extraordinary general meeting.

70. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) Any General Meeting may be called by giving to the members a clear 21 clear days' notice or a shorter notice, if consent is accorded thereto by members of the Company as prescribed under relevant provisions of the Act. Notice of general meeting may be given either in writing or through electronic mode.

(iii) The provisions of section 102 of the Act shall not apply and it shall not be necessary to annex any explanatory statement to the notice convening General Meeting.

(iv) Two members present in person shall be a quorum for the General Meeting. The proxy, if appointed is entitled to speak at the meeting and vote on a show of hands if required.

(v) 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

71. 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.

72. The chairman, if any, of the Board shall preside as Chairman at every general meeting of the company.

73. If there is no such chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman of the meeting, the directors present shall elect one of their members to be chairman of the meeting.

74. If at any meeting no director is willing to act as chairman 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 chairman of the meeting.

75. On any business at any General Meeting in the case of an equality of votes, whether on a show of hands, electronically or on a poll, the Chairman of the General Meeting shall have second or casting vote.

ADJOURNMENT OF MEETING

76. (i) The chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished out of the business to be transacted as mentioned in the notice from which the adjournment took place.

(iii) When a general meeting is adjourned for thirty days or more, a 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

77. 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 holding equity shares present in person or Proxy shall have one vote; and

(b) on a poll or voting through electronic means, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

78. A member may exercise his vote at a meeting by electronic means in accordance with the Act and the Rules and shall vote only once at a General Meeting or otherwise.

79. (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.

80. 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.

81. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

82. 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.

83. (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 chairman of the meeting, whose decision shall be final and conclusive.

84. Any Member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other Members of the same class.

PROXY

85. Any member of a company entitled to attend and vote at a general meeting of the Company shall be entitled to appoint another person as a proxy to attend and vote at the general meeting instead of himself, and that a proxy need not to be a member of the Company.

86. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized 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.

87. An instrument appointing a proxy shall be in the form as prescribed in the rules.

88. 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

89. Until otherwise determined by a General Meeting of the Company and subject to the provisions of the Act, the number of Directors shall not be less than three and shall not be more than fifteen.

90. First Directors of the Company are:

1. Mr. Ajaykumar Mansukhlal Patel
2. Mr. Chintan Nitinkumar Shah
3. Mr. Shekhar Rasiklal Somani

91. (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. The directors may be paid such other remuneration and fees or otherwise recompensed for their time and for the services rendered by them.

(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.

92. The Board may pay all expenses incurred in getting up and registering the company.

93. 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.

94. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a record to be kept for that purpose.

95. (i) Subject to the provisions 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) Appointment of directors need not to be voted individually. Any number of directors, subject to the limit imposed by the Act, can be appointed by a single resolution.

96. (i) The Board may appoint an Alternate Director (not being a person holding alternate directorship for any other Director) to act for a Director (herein after in this Article called "the Original Director") during his absence for a period not less than three months from India.

(ii) An Alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when Original Director returns to India.

(iii) If the term of office of the Original Director is determined before he returns to India, the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not the Alternate Director.

(iv) The Director so appointed shall hold office only up to the date till which the Director in whose place he is appointed would have held office if it had not been vacated.

97. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board at a meeting of the Board.

98. Notwithstanding anything to the contrary contained in these Articles, so long as any monies shall be owing by the Company to any financial institutions, corporations, banks or such other financing entities, or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any shares / debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid financial institutions or such other financing entities in respect of any financial obligation or commitment of the Company remains outstanding, then in that event any of the said financial institutions or such other financing entities shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board as their nominee on the Board. The aforesaid financial institutions or such other financing entities may at any time and from time to time

remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant corporation and shall be delivered to the Company and the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all General Meetings, meetings of the Board and of any committee thereof of which he is a Member and he and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings.

99. The general control, management and supervision of the Company shall vest in the Board and the Board may exercise all such powers and do all such acts and things as the Company is by its Memorandum or otherwise authorised, except as are required to be exercised or done by the Company in a General Meeting, but subject nevertheless to the provisions of the Act, and of these presents and to any regulations not being inconsistent with these presents from time to time made by the Company in General Meeting, provided that no such regulation shall invalidate any prior acts of the Directors which would have been valid if such regulation had not been made. Subject to the restrictions imposed under the Act, the Directors shall have the right to delegate any of their powers to such managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.

100. Subject to the provisions of the Act, the Company may enter into any contract, arrangement or agreement in which a Director or Directors are, in any manner, interested.

101. A Director, Managing Director, officer or employee of the Company may be or become a Director or can be in the management board of the Company, of any company promoted by the Company or in which it may be interested as a vendor, member or otherwise, and no such Director shall be accountable for any benefits received as Director or member of such company except to the extent and under the circumstances as may be provided in the Act.

102. If the Directors or any of them or any other person, shall become personally liable for the payment of sum primarily due from the Company, the Board may subject to the provisions of the Act execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

103. A Director may resign from his office upon giving notice in writing to the Company.

BORROWING POWERS

104. The Board may from time to time, for the purpose of the Company's business raise or borrow or secure the payment of any sum or sums exceeding paid up capital and free reserves in addition to temporary loans, if any, obtained from the Company's bankers as they, in their discretion deem fit and proper, without such approval from the members. Any such money may be raised or the payment or repayment of thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures, stocks of the Company charged upon all or any part of the property of the Company both present and future including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.

MANAGING DIRECTOR OR WHOLE-TIME DIRECTOR

105. Subject to the provisions of the Act and of these Articles, The Board of Directors may, from time to time, appoint one or more of their body to the office of the Managing Director or Whole-Time Director for such period and on such remuneration and other terms, as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment. His appointment will be automatically terminated if he ceases to be a Director. Such appointment can be made with the formal Letter of Appointment and by passing of resolution as may be required in the Act. However –

(i) Subject to the provisions of the Act, the appointment and payment of remuneration to the Managing Directors / Whole-Time Director shall be subject to approval of the Members in the General Meeting, if required;

(ii) A notice of the Board Meeting proposing a resolution required to be passed for the appointment of Managing Director or Whole-Time Director shall not mandatorily contain Terms & Conditions of appointment and details pertaining to remuneration; and

(iii) Any provisions contained in Schedule V of the Act shall not be applicable to Managing Director or Whole-Time Director.

106. A Managing or Whole-Time Director may be paid such remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in other) as the Board of Directors may determine.

107. The Board of Directors, subject to the provisions of the Act, may entrust to and confer upon a Managing or Whole-Time Director or Committee of Directors any of the powers exercisable by them, upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.

PROCEEDINGS OF THE BOARD

108. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition 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. Any subsequent meeting, due to adjournment of the Board Meeting for want of quorum shall be held as provided in the Act.

109. (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 chairman of the Board, if any, shall have a second or casting vote.

110. 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.

111. (i) The Board may elect a chairman of its meetings and determine the period for which he is to hold office.

(ii) If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their members to be chairman of the meeting.

112. (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.

113. (i) A committee may elect a chairman of its meetings.

(ii) If no such chairman is elected, or if at any meeting the chairman 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 chairman of the meeting.

114. (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 chairman shall have a second or casting vote.

115. 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.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

116. 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 think 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.

117. The same individual may, at the same time, be appointed as the Chairman of the Company as well as the Managing Director or Chief Executive Officer of the Company, subject to Section 203 of the Act.

118. 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

119. (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 director and of the secretary or two directors or such other person as the Board may appoint for the purpose; person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence as the case may be.

DIVIDENDS AND RESERVES

120. The company in its general meetings may declare dividends, but no dividend shall exceed the amount recommended by the Board.

121. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

122. (i) The Board may, before recommending any dividend, may 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.

123. (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.

124.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.

125.(i) Any dividend, interest or other monies payable in cash in respect of shares be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend. 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.

(iii) Payment in any way whatsoever shall be made at the risk of the Person entitled to the money paid or to be paid. The Company will not be responsible for any payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

126.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.

127.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.

128.Unpaid or unclaimed dividend:

(a) If the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days, transfer the total amount of dividend, which remained so unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account".

(b) Any money so 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 to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investor Education and Protection Fund".

ACCOUNTS

129.(i)The books of accounts and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act and the Rules.

(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 authorized by the Board or by the company in general meeting.

STATUTORY REGISTERS

130.The Company shall keep and maintain either in physical or electronic form at its registered office or such other place as may be permitted under the Act and approved by the Board, the statutory registers required to be maintain under the act and applicable rules, for such duration and manner as the Board may unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers, records and copies of annual return shall be open for inspection during business hours at the registered office of the Company or such other place as may be permitted under the Act and approved by the Board by the persons entitled thereto on payment, where applicable, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

131. The company may exercise the powers conferred on it under the Act 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 think fit respecting the keeping of any such register.

WINDING UP

132. Subject to the provisions of the Act and rules made there under—

(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; and

(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 AND INSURANCE

133. (i) 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 judgement 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.

(ii) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

DEMATERIALISATION OF SECURITIES

134. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and / or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder or pursuant to any other act as may be applicable, if any.

(a) Options for Investors:

(i) Every existing subscriber and every person subscribing to securities offered by the company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the applicable law in respect of any security in the manner provided by the Depositories Act, 1996 and the company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities; and

(ii) If a person opts to hold his security with a depository, the company shall intimate such depository the details of allotment of the security and/or transfer of securities in his name and on receipt of the information, the depository shall enter in its record the name of the allottee and/or transferee as the beneficial owner of the security.

(b) Securities in Depositories to be in Fungible Form:

All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in

Section 89 and other applicable provisions of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.

(c) Distinctive Numbers of Securities held in a Depository:

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a depository. The Shares in the Capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the Shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinabove mentioned, no Share shall be subdivided. Every forfeited or surrendered Share held in material form shall continue to bear the number by which the same was originally distinguished.

(d) Rights of Depositories and Beneficial Owners:

(i) Notwithstanding anything to the contrary contained in the Act or these articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner;

(ii) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it;

(iii) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository; and

(iv) Except as ordered by any Court of competent jurisdiction or as required by any law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any Share or where the name appears as the Beneficial Owner of the Shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any Share in the joint names of any two or more Persons or the survivors or survivors of them.

(e) Service of Documents:

Notwithstanding anything to the contrary contained in the Act or these Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or discs.

(f) Provisions relating to physical shares *mutatis mutandis* apply to shares held in Demat form:

Except as specifically provided in these Articles, the provisions relating to joint holders of Shares, calls, lien on Shares, forfeiture of Shares and transfer and transmission of Shares shall be applicable to Shares held in Depository so far as they apply to Shares in physical form subject to the provisions of the Depository Act.

(g) Allotment of Securities Dealt in a Depository:

Notwithstanding anything contained in the Act or these Articles, where securities are dealt in a depository, the company shall intimate the details thereof to the depository immediately on allotment and/or registration of transfer of such securities.

(h) Register and Index of Beneficial Owners:

The register and index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the register and index of members and security holders for the purposes of these Articles.

SECRECY CLAUSE

135.(i) Every Director, Manager, Auditor, Treasurer, Trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company in India or abroad, shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

(ii) No members shall be entitled to visit or inspect the Company's Works without the permission of the Directors or to require the discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, it will be inexpedient in the interest of the members of the Company to communicate to the public.

GENERAL POWER

136.Wherever in the Act or in any other law or statute, 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 authorised by its Articles, then, in that case, this Article authorises 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 XI - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company), which are or may be deemed material was attached to the copy of the Red Herring Prospectus and will be attached to the copy of this Prospectus which will be filed with the RoC. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, were available for inspection at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid / Offer Closing Date.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material contracts for the Offer

1. Offer Agreement dated March 31, 2021 entered into between our Company, the Selling Shareholders and the BRLMs.

2. Registrar Agreement dated March 31, 2021, entered into between our Company, the Selling Shareholders and the Registrar to the Offer.

3. Cash Escrow and Sponsor Bank Agreement dated July 10, 2021 entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Banker(s) to the Offer.

4. Share Escrow Agreement dated July 10, 2021 entered into between the Selling Shareholders, our Company and the Share Escrow Agent.

5. Syndicate Agreement dated July 10, 2021 entered into between our Company, the Selling Shareholders, the BRLMs and the Syndicate Member.

6. Underwriting Agreement dated July 22, 2021 entered into between our Company, the Selling Shareholders, and the Underwriters.

B. Material documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.

2. Certificate of incorporation dated June 12, 1996.

3. Fresh certificate of incorporation consequent upon conversion to public limited company dated February 26, 2021.

4. Resolution of the Board of Directors dated March 3, 2021 in relation to the Offer and other related matters.

5. Resolution of the Shareholders of our Company dated March 15, 2021 approving the Fresh Issue.

6. Resolution of the Board of Directors of our Company dated March 31, 2021 approving the Draft Red Herring Prospectus.

7. Resolution of the Board of Directors of our Company dated July 10, 2021 approving the Red Herring Prospectus.

8. Consent letters, each dated July 5, 2021 from Ajaykumar Mansukhlal Patel, Chintan Nitinkumar Shah, Shekhar Rasiklal Somani, Darshana Nitinkumar Shah, Priti Ajaykumar Patel, Ajay Mansukhlal Patel HUF, Kajal Shekhar Somani, Shitalkumar Rasiklal Somani, and Samirkumar Rasiklal Somani, as Selling Shareholders in relation to the Offer for Sale.

9. Consent dated March 30, 2021 from Frost & Sullivan to rely on and reproduce part or whole of the report, "*Independent Market Report – India Chemicals and Specialty Chemicals Markets*" and include their name in this Prospectus.

10. Industry report titled "*Independent Market Report – India Chemicals and Specialty Chemicals Markets*" dated March 30, 2021 prepared by Frost & Sullivan.

11. Consent from the Statutory Auditors namely, NDJ & Co., Chartered Accountants, to include their name as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditors and in respect of the: (i) examination report dated June 15, 2021 on our Restated Consolidated Financial Statements and (ii) their report dated July 5, 2021 on the statement of special tax benefits in this Prospectus.

12. Report issued by the Statutory Auditors dated July 5, 2021 on the statement of special tax benefits.

13. The certificate and consent issued by Manish B. Kevadiya, Chartered Engineer dated July 5, 2021.

14. Consent from Projectplus Consultants LLP dated July 5, 2021, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013, for the issuance of project reports with respect to (i) the proposed expansion of our Dahej Manufacturing Facility and (ii) the proposed upgradation of our R&D facility in Vadodara.

15. Project reports with respect to (i) the proposed expansion of our Dahej Manufacturing Facility and (ii) the proposed upgradation of our R&D facility in Vadodara.

16. Copies of annual reports of our Company for the preceding three Fiscals.

17. Consent of the Directors, BRLMs, Syndicate Member, the legal counsel to the Company, the legal counsel to the Book Running Lead Managers, Registrar to the Offer, Banker(s) to the Offer, Banker to our Company, Company Secretary and Compliance Officer, Chief Financial Officer, and our customers, as referred to in their specific capacities.

18. Tripartite agreement dated January 20, 2021, among our Company, NSDL and the Registrar to the Offer.

19. Tripartite agreement dated March 19, 2021, among our Company, CDSL and the Registrar to the Offer.

20. Due diligence certificate dated March 31, 2021 addressed to SEBI from the BRLMs.

21. Certificate dated July 5, 2021 from NDJ & Co., Chartered Accountants certifying that, in respect of the bonus issue of Equity Shares by our Company on March 3, 2021, the Equity Shares issued pursuant to the said bonus issue is in compliance with the conditions set out under Regulation 8(c) of the SEBI ICDR Regulations.

22. In-principle listing approvals dated May 14, 2021 and May 26, 2021 issued by BSE and NSE, respectively.

23. Exemption application dated March 31, 2021 filed by our Company to SEBI, under Regulation 300 of the SEBI ICDR Regulations seeking an exemption from considering and disclosing (i) Chetan Vasantlal Doshi, Pragnesh Vasantlal Doshi, and Ramila Vasantlal Doshi as a member of the 'promoter group' of the Company,(ii) any body corporate in which Chetan Vasantlal Doshi, Pragnesh Vasantlal Doshi, and Ramila Vasantlal Doshi or any Hindu undivided family or firm where he is a member, may hold 20% or more of the equity share capital, (iii) any body corporate in which the body corporate mentioned under (ii) above holds 20% or more of the equity share capital, (iv) any Hindu undivided family or firm in which Chetan Vasantlal Doshi, Pragnesh Vasantlal Doshi, and Ramila Vasantlal Doshi may hold 20% or more of the total capital in accordance with the SEBI ICDR Regulations ("**Exemption Application**").

24. Letter from SEBI dated June 30, 2021 approving the Exemption Application.

25. SEBI final observation letter dated June 30, 2021.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time, if so required in the interest of our Company, or if required by other parties, without notification to the shareholders, subject to compliance with the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION BY THE DIRECTOR

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Chintan Nitinkumar Shah
Managing Director

Place: Vadodara

Date: July 22, 2021

DECLARATION BY THE DIRECTOR

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ajaykumar Mansukhlal Patel
Whole Time Director

Place: Vadodara

Date: July 22, 2021

DECLARATION BY THE DIRECTOR

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shekhar Rasiklal Somani
Whole Time Director

Place: Vadodara

Date: July 22, 2021

DECLARATION BY THE DIRECTOR

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Manher Chimanlal Desai
Independent Director

Place: Vadodara

Date: July 22, 2021

DECLARATION BY THE DIRECTOR

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Subhash Ambubhai Patel
Independent Director

Place: Vadodara

Date: July 22, 2021

DECLARATION BY THE DIRECTOR

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Avani Rajesh Umatt
Independent Director

Place: Vadodara

Date: July 22, 2021

DECLARATION BY THE CHIEF FINANCIAL OFFICER

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Mahesh Tanna
Chief Financial Officer

Place: Vadodara

Date: July 22, 2021

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Ajaykumar Mansukhlal Patel, acting as a Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Prospectus in relation to myself and the Equity Shares being offered by me in the Offer for Sale are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, including any of the statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

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Ajaykumar Mansukhlal Patel

Place: Vadodara

Date: July 22, 2021

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Chintan Nitinkumar Shah, acting as a Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Prospectus in relation to myself and the Equity Shares being offered by me in the Offer for Sale are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, including any of the statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

Chintan Nitinkumar Shah

Place: Vadodara

Date: July 22, 2021

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Shekhar Rasiklal Somani, acting a Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Prospectus in relation to myself and the Equity Shares being offered by me in the Offer for Sale are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, including any of the statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

Shekhar Rasiklal Somani

Place: Vadodara

Date: July 22, 2021

DECLARATION BY THE PROMOTER GROUP SELLING SHAREHOLDER

I, Darshana Nitinkumar Shah, acting as a Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Prospectus in relation to myself and the Equity Shares being offered by me in the Offer for Sale are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, including any of the statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

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Darshana Nitinkumar Shah

Place: Vadodara

Date: July 22, 2021

DECLARATION BY THE PROMOTER GROUP SELLING SHAREHOLDER

I, Priti Ajaykumar Patel, acting as a Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Prospectus in relation to myself and the Equity Shares being offered by me in the Offer for Sale are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, including any of the statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

Priti Ajaykumar Patel

Place: Vadodara

Date: July 22, 2021

DECLARATION BY THE PROMOTER GROUP SELLING SHAREHOLDER

We, acting as a Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by us in this Prospectus in relation to ourselves and the Equity Shares being offered by us in the Offer for Sale are true and correct. We assume no responsibility, as a Selling Shareholder, for any other statements, including any of the statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

SIGNED FOR AND ON BEHALF OF AJAY MANSUKHLAL PATEL HUF

Ajay Mansukhlal Patel - Karta

Place: Vadodara

Date: July 22, 2021

DECLARATION BY THE PROMOTER GROUP SELLING SHAREHOLDER

I, Kajal Shekhar Somani, acting as a Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Prospectus in relation to myself and the Equity Shares being offered by me in the Offer for Sale are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, including any of the statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

Kajal Shekhar Somani

Place: Vadodara

Date: July 22, 2021

DECLARATION BY THE PROMOTER GROUP SELLING SHAREHOLDER

I, Shitalkumar Rasiklal Somani, acting as a Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Prospectus in relation to myself and the Equity Shares being offered by me in the Offer for Sale are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, including any of the statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

Shitalkumar Rasiklal Somani

Place: Vadodara

Date: July 22, 2021

DECLARATION BY THE PROMOTER GROUP SELLING SHAREHOLDER

I, Samirkumar Rasiklal Somani, acting as a Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Prospectus in relation to myself and the Equity Shares being offered by me in the Offer for Sale are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, including any of the statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

Samirkumar Rasiklal Somani

Place: Vadodara

Date: July 22, 2021