(Please scan this QR Code to view the DRHP)

DRAFT RED HERRING PROSPECTUS
Dated March 24, 2022
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

GUJARAT POLYSOL CHEMICALS LIMITED

Corporate Identification Number: U24231GJ1989PLC012892

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Plot No. 1734, Third Phase, GIDC, District – Valsad, Vapi – 396 195, Gujarat, India	C-5/101/4, Polysol Building, 2nd Floor, GIDC, Char Rasta, N.H 48, Vapi, District Valsad – 396 195, Gujarat, India	Dipakkumar Mohanlal Sanghani, *Chief Financial Officer, Company Secretary and Compliance Officer*	Email: compliance@gujaratpolysol.com Tel: +91 99251 00331	www.gujaratpolysol.com

OUR PROMOTERS: SHAILESHKUMAR BALVANTRAI DESAI AND UMANG SHAILESH DESAI

DETAILS OF THE OFFER

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY – 6(1) / 6(2) & SHARE RESERVATION AMONG QIB, NII &RII
Fresh Issue and Offer for Sale	Up to ₹870.00 million	Up to ₹3,270.00 million	Up to ₹4,140.00 million	The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For details in relation to share reservation among QIBs, NIIs and RIIs, please see chapter entitled '*Offer Structure*' on page 340

DETAILS OF OFFER FOR SALE BY SELLING SHAREHOLDERS

NAME	TYPE	AMOUNT	WEIGHTED AVERAGE PRICE PER EQUITY SHARE (₹) *
Shaileshkumar Balvantrai Desai	Promoter Selling Shareholder	Up to ₹1,830.00 million	25.14
Umang Shailesh Desai	Promoter Selling Shareholder	Up to ₹380.00 million	25.85
M/s. Polysol Financial Services LLP	Promote Group Selling Shareholder	Up to ₹1,020.00 million	5.40
M/s. Apurva International	Promote Group Selling Shareholder	Up to ₹40.00 million	19.00
TOTAL		**Up to ₹3,270.00 million**	

** As certified by J.V. Vasani & Co, the statutory auditor of our Company vide certificate dated March 24, 2022.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first issue of our Company, there has been no formal market for the securities of our Company. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Offer Price as determined and justified by our Company and the Selling Shareholders, in consultation with the Book Running Lead Manager (**BRLM**), on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under chapter entitled '*Basis for Offer Price*' beginning on page 99 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active 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 entire 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 the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to section entitled '*Risk Factors*' beginning on page 33.

OUR COMPANY'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms that the statements made or confirmed by them in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the Equity Shares offered in the Offer 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 to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being the BSE Limited and the National Stock Exchange Of India Limited. For the purposes of the Offer, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER	CONTACT PERSON	EMAIL AND TELEPHONE
INGA® INGA VENTURES PRIVATE LIMITED	Kavita Shah	**Tel**: +91 22 6854 0808 **Email**: gpcl.ipo@ingaventures.com
REGISTRAR TO THE OFFER	**CONTACT PERSON**	**EMAIL AND TELEPHONE**
LINKIntime LINK INTIME INDIA PRIVATE LIMITED	Shanti Gopalkrishnan	**Tel:** +91 22 4918 6200 **Email:** gujaratpolysol.ipo@linkintime.co.in

BID/ OFFER PERIOD

ANCHOR INVESTOR PORTION OFFER PERIOD	[●]*	BID / OFFER OPENS ON	[●]	BID / OFFER CLOSES ON	[●]**

** Our Company and the Selling Shareholders may, in consultation with the BRLM, consider participation by the Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be 1 Working Day prior to the Bid/Offer Opening Date.*

*** Our Company and the Selling Shareholders may, in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs 1 Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

DRAFT RED HERRING PROSPECTUS
Dated March 24, 2022
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

GUJARAT POLYSOL CHEMICALS LIMITED

Our Company was originally incorporated as 'Gujarat Polysol Chemicals Private Limited', a private limited company under the Companies Act, 1956 at Ahmedabad with a certificate of incorporation issued by the Registrar of Companies, Gujarat (**RoC**) on October 18, 1989. Subsequently, the name of our Company was changed to 'Gujarat Polysol Chemicals Limited' upon conversion into a public limited company pursuant to a special resolution passed by our Shareholders on September 21, 2021. A fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued under the Companies Act, 2013 by the RoC on October 13, 2021. For details of changes in the name and registered office of our Company, please see the chapter entitled '*History and Certain Corporate Matters*' beginning on page 199.

Registered Office: Plot No. 1734, Third Phase, GIDC, District – Valsad, Vapi – 396 195, Gujarat, India
Corporate Office: C-5/101/4, Polysol Building, 2nd Floor, GIDC, Char Rasta, N.H 48, Vapi, District Valsad – 396 195, Gujarat, India
Contact Person: Dipakkumar Mohanlal Sanghani, Chief Financial Officer, Company Secretary and Compliance Officer; **Tel**: +91 99251 00331,
E-mail: compliance@gujaratpolysol.com; **Website**: www.gujaratpolysol.com; **Corporate Identification Number**: U24231GJ1989PLC012892

OUR PROMOTERS: SHAILESHKUMAR BALVANTRAI DESAI AND UMANG SHAILESH DESAI

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH (EQUITY SHARES) OF GUJARAT POLYSOL CHEMICALS LIMITED (OUR COMPANY OR ISSUER) FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (OFFER PRICE), AGGREGATING UP TO ₹4,140.00 MILLION (OFFER) COMPRISING OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹870.00 MILLION (FRESH ISSUE) AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹3,270.00 MILLION (OFFER FOR SALE), COMPRISING: (A) UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹1,830.00 MILLION BY SHAILESHKUMAR BALVANTRAI DESAI AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹380.00 MILLION BY UMANG SHAILESH DESAI (COLLECTIVELY, THE PROMOTER SELLING SHAREHOLDERS); AND (B) UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹1,020.00 MILLION BY M/S. POLYSOL FINANCIAL SERVICES LLP AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹40.00 MILLION BY M/S. APURVA INTERNATIONAL (COLLECTIVELY, THE PROMOTER GROUP SELLING SHAREHOLDERS, AND ALONG WITH THE PROMOTER SELLING SHAREHOLDERS, COLLECTIVELY, THE SELLING SHAREHOLDERS). THE OFFER WILL CONSTITUTE [●]% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER (BRLM) AND WILL BE ADVERTISED IN ALL EDITIONS OF THE [●], AN ENGLISH LANGUAGE NATIONAL DAILY WITH WIDE CIRCULATION, ALL EDITIONS OF [●], A HINDI LANGUAGE NATIONAL DAILY WITH WIDE CIRCULATION, AND [●] EDITION OF [●] (GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST 2 WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED (BSE) AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE, AND TOGETHER WITH THE BSE, THE STOCK EXCHANGES) FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH SEBI ICDR REULATIONS AS AMENDED.

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least 3 additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of 3 Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate Member(s) and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (**SCRR**) read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**SEBI ICDR Regulations**) and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers (**QIBs**) (such portion referred as **QIB Portion**), provided that our Company and the Selling Shareholders may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (**Anchor Investor Portion**), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allotment is made to the Anchor Investors (**Anchor Investor Allocation Price**). In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds (**Mutual Fund Portion**), and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to non-institutional bidders out of which (i) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (ii) two-thirds of such portion shall be reserved for applicants with application size of more than ₹1,000,000 provided that the unsubscribed portion in either of the sub-categories may be allocated to applicants in the other sub-category of non-institutional investors* and not less than 35% of the Net Offer shall be available for allocation to retail individual bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) are mandatorily required to authorize the Application Supported by Blocked Amount (**ASBA**) process providing details of their respective ASBA accounts and UPI ID in case of retail individual bidders using UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks (**SCSBs**) or by the Sponsor Bank(s) under UPI Mechanism, as the case may be, to participate in the Offer. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For further details please see the chapter entitled '*Offer Procedure*' beginning on page 343.

**Note: These changes will come into effect from April 1, 2022, if the Bid/Offer Opening Date is on or after April 1, 2022.*

RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of the Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Offer Price as determined and justified by our Company and the Selling Shareholders in consultation with the BRLM, in accordance with the SEBI ICDR Regulations, as stated under chapter entitled *'Basis for Offer Price'* beginning on page 99, 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. 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 the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to section entitled *'Risk Factors'* beginning on page 33

OUR COMPANY'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to the letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for filing with the RoC in accordance with Section 26(4) and Section 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Offer Closing Date, please see the chapter entitled *'Material Contracts and Documents for Inspection'* beginning on page 414.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER
INGA®	LINKIntime
INGA VENTURES PRIVATE LIMITED 1229, Hubtown Solaris, N.S. Phadke Marg, Opp. Telli Galli, Andheri (E), Mumbai – 400 069, Maharashtra, India **Tel**: +91 22 6854 0808 **Email**: gpcl.ipo@ingaventures.com **Investor Grievance e-mail**: investors@ingaventures.com **Website**: www.ingaventures.com **Contact Person**: Kavita Shah **SEBI Registration No.**: INM000012698	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India **Tel:** +91 22 4918 6000 **Email:** gujaratpolysol.ipo@linkintime.co.in **Investor Grievance Email:** gujaratpolysol.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Contact Person**: Shanti Gopalkrishnan **SEBI Registration No.**: INR000004058

OFFER PROGRAMME

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

** Our Company and the Selling Shareholders may, in consultation with the BRLM, consider participation by the Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be 1 Working Day prior to the Bid/Offer Opening Date.*

*** Our Company and the Selling Shareholders may, in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs 1 Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to, statute, regulations, rules, guidelines or policies shall be to such statute, regulation, rule, guideline or policy as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any sub-ordinate legislation made from time to time under that provision.

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

Notwithstanding the foregoing, terms used in chapters entitled 'Main Provisions of the Articles of Association', 'Statement of Special Tax Benefits', 'Basis of Offer Price', 'Industry Overview', 'Key Regulations and Policies', 'Financial Information' and 'Outstanding Litigation and Material Developments' beginning on pages 363, 102, *99, 105, 196,* 278 *and 311, respectively, shall have the meaning ascribed to such terms in the relevant section.*

If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document, the following definitions shall prevail.

General terms

Terms	Description
'our Company', 'Company' or 'Issuer'	Gujarat Polysol Chemicals Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at Plot No. 1734, Third Phase, GIDC, District – Valsad, Vapi – 396 195, Gujarat, India.
'we', 'us', or 'our'	Unless the context otherwise indicates or implies or refers to our Company.

Company related terms

Terms	Description
Articles of Association or AoA	Articles of association of our Company, as amended.
Audit Committee	The audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in chapter entitled '*Our Management'* beginning on page 203.
Auditor or Statutory Auditor	The statutory auditor of our Company, currently being J.V. Vasani & Co.
Board or Board of Directors	The board of directors of our Company or a duly constituted committee thereof.
Business Transfer Agreements	Collectively, (a) business transfer agreement dated May 29, 2020, executed between our Company and M/s. Polysol Industries for acquisition of the manufacturing unit located at Plot No. C1 B 106 1 to 4, Polysol Industries, Sarigam, GIDC Sarigam, Valsad – 396155, Gujarat and other assets and liabilities of M/s. Polysol Industries on a going concern basis against for a total consideration of ₹142.44 million; and (b) business transfer agreement dated May 29, 2020, entered between our Company and M/s. Urmi Polymer Industries for acquisition of the SRV. No. 260/71/1/3,4, Demani Road, Dadra, Dadra & Nagar Haveli – 396230, Gujarat and other assets and liabilities of M/s. Urmi Polymer Industries on a going concern basis for a total consideration of ₹170.81 million.
Chartered Engineer	The chartered engineer acting as an "expert" under Section 2(38) of the Companies Act, 2013, namely C.D. Mehta and Associates.
Chief Executive Officer or CEO	The chief executive officer of our Company, namely, Dr. Rajesh Shyambadan Singh.
Chief Financial Officer or CFO	The chief financial officer of our Company, namely, Dipakkumar Mohanlal Sanghani.
Chief Operating Officer or COO	The chief operating officer of our Company, namely, Khushru Dali Petigara.

Terms	Description
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, namely, Dipakkumar Mohanlal Sanghani.
Connected Group	The body corporates, the entities, the firms and the HUFs associated with the brothers of Shaileshkumar Balvantrai Desai, one of our Promoters.
Corporate Social Responsibility Committee / CSR Committee	The corporate social responsibility committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, as described in chapter entitled '*Our Management*' beginning on page 203.
Corporate Office	The corporate office of our Company is situated at C-5/101/4, Polysol Building, 2nd Floor, GIDC, Char Rasta, N.H 48, Vapi, District Valsad, Gujarat – 396 195, India.
Director(s)	The director(s) on our Board. For details, please see chapter entitled '*Our Management*' beginning on page 203.
Equity Shares	The equity shares of our Company of face value of ₹10 each.
Executive Director	An executive director of our Company. For details, please see chapter entitled '*Our Management*' beginning on page 203.
Frost & Sullivan	Frost & Sullivan (India) Private Limited having its registered office at ASV Hansa, 4th Floor, No.53, Greams Road, Thousand Lights Chennai, Tamil Nadu – 600006, India.
F&S Report	Report titled '*Independent Market Report – India Chemicals and Specialty Chemicals Market*' dated March 15, 2022 prepared by F&S.
Group Company(ies)	The companies other than Connected Group in relation to which SEBI Exemption Applications have been filed by our Company, disclosed in chapter entitled '*Our Group Companies*' beginning on page 226.
Independent Directors	Independent directors on our Board and who are eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, please see the chapter entitled '*Our Management'* beginning on page 203.
IPO Committee	The IPO committee of our Board constituted to facilitate the Offer, comprising of Shaileshkumar Balvantrai Desai (Chairman), Umang Shailesh Desai and Vijay Gopi Kishan Agarwal.
KMP / Key Managerial Personnel	Key managerial personnel of our Company in accordance with Regulation 2(1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in chapter entitled '*Our Management'* beginning on page 203.
Managing Director or MD	The managing director of our Company, namely, Shaileshkumar Balvantrai Desai.
Manufacturing Facility(ies)	Our Company's manufacturing facilities situated at: a. Plot No. 1734 and 1702/B, Phase-III, GIDC Vapi, Taluka Pardi, District Valsad – 396 195, Gujarat; b. Plot No. C1B-106/1 to 4, GIDC Sarigam, Taluka Umbargaon, District – Valsad – 396 155, Gujarat; and c. Non-agricultural land bearing new survey no. 1063 (Old SRV No 260/71/1/4) and survey no. 1064 and (Old SRV No 260/71/1/3) along with factory building consisting of ground floor, first floor and second floor situated at village Dadra in the Union Territory of Dadra &Nagar Haveli & Daman & Diu.
Materiality Policy	The policy adopted by our Board on February 14, 2022, for identification of material: (a) outstanding litigation; (b) Group Company(ies); and (c) creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus.
Memorandum of Association or MoA	Memorandum of association of our Company, as amended, from time to time.
M/s. Bhavisha Industries	A sole proprietorship firm owned by Bhavisha Shailesh Desai, the whole-time director of our Company.
Memorandum of Understanding / MoU with M/s. Bhavisha Industries	Memorandum of understanding dated March 2, 2022 executed by and amongst our Company, M/s. Bhavisha Industries and sole proprietor Bhavisha Shaileshbhai Desai for acquisition of the assets of M/s. Bhavisha Industries

Terms	Description
	including the manufacturing facility located at Plot No.1705, Phase - III, GIDC Vapi, Taluka Vapi, District Valsad – 396 195, Gujarat, India, for a total consideration of ₹197.43 million.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in chapter entitled '*Our Management'* beginning on page 203.
Non-Executive Directors	A Director not being an Executive Director.
Promoter Group	Individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations except the brothers of Shaileshkumar Balvantrai Desai, one of our Promoters and the Connected Group associated with them in relation to which SEBI Exemption Applications have been filed by our Company. For further details, please see chapter entitled 'Our Promoters and Promoter Group' beginning on page 222.
Promoters	Promoters of our Company namely, Shaileshkumar Balvantrai Desai and Umang Shailesh Desai. For further details, please see chapter entitled '*Our Promoters and Promoter Group'* beginning on page 222.
Registered Office	The registered office of our Company situated at Plot No. 1734, Third Phase, GIDC, District – Valsad, Vapi – 396 195, Gujarat, India.
Registrar of Companies or RoC	Registrar of Companies, Gujarat.
Remuneration Policy	Policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees of our Company, recommended to the Board by the Nomination and Remuneration Committee.
Restated Financial Statement or Restated Financial Information	The restated financial statements of our Company comprise of the restated statement of assets and liabilities as at 6 month period ended September 30, 2021, and Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019, the restated statement of profit and loss, the restated statement of cash flows and the restated statement of changes in equity for the 6 month period ended at September 30, 2021, and Fiscals ended at March 31, 2021, March 31, 2020 and March 31, 2019 and the summary of significant accounting policies and explanatory notes and notes to restated financial information prepared in terms of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "*Reports in Company Prospectuses (Revised 2019)*" issued by the Institute of Chartered Accountants of India, each as amended.
Revenue from manufacturing operations	(Revenue from operations) – (Revenue from traded goods + Revenue from sale of services + other operating revenues).
Relevant Parties	Our Company, our Directors and our Promoters.
Risk Management Committee	The risk management committee our Company constituted in accordance with the applicable provisions of the SEBI Listing Regulations and as described in chapter entitled '*Our Management*' beginning on page 203.
Scheme of Amalgamation	Scheme of compromise, arrangement or merger of Triwal Board, a wholly owned subsidiary of our Company, with our Company in accordance with provisions of Section 233 of the Companies Act, 2013, sanctioned vide confirmation order dated August 28, 2018 passed by the Regional Director, Ahmedabad, pursuant to which Triwal Board was amalgamated into our Company.
SEBI Exemption Applications	2 separate applications filed by our Company with SEBI, each dated March 24, 2022, in terms of Regulation 300(1)(c) of the SEBI ICDR Regulations seeking exemption from: (a) disclosing the details of the brothers of Shaileshkumar Balvantrai Desai, one of our Promoters, and the body corporates, the entities, the firms and the HUFs associated with them as members of the 'promoter group' and 'group companies' in accordance with Regulations 2(1)(pp) and 2(1)(t) of the SEBI ICDR Regulations, respectively, in this Draft Red Herring Prospectus; and (ii) disclosing the information and confirmation with respect to the said brothers and the Connected Group, as required in terms of the SEBI ICDR Regulations in this Draft Red Herring Prospectus, on the grounds of and their refusal to provide information (including litigations) and documents, the

Terms	Description
	consequent inability of our Company to obtain information from the said brothers and Connected Group.
Selling Shareholders	Shaileshkumar Balvantrai Desai, Umang Shailesh Desai, M/s. Polysol Financial Services LLP, and M/s. Apurva International.
Shareholder(s)	The equity shareholders of our Company from time to time.
Stakeholders' Relationship Committee	The stakeholders' relationship committee our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in chapter entitled '*Our Management'* beginning on page 203.
Whole-time Directors	The whole-time directors of our Company, namely, Umang Shailesh Desai and Bhavisha Shaileshbhai Desai.

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by a relevant Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form.
Allot, Allotment or Allotted	Unless the context otherwise requires, allotment of the Equity Shares 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	A note or advice or intimation of Allotment sent to each successful Bidder who have been or is to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor	A QIB, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100.00 million.
Anchor Investor Allocation Price	The price at which the Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLM, during the Anchor Investor Bidding Date.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus.
Anchor Investor Bidding Date / Anchor Investor Offer Period	The day, being 1 Working Day prior to the Bid/Offer Opening Date, on which Bids by the Anchor Investors shall be submitted, prior to and after which the BRLM will not accept any Bids from Anchor Investor and allocation to the Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which the Equity Shares will be issued and Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLM.
Anchor Investor Pay-In Date	With respect to the Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, at a date being not later than 2 Working Days after the Bid/ Offer Closing Date.

Term	Description
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLM and, to the Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a RIB which is blocked upon acceptance of a UPI Mandate Request made by the RIB 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 to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), the Refund Bank(s), the Sponsor Bank(s) and the Public Offer Bank(s), as the case may be.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer and which is described in chapter entitled '*Offer Structure'* beginning on page 340.
Bid / Offer Period	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application form. The term 'Bidding' shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case may be, upon submission of the Bid.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid/Offer Opening Date	Except in relation to Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall also be notified in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Gujarati daily newspaper, as Gujarati being the regional language of Gujarat where our Registered Office is located). Our Company and the Selling Shareholders may in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be 1 Working Day prior to the Bid/Offer Opening Date.

Term	Description
Bid/Offer Closing Date	Except in relation to Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located). In case of any revisions, the extended Offer Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations. Our Company and the Selling Shareholders, in consultation with the BRLM may, consider closing the Bid/Offer Period for QIBs 1 Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the website of the BRLM and at the terminals of the Syndicate Members, which shall also be notified in an advertisement in the same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations.
Bid/Offer Period	Except in relation to the Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of 3 Working Days for all categories of Bidders, other than Anchor Investors. Our Company may, in consultation with the BRLM, consider closing the Bid/Offer Period for the QIB Category 1 Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Offer Period will comprise of Working Days only.
Bidder / Investors	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	The centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated 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 Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
Book Running Lead Manager or BRLM	The book running lead manager to the Offer, namely, Inga Ventures Private Limited.
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker and in case of RIBs only ASBA Forms with UPI. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time.
CAN or Confirmation of Allocation Note	The note or advise or intimation of allocation of the Equity Shares sent to the Anchor Investors, who have been allocated the Equity Shares on/after the Anchor Investor Bidding Date.

Term	Description
Cap Price	The higher end of the Price Band above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted including any revisions thereof. Cap Price shall be at least 105% of the Floor Price and shall not exceed 120% of the Floor Price.
Cash Escrow and Sponsor Bank(s) Agreement	Agreement dated [●] entered by and amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLM, the Syndicate Member and the Banker(s) to the Offer for, *inter alia*, appointment of the Sponsor Bank(s) in accordance with the Circular on Streamlining of Public Issues, collection of the Bid Amounts from the 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 in accordance with UPI Circulars.
Circulars on Streamlining of Public Issues / UPI Circulars	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021./2480/1/M) dated March 16, 2021, SEBI circular number no. (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated June 2, 2021, and any subsequent circulars or notifications issued by SEBI in this regard.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996 registered with the SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by the SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time.
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with the SEBI and eligible to procure Bids at the Designated RTA Locations in terms of the UPI Circulars.
Cut-off Price	The Offer Price, finalized by our Company and the Selling Shareholders, in consultation with the BRLM, which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidder’s address, name of the Bidder’s father/husband, investor status, occupation and bank account details and UPI ID, where applicable.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. A list along with names and contact details of the CDPs 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 the Escrow Collection Banks transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus, after the authorization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which our Board may Allot Equity Shares to successful Bidders in the Offer.

Term	Description
Designated Intermediaries	In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) by authorization an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. 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 shall collect the ASBA Forms, a list of which is available on the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by the SEBI from time to time.
Designated Stock Exchange	[●].
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated March 24, 2022 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted, the size of the Offer and any addenda or corrigenda thereto.
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitute an invitation to subscribe to the Equity Shares.
Eligible NRI(s)	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares.
Escrow Account(s)	The non-lien and non-interest bearing accounts to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amounts when submitting a Bid.
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with the SEBI as banker(s) to an offer, under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and with whom the Escrow Account(s) in relation to the Offer for Bids by Anchor Investors, will be opened, in this case being [●].
First Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band i.e., ₹[●] subject to any revision(s) thereto, not being lower than the face value of the Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will finalized and below which no Bids will be accepted.
Fraudulent Borrower	Fraudulent borrower as defined under the SEBI ICDR Regulations.
Fresh Issue	The fresh issue component of the Offer comprising of an issuance of up to [●] Equity Shares at ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹870.00 million by our Company.
General Information Document or GID	The General Information Document for investing in public offers, 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 BRLM.
Gross Proceeds	The Offer Proceeds from the Fresh Issue.

Term	Description
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	5% of the Net QIB Portion which shall be available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Net Proceeds	The Gross Proceeds less our Company's share of the Offer related expenses applicable to the Fresh Issue. For further details regarding the use of the Net Proceeds and the Offer expenses, please see the chapter entitled '*Objects of the Offer*' beginning on page 90.
Net QIB Portion	The QIB Portion less the number of Equity Shares allotted to the Anchor Investors.
Net Worth	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, as per the Restated Financial Statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.
Non-Institutional Bidder or NIBs	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion* **Note: These changes will come into effect from April 1, 2022, if the Bid/Offer Opening Date is on or after April 1, 2022*	The portion of the Offer being not less than 15% of the Offer which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price in the following manner: a. one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more ₹200,000 up to ₹1,000,000; b. two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than exceeding ₹1,000,000: Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Bidders.
Non-Resident	Person resident outside India, as defined under FEMA.
Objects	Repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Company; and general corporate purposes.
Offer	The initial public offer of the Equity Shares comprising of the Fresh Issue and the Offer for Sale. The initial public offer of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹[●] each, aggregating up to ₹4,140.00 million, comprising of a: a. the Fresh Issue of up to [●] Equity Shares aggregating up to ₹870.00 million; and b. Offer for Sale of up to [●] Equity Shares aggregating up to ₹3,270.00 million by the Selling Shareholders.
Offer Agreement	The agreement dated March 24, 2022 entered into amongst our Company, the Selling Shareholders and the BRLM, pursuant to which certain arrangements have been agreed to in relation to the Offer.
Offer Document	Collectively, the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus or any other documents in connection with the Offer.

Term	Description
Offer for Sale	An offer for sale of up to [●] Equity Shares aggregating up to ₹3,270.00 million, consisting of up to [●] Equity Shares aggregating up to ₹1,830.00 million by Shaileshkumar Balvantrai Desai, up to [●] Equity Shares aggregating up to ₹380.00 million by Umang Shailesh Desai, up to [●] Equity Shares aggregating up to ₹1,020.00 million by M/s. Polysol Financial Services LLP and up to [●] Equity Shares aggregating up to ₹40.00 million by M/s. Apurva International.
Offer Price	The final price at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors in terms of the Red Herring Prospectus and Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company and the Selling Shareholders, in consultation with the BRLM in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLM on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus.
Offer Proceeds	The proceeds of the Fresh Issue shall be available to our Company and the proceeds of the Offer for Sale shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, please see the chapter entitled '*Objects of the Offer*' beginning on page 90.
Offered Shares	The Equity Shares being offered by: (i) Shaileshkumar Balvantrai Desai as part of the Offer for Sale comprising of an aggregate of up to [●] Equity Shares; (ii) Umang Shailesh Desai as part of the Offer for Sale comprising of an aggregate of up to [●] Equity Shares; (iii) M/s. Polysol Financial Services LLP as part of the Offer for Sale comprising of an aggregate of up to [●] Equity Shares; and (iv) M/s. Apurva International as part of the Offer for Sale comprising of an aggregate of up to [●] Equity Shares.
Price Band	Price band of a minimum price of ₹[●] per Equity Share **(Floor Price)** and the maximum price of ₹[●] per Equity Share **(Cap Price)** including any revisions thereof. The Price Band, and the minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLM, and will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Gujarati daily newspaper, as Gujarati being the regional language of Gujarat where our Registered Office is located) at least 2 Working Days prior to the Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company and the Selling Shareholders, in consultation with the BRLM, will finalise the Offer Price.
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with the provisions of Section 26 of 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	The 'non-lien' and 'non-interest bearing' bank account to be opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and ASBA Accounts maintain with the SCSBs on the Designated Date.
Public Offer Account Bank(s)	A bank which is registered with the SEBI as a banker to an offer and with which the Public Offer Account will be opened, in this case being [●].

Term	Description
QIB Category or QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer which shall be available for allocation to QIBs (including Anchor Investors in which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholder, in consultation with the BRLM), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price, as applicable.
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus or RHP	Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least 3 Working Days before the Bid / Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made.
Refund Bank(s)	The Banker to the Offer with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	The stock brokers registered under Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the BRLM and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by the SEBI.
Registrar Agreement	The agreement dated February 17, 2022 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with the SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the UPI Circulars, as per the lists available on the websites of BSE and NSE.
Registrar to the Offer or Registrar	Link Intime India Private Limited.
Retail Individual Bidder(s) or 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 but does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, which shall not be less than the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price.
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders bidding in the Retail Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date.

Term	Description
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with the SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes& int mId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes& int mId=35, as applicable or such other website as may be prescribed by the 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 the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes& int mId=40, or such other website as may be prescribed by the SEBI from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId =43 . Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available at www.sebi.gov.in.
Service Provider Agreement	Service Provider Agreement dated March 23, 2022 entered between our Company and Adfactors Advertising LLP and Adfactors PR Private Limited.
Share Escrow Agent	Share escrow agent appointed pursuant to the Share Escrow Agreement, in this case being, [●].
Share Escrow Agreement	The agreement dated [●] entered into amongst our Company, the Selling Shareholders and the Share Escrow Agent for deposit of the Equity Shares offered by the Selling Shareholders in escrow credit of such Equity Shares to the demat account of the Allottees.
Specified Locations	The Bidding centres where the Syndicate shall accept BID cum Application Forms from the relevant Bidders, a list of which is available on the website of the SEBI (ww.sebi.gov.in) and updated from time to time.
Sponsor Bank(s)	The Banker(s) to the Offer registered with the SEBI which is appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIBs into the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, the Sponsor Bank(s) in this case being [●].
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited.
Syndicate	Together, the BRLM and the Syndicate Members.
Syndicate Agreement	The agreement to be entered into amongst our Company, the Registrar to the Offer, the Selling Shareholders, the BRLM and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate.
Syndicate Members	Intermediaries (other than the BRLM) registered with the SEBI who are permitted to accept bids, applications and place order with respect to the Offer, namely, [●].
Systemically Important Non-Banking Financial Bank or NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Underwriters	Underwriters appointed pursuant to the Underwriting Agreement, in this case being, [●].
Underwriting Agreement	The agreement dated [●] entered into amongst the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date but prior to filing of Prospectus.
UPI	Unified Payment Interface, which is an instant payment mechanism developed by NPCI.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.

Term	Description
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank(s) to authorize blocking of funds in the relevant ASBA Account through the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. In accordance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&int mId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.
UPI Mechanism	The mechanism that may be used by a RIB to make a Bid in the Offer in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter	A wilful defaulter as defined under the SEBI ICDR Regulations.
Working Day	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid / Offer Period, 'Working Day' shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid / Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, 'Working Day' shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by the SEBI.

Technical / industry related terms

Term	Description
Application Industry(ies)	Industries where our specialty chemicals are used for i.e., infra-tech (construction) chemicals industries; agro-chemicals (pesticide formulations) industries; dyes, pigments and textile chemicals industries; and leather chemicals industries.
c.m.c. value	Critical micelle concentration value
GIDC	Gujarat Industrial Development Corporation
GPCB	Gujarat Pollution Control Board
Infra-tech chemicals	Chemicals used in the construction industry
ISO	International Standards Organization
MPEG	Methoxypolyethylene Glycol
MSLB	Main Steam Line Break
MSLT	Molten Salt Loop Test
MT	Metric tonne
PCE	Poly carboxylate ether
PEG	Poly ethylene glycol
PPP	Public-private partnership
SEZ	Special Economic Zone
TSC	Textile Specialty Chemicals
VPEG	Vinyl Polyethylene Glycol
WPD	Wetting and dispersing powder

Conventional and general terms / abbreviations

Term	Description
₹, Rs., Rupees or INR	Indian Rupees
ABFL	Aditya Birla Finance Limited
AIF	Alternative Investment Fund as defined in and registered with the SEBI under the SEBI AIF Regulations.
Air Act	The Air (Prevention and Control of Pollution) Act, 1981, as amended

Term	Description
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
Banking Regulation Act	The Banking Regulation Act, 1949, as amended
Boiler Act	The Indian Boilers Act, 1923, as amended
BSE	BSE Limited
Category I FPI(s)	FPIs who are registered as 'Category I foreign portfolio investors' under the SEBI FPI Regulations.
Category II FPI(s)	FPIs who are registered as 'Category II foreign portfolio investors' under the SEBI FPI Regulations.
CAGR	Compound Annual Growth Rate
CCA Dadra	Consolidated consent and authorization in respect of industrial plant located at Survey No. 260/71/1/3, Opp Jindal Photo Films Ltd., Dadra Silvassa under the Air Act and the Water Act.
CDSL	Central Depository Services (India) Limited
CLRA Act	Contract Labour (Regulation and Abolition) Act, 1970, as amended
Companies Act, 1956	*Erstwhile* Companies Act, 1956 along with the relevant rules made thereunder.
Companies Act/ Companies Act, 2013	Companies Act, 2013, as amended, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder.
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020.
Depositories	Together, NSDL and CDSL.
Depositories Act	Depositories Act, 1996, as amended
DIN	Director Identification Number.
DP ID	Depository Participant's Identification.
'DP' or 'Depository Participant'	A depository participant as defined under the Depositories Act.
EBITDA	PAT+ Finance Cost + Taxes + Depreciation and Amortisation-Other Income.
EBITDA Margin (%)	(EBITDA / Revenue from operations)*100
EGM	Extraordinary General Meeting.
EHS	Environment, Health and Safety
EPA	The Environment (Protection) Act, 1986, as amended
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per Share
ESI Act	The Employees' State Insurance Act, 1948, as amended
ESG	Environmentally Sustainable Governance
EU	European Union
Factories Act	The Factories Act, 1948, as amended
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, as amended, read with rules and regulations thereunder.
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended
'Financial Year', 'Fiscal', 'fiscal', 'Fiscal Year' or 'FY'	Unless stated otherwise, the period of 12 months ending March 31 of that particular year.
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations.
'GoI' or 'Government'	Government of India
Gratuity Act	The Payment of Gratuity Act, 1972, as amended
GST	Goods and services tax
Hazardous Waste Rules	The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, as amended
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards
Income Tax Act or IT Act	The Income Tax Act, 1961, as amended
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules.

Term	Description
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015, as amended
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
MCA	Ministry of Corporate Affairs, Government of India
MIPL	Menumate India Private Limited
MSME	Micro, Small & Medium Enterprises
MT	Metric tonnes
MCLR	Marginal cost of funds based lending rate
'N.A.' or 'NA'	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NEFT	National Electronic Fund Transfer
NBFC – SI	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
No.	Number
NPA	Non-Performing Asset
NPCI	National Payments Corporation of India
NR	Non-resident
NRI	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955.
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
'OCB' or 'Overseas Corporate Body'	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to participate in the Offer.
OD	Overdraft
Original Vapi CCA	Consolidated consent and authorization in respect of industrial plant located at Plot No. 1734, Phase-III at GIDC, Vapi, Valsad, Gujarat under the Air Act, the Water Act and the Hazardous Wastes Rules.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAT	Profit After Tax
PAT Margin (%)	(PAT / Revenue from operations) *100
PAN	Permanent Account Number
PSCPL	Polysol Specialty Chemicals Private Limited
R&D	Research and Development
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
ROE	Return on Equity
RoCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended
SEBI Act	Securities and Exchange Board of India Act 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended

Term	Description
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed by the SEBI AIF Regulations.
SMEs	Small and Micro Enterprises
Stock Exchanges	Together, BSE and NSE.
STT	Securities Transaction Tax
TM Act or Trade Marks Act	Trade Marks Act, 1999, as amended
Triwal Board	Triwal Board Private Limited
TDS	Tax Deducted at Source
‘U.S.’ or ‘USA’ or ‘United States’	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
‘USD’ or ‘US$’	United States Dollars
U.S. Securities Act	United States Securities Act of 1933, as amended
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the SEBI VCF Regulations
Water Act	The Water (Prevention and Control of Pollution) Act, 1974, as amended

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to 'India' contained in this Draft Red Herring Prospectus are to the Republic of India and its territories. All references to the 'Government', 'Indian Government', 'GOI', 'Central Government' are to the Government of India and all references to the 'State Government' are to the government of the relevant state.

Unless stated otherwise, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time. Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Fiscal or Financial Year are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Restated financial statements of our Company included in this Draft Red Herring Prospectus are as at and for the 6 month period ended September 30, 2021 and Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019 comprising the restated summary statement of assets and liabilities for the 6 month period ended at September 30, 2021 and Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019, the restated summary statements of profit and loss, the restated summary statement of changes in equity and restated cash flows for the 6 month ended September 30, 2021 and Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019, together with the summary statement of significant accounting policies, and other explanatory information (collectively, the **Restated Financial Statements**) prepared in accordance with Ind AS, Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on "*Reports on Company Prospectuses (Revised 2019)*" issued by the ICAI, as amended from time to time.

For further information on our Company's financial information, please see the section entitled '*Financial Information*' beginning on page 230. Unless stated, or the context requires otherwise, all financial information and financial ratios in this Draft Red Herring Prospectus is derived from our Restated Financial Statements.

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

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Non-GAAP Measures

Certain non-GAAP measures such as revenue from manufacturing operations, EBITDA, EBITDA Margin, Profit after tax (**PAT**) margin (%), Net Worth, EBIT, EBDITA CAGR, PAT CAGR, return on equity, return on capital employed, Return on Net Worth, interest coverage ratio, fixed asset turnover ratio, etc. (**Non-GAAP Measures**) presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and 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. [B&P NOTE: To be checked]

Currency and Units of Presentation

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to (a) 'Rupees' or '₹' or 'Rs.' Or 'INR' are to the Indian Rupees, the official currency of the Republic of India; (b) 'US Dollars' or 'US$' or 'USD' or '$' are to the United States Dollars, the official currency of the United States of America. Our Company has presented certain numerical information in this Draft Red Herring Prospectus in 'million' units, or in absolute number where the number have been too small to present in 'million' unless as stated, otherwise, as applicable. 1.00 million represents 1,000,000.00 (10.00 lakhs). However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than 'million' or may be rounded off to other than one decimal point in the respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations or rounded – off as provided in their respective sources.

Any percentage amounts, as set forth in *'Risk Factors', 'Our Business', 'Management's Discussion and Analysis of Financial Conditions and Results of Operation'* and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our Restated Financial Statements.

Exchange Rates

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

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

(In ₹)

Currency	As at			
	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019*
1 US$	74.25	73.50	75.39	69.17
1 Euro	86.14	86.10	83.05	77.70
1 JPY	66.35	66.36	69.65	62.52

Source: RBI reference rate and www.fbil.org.in

** Exchange rate as on March 29, 2019 considered as exchange rate is not available for March 30, 2019 being a Saturday and March 31, 2019 being a Sunday.*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publication and sources. Further, the information has also been derived from the report titled '*Independent Market Report – India Chemicals and Specialty Chemicals Market*' dated March 15, 2022 (**F&S Report**), which has been commissioned and paid for by our Company from Frost & Sullivan. For risks in relation to commissioned reports, please see the chapter entitled '*Risk Factors – This Draft Red Herring Prospectus contains information from an industry report prepared by Frost & Sullivan which we have commissioned and paid for*' on page 50.

F&S Report is also available on the website of our Company at www.gujaratpolysol.com.

Disclaimer by Frost & Sullivan

*"Independent Market Report – India Chemicals and Specialty Chemicals Market" (the "**Report**")'' has been prepared for the proposed initial public offering of equity shares (the "**Offer**") by Gujarat Polysol Chemicals Limited (the "**Company**").*

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

Frost & Sullivan has prepared the Report in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that the Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, but 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 Offer, the recipient should conduct its own investigation and analysis of all facts and information contained in the offer documents of which this report is a part and the recipient must rely on its own examination of the Company and the terms of the Offer, 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 Offer."

Except for the F&S Report, we have not commissioned any report for purposes of this Draft Red Herring Prospectus and any market and industry related data, other than that derived from the F&S Report, used in this Draft Red Herring Prospectus has been obtained or derived from publicly available documents and other industry sources.

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. 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. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section entitled '*Risk Factors*' beginning on page 33. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

Further, the extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. In addition, certain data in relation to our Company used in this Draft Red Herring Prospectus has been obtained or derived from the F&S Report which may differ in certain respects from our Restated Financial Statements as a result of, *inter alia*, the methodologies used in compiling such data. Accordingly, investment decision should not be made based on such information.

In accordance with the SEBI ICDR Regulations, chapter entitled *'Basis for Offer Price'* beginning on page 99, includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the Selling Shareholders nor the BRLM have independently verified such information. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base this information on estimates and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in section entitled *'Risk Factors'* beginning on page 33.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain 'forward-looking statements' which are not historical facts. These forward-looking statements generally can be identified by words or phrases such as 'aim', 'anticipate', 'believe', 'can', 'could', 'expect', 'estimate', 'intend', 'may', 'likely', 'objective', 'plan', 'propose', 'project', 'seek to', 'shall', 'will', 'will continue', 'will pursue' or other words or phrases of similar import. Similarly, statements whether made by us or any third parties that describe our strategies, objectives, plans, goals, future events, future financial statements or financial needs are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

These forward-looking statements, whether made by us or a third-party, are based on our current plans, estimates, presumptions and expectations and actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter alia*, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its 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 and changes in competition in the industries in which we operate.

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

- The loss of one or more of our significant customers or a significant reduction in production and sales of, or demand for our production from our significant customers;
- The availability of raw materials on commercially acceptable terms;
- Uncertainty in relation to continuing effect of the COVID-19 on our business and operations;
- Our ability to successfully manage the introduction of new products;
- Adverse change(s) in government policies, in particular, policies pertaining to import of raw materials that are used in our business or products manufactured by us;
- Any downturn in one or more of industries / sectors to which we cater;
- Absence of any firm commitment long-term agreements with our customers;
- Changes in the value of the Indian rupee *vis-à-vis* other currencies;
- Our inability to accurately forecast demand for our products or customer preference, and accordingly manage our inventory or plan capacity increases;
- Our ability to respond to technological changes;
- Our ability to successfully implement our strategy, growth and expansion;
- Our indebtedness and the conditions and restrictions imposed on us by our financing agreements; and
- Increased costs on account of compliance with various law and regulations, in jurisdictions where we operate, including environmental and health and safety laws and regulations.

For further discussion on factors that could cause actual results to differ from expectations, please see the section entitled *'Risk Factors'* beginning on page *33* and please see the sections entitled *'Our Business'* and *'Management's Discussion and Analysis of Financial Condition and Results of Operations'* beginning on pages 173 and 280, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, the BRLM 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, the Selling Shareholders and the BRLM will ensure that the investors in India are informed of material developments pertaining to our Company and the Offered Shares from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

Neither our Company, the Directors, the Selling Shareholders, nor the BRLM, or the Syndicate or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and each of the Selling Shareholders shall, severally and not jointly, ensure that investors are informed of material developments pertaining to our Company and the Offered Shares from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

The Selling Shareholders shall ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by such Selling Shareholder to the extent of information specifically pertaining to them as Selling Shareholders and their portion of the Equity Shares offered in the Offer in the Red Herring Prospectus until the receipt of final listing and trading approvals from the Stock Exchanges for this Offer.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of the terms of the Offer and of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the section entitled 'Risk Factors' beginning on page 33 and the chapters entitled 'Industry Overview', 'Our Business', 'Capital Structure', 'Object of the Offer', 'The Offer' and 'Outstanding Litigation and Material Developments' beginning on pages 105,173, 75, 90, 60 and 311, respectively.

Summary of business

We are amongst the leading chemicals manufacturers for the Infra-tech (Construction), agro, dyes and leather industries in India. We are amongst the leading suppliers of dispersing agents in the Infra-tech, dye and pigments, and textile and leather industries and a leading supplier of powder surfactants in India. *(Source: F&S Report)* We are amongst the leading manufacturers of poly carboxylate ether (**PCE**) liquid in India. We are one of the few manufacturers of PCE powder globally and the only manufacturer of PCE powder in India. *(Source: F&S Report)* The vast majority of products that we manufacture use the aromatic organic compounds.

Summary of Industry

The Indian chemicals market is valued at USD 169 Bn in year 2020 with the commodity chemicals accounting for almost 50%. The specialty chemical industry forms ~42% of the domestic chemical market, which is expected to grow at a CAGR of around 11-12%. Agrochemicals and Fertilizers account for 18-20% of the domestic chemicals market and around 47% of the specialty chemicals domain. Home and personal care chemicals, water treatment chemicals, construction chemicals, agrochemicals etc. are areas where Specialty chemicals find applications. The growth of the market is in conjunction with the overall growth of the Indian economy. *(Source: F&S Report)*

Name of Promoter(s)

Our Promoters are Shaileshkumar Balvantrai Desai and Umang Shailesh Desai. For further details, please see the chapter entitled '*Our Promoters and Promoter Group*' beginning on page 222.

Offer size

Offer of Equity Shares(1)(2)	Up to [●] Equity Shares, aggregating up to ₹4,140.00 million
Of which:	
Fresh Issue(1)	Up to [●] Equity Shares, aggregating up to ₹870.00 million
Offer for sale(2)	Up to [●] Equity Shares, aggregating up to ₹3,270.00 million

(1) The Offer has been authorized by our Board pursuant to resolutions passed at its meetings held on February 14, 2022 and the Fresh Issue has been authorized by our Shareholders pursuant to a special resolution passed on February 16, 2022. Further, our Board of Directors have taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on March 24, 2022.

(2) The Offered Shares being offered by the Selling Shareholders pursuant to the Offer for Sale are eligible for being offered for sale as a part of the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. For further details of authorizations pertaining to the Offer for Sale, please see the chapter entitled 'Other Regulatory and Statutory Disclosures' beginning on page 325.

The Offer shall constitute [●]% of the post-Offer paid up Equity Share capital of our Company. For further details of the offer, please see the chapters entitled '*The Offer*' and '*Offer Structure*' beginning on pages 60 and 340, respectively.

Objects of the Offer

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

(*in ₹ million*)

Particulars	Amount*
Repayment/prepayment, in full or part, of certain borrowings availed of by our Company	650.00
General corporate purposes#	[●]
TOTAL*	**[●]**

* *To be determined upon finalization of the Offer Price and updated in the Prospectus prior to filing with the ROC.*
# *The amount utilized for general corporate purposes shall not exceed 25% of the Net Proceeds.*

For further details, please see the chapter entitled '*Objects of the Offer*' beginning on page 90.

Aggregate pre-Offer shareholding of our Promoters, our Promoter Group and the Selling Shareholders as a percentage of the paid-up Equity Share capital of our Company

Sr. No.	Name of the Shareholder	No. of Equity Shares held	% of total pre-Offer paid up Equity Share capital of our Company
Promoter			
1.	Shaileshkumar Balvantrai Desai	13,479,550	66.88
2.	Umang Shailesh Desai	3,326,700	16.51
	Total	**16,806,250**	**83.39**
Promoter Group			
3.	Nilima Shailesh Desai	1,043,250	5.18
4.	Bhavisha Shaileshbhai Desai	1,000,000	4.96
5.	Apoorva Mohan	5,000	0.02
6.	M/s. Polysol Financial Services LLP*	1,250,000	6.20
7.	Desai Shailesh Balvantrai HUF	250	0.001
8.	M/s. Apurva International	50,000	0.25
	Total	**3,348,500**	**16.61**
Selling Shareholders			
9.	Shaileshkumar Balvantrai Desai	13,479,550	66.88
10.	Umang Shailesh Desai	3,326,700	16.51
11.	M/s. Polysol Financial Services LLP*	1,250,000	6.20
12.	M/s. Apurva International	50,000	0.25
	Total	**18,106,250**	**89.84**

**Polysol Financial Services Limited got converted into M/s. Polysol Financial Services LLP vide certificate of registration on conversion dated March 31, 2016. M/s. Polysol Financial Services LLP is registered under Section 58(1) of the Limited Liability Partnership Act, 2018.*

Summary of Financial Information

(in ₹ million except per share data)

Particulars	**As at and for the 6 month period ended September 30, 2021**	**As at and for the Fiscal ended March 31, 2021**	**As at and for the Fiscal ended March 31, 2020**	**As at and for the Fiscal ended March 31, 2019**
Share capital	201.55	40.31	26.39	26.19
Net worth*	1,397.18	1,244.11	760.95	558.46
Revenue from Operations	1,818.49	3,796.06	4,404.56	4,387.58
Total Income	1,832.17	3,804.32	4,409.38	4,397.98
Profit after tax	155.20	398.39	201.85	128.00
Earnings per share**				
Basic	7.70#	20.98	15.30	9.77
Diluted	7.70#	19.77	10.02	6.38
Net asset value per Equity Share***	69.32	65.50	57.67	42.65
Total borrowings@ (net-off transaction costs)	925.61	771.41	694.44	781.87

* *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, as per the Restated Financial Statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.*
** *Earning per share:*
1. *Basic Earnings per share (₹) = Net profit/ (loss) after tax, as restated attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the year/period.*

2. *Diluted Earnings per share (₹) = Net profit / (loss) after tax, as restated attributable to equity shareholders divided by weighted average number of diluted Equity Shares outstanding during the year /period.*

****Net Asset Value per share = Restated net worth at the end of the year/period divided by weighted average number of Equity Shares outstanding at the end of the year/period. Weighted average number of Equity Shares represents the shares used for computing Basic EPS/LPS.*

 # Not annualised.

@Total borrowings = Total of long term borrowings + Current borrowings

Qualifications of the Auditor not been given effect in the Restated Financial Statements

There are no auditor qualifications which have not been given effect to in the Restated Financial Statements.

Summary of Outstanding Litigation and Material Developments

A summary of outstanding litigation proceedings involving our Company, our Promoters, our Directors and our Group Companies, as on the date of this Draft Red Herring Prospectus as disclosed in the chapter entitled *'Outstanding Litigation and Material Developments'* beginning on page 311, is set out below:

Type of proceedings	Number of outstanding proceedings	Amount involved (₹ in million)
Cases against our Company		
Quantifiable		
Claims related to direct and indirect taxes	7	17.05
Non- Quantifiable		
Criminal proceedings	1	-
Actions taken by statutory or regulatory authorities	1	-
Other Pending Material Litigation	Nil	Nil
Total	**9**	**17.05**
Cases by our Company		
Quantifiable		
Criminal proceedings	16	17.69
Non- Quantifiable		
Other pending material litigation	Nil	Nil
Total	**16**	**17.69**
Cases against our Directors		
Quantifiable		
Criminal proceedings	4	42.27
Direct and indirect taxes	1	4.40
Non- Quantifiable		
Actions taken by statutory or regulatory authorities	2	-
Other pending material litigation	1	-
Total	**8**	**46.67**
Cases by our Directors		
Criminal proceedings	Nil	Nil
Other pending material litigation	Nil	Nil
Total	**Nil**	**Nil**
Cases against our Promoters		
Quantifiable		
Criminal Proceedings	1	90.16
Non-Quantifiable		
Criminal proceedings	1	-
Actions taken by statutory or regulatory authorities	1	-
Claims related to direct and indirect taxes	Nil	Nil
Other Pending Material Litigation	Nil	Nil
Total	**3**	**90.16**
Cases by our Promoters		
Criminal proceedings	Nil	Nil
Other Pending Material Litigation	Nil	Nil
Total	**Nil**	**Nil**
Cases involving the Group Company which have a material impact on our Company		

Type of proceedings	Number of outstanding proceedings	Amount involved (₹ in million)
Nil	Nil	Nil

For further details of the outstanding litigation proceedings, please see the chapter entitled '*Outstanding Litigation and Material Developments*' beginning on page 311.

Risk Factors

Investors should see the section entitled '*Risk Factors*' beginning on page 33 to have an informed view before making an investment decision.

Summary of contingent liabilities of our Company

(₹ in million)

Particulars	As at and for the 6 month period ended September 30, 2021
Guarantees Deposits with Banks	3.21
Letter of Credit not accepted till date	107.30
Income Tax Matters	2.85
Excise & GST Matters	14.30
Total	**127.66**

For further details of the contingent liabilities, please see the chapter entitled '*Other Financial Information*' beginning on page 278.

Summary of Related Party Transactions

Transactions:

(₹ in million)

Particulars	As at and for the 6 month period ended September 30, 2021	As at and for the Fiscal ended March 31, 2021	As at and for the Fiscal ended March 31, 2020	As at and for the Fiscal ended March 31, 2019
Purchase				
Apurva International	-	138.82	102.65	87.81
Total	**-**	**138.82**	**102.65**	**87.81**
Sales				
Apurva Chemicals Pvt Ltd	**3.14**	48.61	50.98	1.90
Apurva International	**-**	-	186.68	72.18
Bhavisha Industries	**-**	-	1.60	-
Menumate India Private Limited	**-**	-	14.85	-
Sarigram Industrial Products	**-**	0.03	-	-
Total	**3.14**	**48.64**	**254.10**	**74.08**
Rent Income				
Apurva International	1.65	3.22	3.07	1.24
Total	**1.65**	**3.22**	**3.07**	**1.24**
Expenses				
Jobwork Charges Paid				
Bhavisha Industries	16.59	15.68	13.68	1.87
Total	**16.59**	15.68	13.68	1.87
Salary Expenses				
Bhavisha Desai	0.17	0.36	0.36	2.40
Nilima Desai	0.23	-	-	-
Dipakkumar Sanghani	0.86	0.23	-	-
Rajesh Singh	5.85	0.19	-	-
Total	**7.10**	**0.78**	**0.36**	**2.40**
Gratuity Insurance Contribution				

Particulars	As at and for the 6 month period ended September 30, 2021	As at and for the Fiscal ended March 31, 2021	As at and for the Fiscal ended March 31, 2020	As at and for the Fiscal ended March 31, 2019
Gujarat Polysol Chemicals Private Limited -EGG Scheme	1.36	1.74	-	-
Total	**1.36**	**1.74**	**-**	**-**
Warehouse rent Expenses				
Bhavisha Desai	8.15	16.30	16.30	16.30
Total	**8.15**	**16.30**	**16.30**	**16.30**
Donation				
Rotary Shaikshanik and Tabibi Seva Sahayak	-	0.15	-	-
Total	**-**	0.15	-	-
Director Remuneration				
Shaileshkumar Desai	3.00	5.00	21.12	17.73
Umang Desai	1.80	2.60	8.68	9.97
Nilima Desai	0.37	1.20	1.20	3.60
Bhavisha Desai	0.10	-	-	-
Total	**5.27**	**8.80**	**31.00**	**31.30**
Purchase/Sale of Property, Plant & Equipment				
Bhavisha Industries	-	-	20.42	-
Total	**-**	**-**	**20.42**	**-**
Interest on Unsecured Loan				
Bhavisha Desai	-	-	-	3.05
Umang Desai	-	-	0.12	0.09
Total	**-**	**-**	-	0.09
Interest Paid				
Shaileshkumar Desai	-	-	21.22	21.75
Umang Desai	-	-	0.47	0.03
Nilima Desai	-	-	0.46	1.81
Desai Shailesh Balvantrai HUF	-	-	-	0.30
Total	**-**	**-**	**22.15**	**23.88**
Investment in wholly owned Subsidiary				
Polysol Specialty Chemicals Private Limited	-	0.50	-	-
Total	-	0.50	-	-
Sale of Investment in wholly owned Subsidiary				
Polysol Specialty Chemicals Private Limited	-	0.50	-	-
Total	-	0.50	-	-

Outstanding Balance as at:

(₹ in million)

Particulars	As at and for the 6 month period ended September 30, 2021	As at and for the Fiscal ended March 31, 2021	As at and for the Fiscal ended March 31, 2020	As at and for the Fiscal ended March 31, 2019
Advance to supplier				
Bhavisha Industries	30.45	15.15	18.74	-

Particulars	As at and for the 6 month period ended September 30, 2021	As at and for the Fiscal ended March 31, 2021	As at and for the Fiscal ended March 31, 2020	As at and for the Fiscal ended March 31, 2019
Apurva International	39.26	-	-	36.00
Sarigam Industrial Products	0.31	0.31	0.31	0.31
Total	**70.01**	**15.46**	**19.05**	**36.31**
Loan Given:				
Shirish Desai	**10.37**	10.37	10.37	10.37
Sanjay Desai	**0.10**	0.10	0.10	0.10
Total	**10.47**	**10.47**	**10.47**	**10.47**
Receivables:				
Apurva Chemicals Private Limited	14.69	28.31	16.49	0.44
Apurva International	-	0.01	50.57	29.81
Total	**14.69**	**28.32**	**67.06**	**30.25**
Advances from Customers				
Apurva International	5.80	2.60	-	17.99
Menumate Private Limited	-	-	-	8.25
Total	**5.80**	**2.60**	**-**	**26.24**
Payables:				
Bhavisha Desai	0.30	-	-	0.04
Bhavisha Industries	-	-	-	1.39
Apurva International	-	8.91	2.31	0.87
Total	**0.30**	**8.91**	**2.31**	**2.30**
Expenses Payable				
Director Remuneration Payable				
Shaileshkumar Desai	-	1.01	-	-
Umang Desai	-	0.45	-	
Nilima Desai	-	0.29	-	
Bhavisha Desai	0.10	-	-	-
Vijay Gopi Kishan Agarwal	0.06	-	-	-
Sandhya Mahesh Borase	0.06	-	-	-
Total	**0.22**	**1.75**	**-**	**-**
Salary Payable				
Nilima Desai	0.09	-	-	-
Rajesh Singh	0.75	-	-	-
Dipakkumar Sanghani	0.13	1.16	-	-
Total	**0.96**	**1.16**	**-**	**-**

For details of the related party transactions, as per the requirements of Ind AS – 24 and as reported in the Restated Financial Information, please see the chapter entitled '*Restated Financial Statements – Note 48: Related Party Disclosures*' beginning on page 265.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of 6 months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the Equity Shares were acquired by our Promoters and each of the Selling Shareholders in 1 year preceding the date of this Draft Red Herring Prospectus

Sr. No.	Name	Number of Equity Shares acquired	Weighted average price (in ₹)*
Promoters			
1.	Shaileshkumar Balvantrai Desai	10,783,640	Nil

Sr. No.	Name	Number of Equity Shares acquired	Weighted average price (in ₹)*
2.	Umang Shailesh Desai	2,661,360	Nil
Selling Shareholders			
3.	Shaileshkumar Balvantrai Desai	10,783,640	Nil
4.	Umang Shailesh Desai	2,661,360	Nil
5.	M/s. Polysol Financial Services LLP**	1,000,000	Nil
6.	M/s. Apurva International	40,000	Nil

**As per certificate dated March 24, 2022 from J.V.Vasani & Co..*
***Polysol Financial Services Limited got converted into M/s. Polysol Financial Services LLP vide certificate of registration on conversion dated March 31, 2016. M/s. Polysol Financial Services LLP is registered under Section 58(1) of the Limited Liability Partnership Act, 2018.*

Weighted Average Cost of Acquisition

The weighted average cost of acquisition per Equity Share for the Selling Shareholders is:

Sr. No.	Name of the Selling Shareholders	Number of Equity Shares held	Weighted Average cost of acquisition per Equity Share (in ₹)*
1.	Shaileshkumar Balvantrai Desai	13,479,550	25.14
2.	Umang Shailesh Desai	3,326,700	25.85
3.	M/s. Polysol Financial Services LLP**	1,250,000	5.40
4.	M/s. Apurva International	50,000	19.00

**As per certificate dated March 24, 2022 from J.V. Vasani & Co..*
***Polysol Financial Services Limited got converted into M/s. Polysol Financial Services LLP vide certificate of registration on conversion dated March 31, 2016. M/s. Polysol Financial Services LLP is registered under Section 58(1) of the Limited Liability Partnership Act, 2018.*

The weighted average cost of acquisition per Equity Share for our Promoters is:

Sr. No.	Name of the Promoter	Number of Equity Shares held	Weighted average cost of acquisition per Equity Share (in ₹)*
1.	Shaileshkumar Balvantrai Desai	13,479,550	25.14
2.	Umang Shailesh Desai	3,326,700	25.85

**As per certificate dated March 24, 2022 from J.V. Vasani & Co..*

Details of pre-IPO Placement

Our Company does not contemplate any issuance or placement of the Equity Shares from the date of this Draft Red Herring Prospectus until grant of listing and trading permission by the Stock Exchanges for the Equity Shares.

Issue of Equity Shares for consideration other than cash in the last 1 year

Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash or bonus issue in the last 1 year:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Offer price per equity share (₹)	Form of consideration	Reasons for allotment	Benefits if any that have accrued to our Company
September 4, 2021	16,123,800	10	N.A.	Other than cash	Bonus issue in the ratio 4 Equity Shares for every 1 Equity Share held in our Company*	-

** Allotment of bonus shares: (i) 10,783,640 Equity Shares to Shaileshkumar Balvantrai Desai, (ii) 2,661,360 Equity Shares to Umang Shailesh Desai, (iii) 834,600 Equity Shares to Nilima Shailesh Desai, (iv) 200 Equity Shares to Desai Shailesh Balvantrai HUF,(v) 1,000,000 Equity Shares to M/s. Polysol Financial Services LLP, (vi) 40,000 Equity Shares to M/s. Apurva International, (vii) 800,000 Equity Shares to Bhavisha Shaileshbhai Desai and (viii) 4000 Equity Shares to Apoorva Mohan.*

Split / Consolidation of equity shares of our Company in the last 1 year.

Pursuant to the Shareholders' resolution dated April 15, 2021, each Equity Share of our Company of face value of ₹100 was sub-divided into the Equity Share of face value of ₹10 each. Accordingly, 4,030,950 issued, subscribed and paid-up Equity Shares of face value of ₹100 each were sub-divided into 40,309,500 Equity Shares of face value of ₹10 each. For further details, please see the chapter entitled '*Capital Structure*' beginning on page 75.

Exemption from complying with any provisions of securities laws, if any:

The brothers of Shaileshkumar Balvantrai Desai, one of our Promoters, have refused to provide information required to be disclosed in terms of SEBI ICDR Regulations and, consequently, our Company has been unable to obtain the requisite information in respect of these persons. Accordingly, our Company has not disclosed details of the said persons in this Draft Red Herring Prospectus. Our Company has filed 2 separate applications with SEBI, each dated March 24, 2022 (**SEBI Exemption Applications**), in terms of Regulation 300(1)(c) of the SEBI ICDR Regulations seeking exemption from: (a) disclosing the details of the said persons, and the body corporates, the entities, the firms and the HUFs associated with them (collectively, **Connected Group**) as members of the 'promoter group' and 'group companies', as the case may be, in accordance with Regulations 2(1)(pp) and 2(1)(t) of the SEBI ICDR Regulations, respectively; and (b) disclosing the information (including litigations) and confirmation with respect to the said persons and the Connected Group, as required in terms of the SEBI ICDR Regulations.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in the Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we do not, currently, believe to be material may also adversely affect our business, results of operations, cash flows and financial condition. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment.

To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening/ exacerbating many of the other risks described in this section. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with the chapters entitled 'Our Business', 'Industry Overview', 'Management's Discussion and Analysis of Financial Condition and Results of Operations' and 'Restated Financial Statements' beginning *on pages 173, 105, 280 and 230, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.*

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. This Draft Red Herring Prospectus also contains forward looking statements, which refers to future events that may produce known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. For further details, please see the chapter entitled 'Forward Looking Statements' beginning on page 23.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled 'Independent Market Report – India Chemicals and Specialty Chemicals Market' dated March 15, 2022 prepared and issued by Frost & Sullivan (India) Private Limited (**F&S Report**) and commissioned and paid for by our Company. 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 year.*

Unless stated, or context requires otherwise, the financial information of our Company used in this Section is derived from our Restated Financial Statements.

Internal Risk Factors

1. ***We are heavily reliant on a few customers and we derive a significant part of our revenue from select customers***

We are, predominantly, engaged in the business of manufacturing specialty chemicals which can be classified, based on their end use industry (**Application Industries** and each an application industry). We manufacture Infra-tech (construction) chemicals, agro-chemicals, dyes, pigments and textile chemicals, and leather chemicals, and cater to a large number of Indian and international customers across Application Industries. While we cater to a large number of customers, and on September 30, 2021, had 613 active customers, we have been reliant on select customers for a significant amount of our revenues.

In the 6 month period ended September 30, 2021, Fiscal 2021, Fiscal 2020, Fiscal 2019 our revenue from our manufacture operations was ₹1,713.15 million, ₹3,212.30 million, ₹3,234.40 million and ₹3,017.42 million, comprising 93.50%, 84.44%, 73.35% and 68.61%, respectively, of our total income. Our top 5 customers contributed a significant portion of our revenue from manufacturing for the aforementioned period. Set out below is a break-up of our revenue from our top 5 customers across Application Industries.

(₹ *in million*)

Application Industry	**For the 6 month period ended September 30, 2021**		**Fiscal 2021**		**Fiscal 2020**		**Fiscal 2019**	
	Revenue from top 5 customers	**% of revenue from manufacturing operations**	**Revenue from top 5 customers**	**% of revenue from manufacturing operations**	**Revenue from top 5 customers**	**% of revenue from manufacturing operations**	**Revenue from top 5 customers**	**% of revenue from manufacturing operations**
Infra-tech	531.24	31.01	952.14	29.64	1,067.11	32.99	1,146.01	37.98
Agro-chemicals (pesticide formulations)	137.57	8.03	360.22	11.21	132.39	4.09	305.83	10.14
Dyes, pigments and textile	164.97	9.63	172.48	5.37	172.88	5.34	107.36	3.56
Leather	71.12	4.15	111.69	3.48	113.80	3.52	91.09	3.02
Total	**904.9**	**52.82**	**1,596.53**	**49.70**	**1,486.18**	**45.94**	**1,650.29**	**54.70**

While we seek to broad-base our source of revenue and reduce our dependence on select customers, there can be no assurance that we will succeed in doing so to the extent desired, or at all. If we are unable to reduce our dependence on a few select customers our operations will continue to be intrinsically linked to continuance of these relationships.

We expect that we will continue to be heavily reliant on a select group of customers for the aforementioned products for the foreseeable future. Accordingly, any failure to retain these customers and/or negotiate terms that are commercially viable, with these select customers, could have an adverse impact on our business, results of operations and financial condition.

2. ***Our success is dependent on our long term relationship with our customers and we do not, generally, enter into long term purchase contracts. This exposes us to risk emanating from the inability to retain our established customers.***

We are *inter alia* a manufacturer of specialty chemicals for diverse sectors and cater to a large number of domestic and multinational corporations. Our business relationships with our customers have been built over time and while we, generally, do not enter into long term contracts with our customers and significant proportion of our revenue is routed through purchase orders, we have garnered repeat orders from our customers. Nevertheless, in the absence of long-term contracts with our customers exposes us a significant increased risk of customer attrition. Moreover, since the price is fixed, we may be exposed to vulnerabilities due to any increase in costs on the supply side, including on raw materials or due to foreign exchange fluctuations.

In the 6 month period ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019 our revenue from sales to customers with no long term contracts or contracts with a duration of less than 1 year was ₹1,713.15 million, ₹3,212.30 million, ₹3,234.40 million and ₹3,017.42 million, comprising 100%, respectively for each aforementioned Fiscal Year, of our revenue from manufacturing operations. The loss of, or our inability to retain, our significant customers could adversely affect our business, results of operations and financial performance.

3. ***Our Company does not have long-term agreements with suppliers for our raw materials and a significant increase in the cost of, or a shortfall in the availability, or deterioration in the quality, of such raw materials could have an adverse effect on our business and results of operations.***

Our business depends on the availability of reasonably priced, high quality raw materials in the quantities required by us. While we use a large number of raw materials in the manufacturing process of specialty and performance chemicals, the key raw materials include vinyl polyethylene glycol (**VPEG**), naphthalene, phenol, alumina hydrate, acrylic acid, formaldehyde, sodium gluconate, caustic soda lye, sodium ligno sulphonate and sulphuric acid**.** These key raw materials are purchased, from the domestic and international markets.

During the 6 month period ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019 our cost of materials consumed was ₹1,296.39 million, ₹2,233.19 million, ₹2,461.94 million and ₹2,411.91 million, comprising 75.67%, 69.52%, 76.12% and 79.93%, respectively, of our total revenue from manufacturing operations. The price and availability of such raw materials is subject to, supply side disruptions and is dependent on several factors beyond our control, including overall economic conditions, taxes and duties, Indian regulatory environment, foreign exchange rate, production levels and competition. Further, raw materials are subject to price volatility.

We do not have any contracts with, or long term arrangements for sourcing raw materials from, raw material suppliers. The absence of long-term contracts makes us susceptible to the short term supply challenges and exposes us to volatility in the prices of raw materials. If we are unable to source raw materials on commercially viable terms or if we are unable to pass these costs onto our customers, it could have an adverse impact on our margins, and consequently, profitability.

Further, the cost of imported raw materials is also dependent on fluctuations in the foreign exchange rate. For instance, our entire supply of raw materials such as VPEG, acrylic acid and liquid naphthalene is procured from the international markets. While our purchase orders are generally for a period of 3 months to try and mitigate short term supply side risks, we are, nevertheless, subject to the vagaries of foreign exchange markets and changes in government policies which could adversely increase the cost of raw materials or such raw materials may not be available at commercially viable terms, or at all. If we are unable to off-set the increase in cost of raw materials by increasing the prices of our products, it may impact our financial condition and business.

Further, if our primary suppliers of raw materials curtail or discontinue their delivery of such materials or products to us in the quantities we need, or on commercially acceptable terms, production schedules could be disrupted, and our business and results of operations could be adversely affected.

One of our key raw materials Naphthalene is sourced from, amongst others, Russia and Ukraine. During the 6 month period ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, we generated ₹609.27 million, ₹949.49 million, ₹1,116.06 million and ₹972.00 million constituting 35.56%, 29.56%, 34.51% and 32.31%, respectively, of our revenue from manufacturing operations, from the sale of Naphthalene based Products. While we also source Naphthalene from UAE and Spain, any long-term disruption in supplies due to the Russia-Ukraine conflict could adversely affect our procurement of Naphthalene which could significantly impact our manufacturing operations and / or increase the global prices of Naphthalene and other raw materials which could adversely affect our results of operations, financial conditions and profitability.

4. ***Failure to meet quality standards required by our customers for our products and processes may lead to cancellation of existing and future orders and expose us inter alia to monetary liability.***

All our products and manufacturing processes are subject to stringent quality standards and specifications. Any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of reputation and goodwill of our Company, cancellation of orders and even lead to loss of customers.

We manufacture chemicals that are essential for our end-user industries comprising primarily the Infra-tech industry, dyes, pigments and textiles industry, agriculture industry and leather industry. Each of our products has a specific utility and the use of our products depends on the nature of the application. Some of our products are used for water reduction in concrete, as a waterproofing agent, as accelerating agents, as dispersing and wetting agents etc. The efficacy of each product is predicated on its meeting certain prescribed or desired standards. Further, each industry, and different customers within the same industry, have different specifications and requirements and our success if predicated on consistently meeting the exacting standards expected of us.

We cater to a large number of prominent Indian and international customers, including US, Swiss and German multi-national chemical manufacturers, who have exacting quality standards and adhering to such standards is a pre-requisite for us to be able to retain our customers. Failure to meet quality and standards of our products and processes can have serious consequences including rejection of the product and loss of customer confidence which could have adverse effect on our reputation, business and our financial condition. Our average product rejection rate across our application industries in the 6 month period ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, was approximately 0.5%.

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

Our Company manufactures a large number of specialty chemicals. Each of these products is manufactured using a range of chemical components which are essential raw materials for the manufacture of these products including various acids, acrylates, and phenol. Consequently, our manufacturing facilities store and utilize, on a daily basis, various hazardous and inflammable industrial chemicals such as sulphuric acid, flammable organic solvents, and other corrosive raw materials. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process may cause industrial accidents, fire, health hazards, loss of human life, damage to our and third-party property and, or, environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. Any such event would in addition to adversely affecting our reputation also temporarily reduce our utilization of manufacturing capacity which could adversely affect our business, results of operations and reputation.

Further, any environmental damages could increase the regulatory scrutiny and result in enhanced compliance requirements including on use of materials and effluent treatment which would, amongst others, increase the cost of our operations.

6. *A large number of our raw materials are sourced from international suppliers and adverse foreign exchange fluctuation could increase our cost of operations and affect our profitability. Further, any restriction or embargo on the sourcing of raw materials from certain countries could adversely affect our business and financial condition.*

Our manufacturing operations require a large number of raw materials many of which are sourced / procured either partly, or entirely, from international suppliers. Some of the raw materials that are sourced from international suppliers include VPEG, Naphthalene, acrylic acid, sodium gluconate and 2 hydroxy ethyl acrylate. These raw materials are indispensable in manufacturing some of our products and are integral to our manufacturing process. We also do not maintain inventory of these raw materials of longer than 2 months on average. We, therefore, import them from international suppliers, as and when required, by placing purchase orders on our suppliers. Given the inability to maintain long term inventory we do not enter into long term supply contracts.

Our imports are, primarily, denominated in USD, Euro and Japanese Yen and in the 6 month period ended September 30, 2021, Fiscal 2021, Fiscal 2020, Fiscal 2019, our cost of raw materials denominated in foreign currency was ₹735.41 million, ₹1,137.54 million, ₹1,357.60 million and ₹1,523.96 million constituting 40.44%, 29.97%, 30.82% and 34.73% of our total income. Any adverse fluctuation in the foreign exchange rate or steady depreciation in the value of the Indian Rupee against the currency of our imports will increase our cost of operations, may adversely affect our margins and, consequently, adversely affect our profitability. While some of the raw materials may be procured from domestic suppliers, we cannot be assured of the same quality which would adversely impact our product offerings.

Further, import is also subject to geopolitical realities and macro-economic conditions and if we are prohibited from importing raw materials from certain countries our business and financial condition could be adversely affected for such time, and to the extent, that we are unable to identify a new supplier. While we have not historically faced any significant supply side disruptions, we cannot assure you that we will not face a shortage, albeit temporary, of imported raw materials, which could have an adverse impact on our business and results of operations.

7. ***Our operations are heavily dependent on the Application Industries which are, in turn, dependent on the macro and micro economic factors affecting India.***

In the 6 month period ended September 30, 2021, Fiscal 2021, Fiscal 2020, Fiscal 2019, our revenue from sales within India was, on average, in excess of 97.32% of our total income. The products manufactured by our Company find application in a number of industries in India viz., Infra-tech, agriculture, dyes, pigments and textiles and leather, and our revenue from manufacturing operations is directly linked to the performance of the industries in which our products find application. Set out in the table below is break-up of our revenues from each of the aforementioned industries.

(revenue ₹ in million)

Application Industry	For the 6 month period ended September 30, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Revenue from manufacturing operations	% of revenue from manufacturing operations	Revenue from manufacturing operations	% of revenue from manufacturing operations	Revenue from manufacturing operations	% of revenue from manufacturing operations	Revenue from manufacturing operations	% of revenue from manufacturing operations
Infra-tech	1,137.57	66.43	2,157.17	67.15	2,335.45	72.21	2,121.04	70.29
Agro (pesticide formulation)	312.18	18.22	536.01	16.69	443.44	13.71	468.07	15.51
Dyes, pigments, and textile	175.15	10.20	370.26	11.52	267.44	8.27	221.10	7.33
Leather	88.24	5.15	148.85	4.63	188.07	5.81	207.21	6.87
Total	**1,713.15**	**100.00**	**3,212.30**	**100.00**	**3,234.40**	**100.00**	**3,017.42**	**100.00**

The performance of the companies in these industries could be affected by a number of macro and micro economic conditions, and other factors including government policies and the prevailing regulatory environment. Any downturn in one or more of these application industries could have a direct adverse impact on our results of operations and financial condition.

Further, as noticed above, revenue from sales to companies in the Infra-tech industry constitutes a significant majority of our total manufacturing income and, while the reliance is slowly decreasing there can be no assurance that we will be able to reduce our dependence on the Infra-tech industry in the near future to acceptable levels or at all. Accordingly, a significant downturn in the Infra-tech industry, could have a material adverse effect on our business and financial condition.

8. ***We have incurred significant indebtedness which exposes us to various risks which may have an adverse effect on our business, results of operations and financial condition.***

As of September 30, 2021, our total sanctioned and outstanding indebtedness was ₹1,930.61 million and ₹979.83 million, respectively. The level of our indebtedness could have several important consequences, including but not limited to the following:

i. a significant portion of our cash flow may be used towards repayment of our existing debt, which will reduce the available cash flow to fund our capital expenditures and other general corporate requirements;

ii. defaults of payment and other obligations under our financing arrangements may result in an event of default, acceleration of our repayment obligations and enforcement of related security interests over our assets;

iii. a substantial portion of our long term indebtedness is subject to floating rates of interest. Fluctuations in market interest rates may require us to pay higher rates of interest and will also affect the cost of our borrowings; and

iv. our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favourable to us may be limited.

In addition, any unsecured indebtedness that we may avail may be recalled at any time and we may need to borrow monies at higher rates of interest than presently available or utilise our internal accruals, which may have an adverse impact on our profitability and future growth.

While we have obtained consent from our lenders for the Offer, we cannot assure you that we will be able to obtain necessary consents for future capital raising, if any. For further details regarding our indebtedness, please see the chapters entitled '*Restated Financial Statements*' and '*Financial Indebtedness*' beginning on pages 230 and 302, respectively.

9. ***Conditions and restrictions imposed on us by the agreements governing our indebtedness could adversely affect our ability to operate our business.***

Our financing agreements include conditions and restrictive covenants that require us to obtain consents from respective lenders prior to carrying out specified activities and entering into certain transactions. Our lenders require us to obtain their prior approval for certain actions, which, amongst other things, restrict our ability to undertake various actions including incurring additional debt, declaring dividends, amending our constitutional documents, change the ownership or control and management of our business. We cannot assure you that we will be able to obtain approvals to undertake any of these activities as and when required or comply with such covenants or other covenants in the future.

Further, these debt obligations are typically secured by a combination of security interests over our assets and hypothecation of movables and future receivables. The security allows our lenders to inter alia sell the relevant assets in the event of our default.

Further, if we incur more debt or if there is an increase in the applicable interest rates for our existing debt, our interest payment obligations will increase, and we may become subject to additional conditions from our lenders, including additional restrictions on the operation of our business. The financing agreements that we are party to, or which we may enter into in the future, may be unilaterally terminated by our lenders or our lenders could decline to lend to us under such agreements. Further, we cannot assure you that we will be able to raise additional financing on favourable terms, or at all. Any failure in the future to obtain necessary financing could result in a cash flow mismatch. Any of these factors could have an adverse effect on our business, financial condition, our cash flows and results of operations.

10. ***We operate in a highly competitive industry. Any inability to compete effectively may lead to a lower market share or reduced operating margins.***

We operate in a highly competitive industry with a number of other manufacturers that produce competing products, both in India and internationally. As a result, to remain competitive in the market we must, in addition, continuing to meet exacting quality standards, continuously strive to reduce our production and distribution costs and improve our operating efficiencies and innovate our products offering. If we fail to do so, it may have an adverse effect on our market share and results of operations. Many of our competitors may be larger than us and may benefit from greater economies of scale and operating efficiencies. There can be no assurance that we can continue to effectively compete with such manufacturers in the future, and failure to compete effectively may have an adverse effect on our business, financial condition, and results of operations. Moreover, the competitive nature of the manufacturing industry may result in lower prices for our products and decreased profit margins, which may materially adversely affect our revenue and profitability.

Further, we cater to disparate Application Industries and, consequently, we potentially compete against different players across, who could each have different strategies and strengths and we would need to be constantly aware of these different strategies by disparate entities to maintain our competitiveness and to continue to success and grow our business.

11. ***Our success and financial condition will depend on our ability to maximise our manufacturing capacities.***

We own manufacturing facilities in Vapi and Sarigam, in Gujarat, and one manufacturing facility in Dadra & Nagar Haveli and Daman and Diu. While the manufacturing facility at Vapi is our largest in terms of manufacturing capacity, our Sarigam facility exclusively manufactures aluminium sulphate, one of our key products. Our continued success and our financial condition are, therefore, predicated on our ability to maximise our manufacturing capacities.

We have an aggregate manufacturing capacity of 130,400 MT per annum across all our 3 Manufacturing Facilities. The table below sets out our installed and utilised capacities for the 6 month period ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019.

Financial Period	**Particulars*** ***(per annum)***	**Manufacturing Facilities**		
		Vapi	**Sarigam****	**Dadra Nagar Haveli and Daman and Diu#**
6 month period ended September 30, 2021	*Installed capacity (MT)*	52,800	12,000	400
	Permissible capacity (MT)	52,800	12,000	400
	Actual capacity utilised (MT)	22,311	8,452	344
	Capacity Utilisation (%)	42.26	70.33	86.00
Fiscal 2021	*Installed capacity (MT)*	1,05,600	24,000	800
	Permissible capacity (MT)	71,860@	24,000	800
	Actual capacity utilised (MT)	61,411	14,015	780
	Capacity Utilisation (%)	58.15	58.40	97.50
Fiscal 2020	*Installed capacity (MT)*	47,760	24,000	800
	Permissible capacity (MT)	47,760	24,000	800
	Actual capacity utilised (MT)	38,158	12,364	765
	Capacity Utilisation (%)	79.90	51.52	95.63
Fiscal 2019	*Installed capacity (MT)*	47,760	24,000	800
	Permissible capacity (MT)	47,760	24,000	800
	Actual capacity utilised (MT)	38,433	9,215	760
	Capacity Utilisation (%)	80.47	38.40	95.00

**As certified by the Chartered Engineer vide certificate dated February 19, 2022.*
***We manufacture only aluminium sulphate at this facility.*
@The GPCB consent for the increase in capacity up to 105,600 MT was received in November 2020.
 # We manufacture only dispersing agents (liquid and powder form) at this facility. Further, production was halted at this facility after a fire at the facility on May 14, 2021.

As noticed above, the capacity utilisation at Vapi, our largest manufacturing facility, has reduced in Fiscal 2021 as compared to Fiscal 2020 and Fiscal 2019, and further decreased in the 6 month period ended September 30, 2021. While some of this is attributable to the impact of the COVID-19, we cannot assure you that we will achieve higher manufacturing capacities that we have achieved in the past. In the 6 month period ended September 30, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019, our revenues from products manufactured at our Vapi manufacturing facility were ₹1,589.03 million, ₹3,047.27 million, ₹3,104.10 million and ₹2,900.41 million, constituting 92.75%, 94.86%, 95.97%, and 96.12%, of our total revenue from our manufacturing operations. If the present trend continues, it could adversely affect our business and financial condition.

12. ***Health, safety and environmental matters, including compliance with environmental laws and remediation of contamination, could result in substantially increased capital requirements and operating costs.***

Our Company's business and operations are subject to laws, regulations and contractual commitments relating to health, safety and the environment and our Company's operations generate large amounts of pollutants and waste, some of which are hazardous. These laws, regulations and contractual commitments concern air emissions, wastewater discharges, solid and hazardous waste material handling and disposal, worker health and safety, and the investigation and remediation of contamination or other environmental restoration. The risks of substantial costs and liabilities related to these laws and regulations are an inherent part of our Company's business, and future conditions and contamination may develop, arise or be discovered that create substantial environmental compliance, remediation or restoration liabilities and costs. Other developments, such as increased requirements of environmental, health and safety laws and regulations, increasingly strict enforcement thereof by governmental authorities, and claims for damages to property or injury to persons resulting from the environmental, health or safety impacts our Company's operations or past contamination, could prevent or restrict some of our Company's operations, require the expenditure of significant funds to bring our Company into compliance, involve the imposition of clean up requirements and give rise to civil or criminal liability. There can be no assurance that any such legislation, regulation, enforcement or private claim will not have a material adverse effect on our Company's business, financial condition or results of operations. In the event that production at one of our Company's facilities is partially or wholly prevented due to this type of sanction, our Company's business could suffer significantly and its results of operations and financial condition could be materially and adversely affected.

13. ***COVID-19 or the outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.***

COVID-19 or the outbreak of any other severe communicable disease could adversely affect the overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. A rapid increase in severe cases of infections and subsequent deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. The spread of COVID- 19 has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or steps on what we believe would be in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed. The extent to which the COVID- 19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions taken globally to contain COVID-19 or treat its impact, among others.

14. ***Our Promoters and Promoter Group will, even after the culmination of this Offer, continue to be our largest Shareholders and can influence the outcome of resolutions, which may potentially involve conflicts of interest with the other Equity Shareholders.***

Currently, our Promoters and members of the Promoter Group hold the entire paid-up- Equity Share Capital of our Company and they will continue to hold [●] of our Equity Share Capital after the completion of this Offer. While there is no shareholder agreement in place between our Promoters and members of the Promoter Group, they will nevertheless, collectively, will have the ability to significantly influence our corporate decision making process. This will include the ability to appoint Directors on our Board and the right to approve significant actions at the Board and at the Shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements and any amendment to the constitutional documents. We cannot assure you that the interest of our Promoters and members of the Promoter Group in any such scenario will not conflict with the interest of other Shareholders or with our interests. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business effectively or in the best interests of the other Shareholders of our Company.

15. ***A vast majority of our manufacturing facilities are located on leased premises and we are subject to the terms and conditions imposed on us by the lessor.***

Our operations are based out of manufacturing facilities which are located in the Gujarat Industrial Development Corporation's (**GIDC**) industrial area in Vapi, Gujarat, at the GIDC industrial areas in Sarigam, Gujarat and in the Union Territory of Dadra & Nagar Haveli (each a **Manufacturing Facility**). While our Manufacturing Facility in Dadra & Nagar Haveli is on a land owned by our Company, our manufacturing facilities at Vapi and Sarigam, in Gujarat, which are our 2 largest facilities and each of these facilities is on a land that is leased from the GIDC. The use of the Manufacturing Facilities in Gujarat is, therefore, subject to terms and conditions imposed on us by the GIDC, which may be unilaterally amended and our ability to negotiate terms may be limited. Further, we will be required to obtain the consent / approval of the GIDC for any future expansion or significant restructuring of our Manufacturing Facilities, which may hamper our operations and constrain our ability to grow in the manner we desire which could adversely affect the result of our operations.

16. ***Our operations are dependent on research and development.***

Research and development (**R&D**) activities are integral to our business, and we rely on constant R&D for developing or innovating new formulations or products. Our R&D department plays an integral role in the life cycle of a product. In line with our philosophy of being an environmentally conscious and responsible business, our R&D team focusses on creating efficient, sustainable, and eco-friendly products. While, generally, our efforts to tailor products are driven by customer requirements, we do also innovate and develop products. With a view to augment our focus on R&D we have developed a dedicated in-house R&D facility located at our manufacturing facility in Vapi and employed a team of employees that is dedicated to R&D. In the 6 month period ended September 30, 2021, Fiscal 2021, Fiscal 2020, and Fiscal 2019, our R&D expenditure was ₹5.70 million, ₹13.09 million, ₹7.25 million and ₹6.86 million.

Further, we believe that continuous R&D is critical to our continued growth and business prospects and we expect to continue deploying significant resources including financial resources towards R&D. If we are unable to continuously develop new products or optimise our processes, our ability to grow and, or, compete effectively, might be compromised, which would have an adverse impact on our business and financial condition.

17. ***Inability to obtain or protect our intellectual property rights may adversely affect our business.***

Our Company had filed a trade mark application bearing no. 5218960 dated November 23, 2021 for registration of trade mark (device) under the Trade Mark Act, 1999 (**TM Act**). The Trade mark Registry, Ahmedabad, has pursuant to the examination report dated December 30, 2021 raised objections under Sections 9(1)(a) and Section 11(1) of the TM Act on the grounds that: (a) the said mark is non-distinctive and as such it is not capable of distinguishing the goods of one person from those of others; and (b) there exists a likelihood of confusion on the part of the public, respectively. Our Company submitted a response on March 8, 2022. If we are unable to obtain registration of our logo, our ability to protect our intellectual property will be diluted to such extent. In addition, we are yet to make an application for registration of our Company's name 'Gujarat Polysol Chemicals' as a trade mark. If our logo and name are not duly registered, these may be subject to unauthorized use by third parties including our competitors, duplicating, mimicking, etc. Further, our word marks '*GUJLIQ*', '*GUJMOL*', '*GUJPLAST*' and "*GUJTAN*', have been 'accepted & advertised' but are yet to be registered. While we may be entitled to initiate passing-off action in respect of unregistered trade marks being level of protection is lower. Therefore, any misuse of our trademarks could result in loss in revenue and have an adverse impact on our reputation and business prospects. Further, any claim of intellectual property infringement from third parties, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. Therefore, our inability to obtain or maintain such trademarks in our business, could adversely affect our reputation, goodwill, business prospectus, and results of operations.

18. ***We are heavily dependent on machinery for our operations. Any break-down of our machinery will have a significant impact on our business, financial results and growth prospects.***

Our operations are based out of our Manufacturing Facilities which are located in the GIDC industrial area in Vapi, at the GIDC industrial areas in Sarigam, and in the Union Territory of Dadra & Nagar Haveli. Our Manufacturing capacities are dependent on plant and machinery including (in different locations) molten salt loop test (**MSLT**) and main steam line break (**MSLB**) reactors, glass lined and stainless steel chemical reactors, chilling plants, dust collection systems etc. in addition to quality test and control instruments. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Further, while we believe that we maintain necessary supplies of spare parts and maintenance related equipment, if we are unable to procure the necessary spare parts in a timely manner or if we are unable to carry out the necessary repair of the malfunctioning machinery promptly, our manufacturing operations may be hampered which could have an adverse impact on our results of operations and financial condition. Further, we do not purchase insurance against the break-down of our machinery and any such cost will be to our account and may have an adverse impact on our financial condition and result of operations.

19. ***Our operations are subject to varied business risks and our insurance cover may prove inadequate to cover our economic losses.***

Our operations are subject to various risks and hazards which may adversely affect revenue generation and profitability. While we believe that we have taken adequate safeguards to protect our assets from various risks inherent in our business, including by purchasing and maintaining relevant insurance cover, it is possible that our insurance cover may not provide adequate coverage in certain circumstances.

While we maintain certain insurance cover, certain types of losses may be either uninsurable, not economically viable to insure or not offered for insurance, such as losses due to acts of terrorism or war. Should an uninsured loss occur, we could lose our investment in, as well as anticipated profits and cash flows from the asset. In addition, even if any such loss is insured, there may be a significant deductible on any claim for recovery prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss. Further, even in the case of an insured risk occurring there can be no assurance that we will be successful in claiming insurance in part or full, or that the insurance purchased by us will be sufficient to cover the loss occasioned by the risk. Any loss that is not covered by insurance, or for which we are unable to successfully claim insurance, or which is in excess of the insurance cover could, in addition to damaging our reputation, have an adverse effect on our business, cash flows, financial condition and results of operation. Further, an insurance claim once made could lead to an increase in our insurance premium, result in higher deductibles and also require us to spend towards addressing certain covenants specified by the insurance companies. For instance, in May 2021, our manufacturing facility at Dadra & Nagar Haveli, Daman and Diu was destroyed due to fire. Despite the passage of time, due to various factors, including the process of completing legal formalities we are yet to submit our insurance claim in this respect. Further, there can be no assurance that we will receive the entire amount of our claim, when made.

Further, while we purchase and maintain business interruption insurance, the efficacy of such insurance policies for extraordinary circumstances for e.g., pandemics such as the COVID-19 pandemic is yet to be tested.

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

Our Company procures raw materials from domestic and international suppliers, which are brought to our Manufacturing Facilities through third party logistics providers including shipping companies and overland transport companies. Similarly, our finished products are transported from our Manufacturing Facilities to distribution points including ports (and onwards by ship), by transportation vehicles which are not owned or controlled by us. The logistics service providers are, therefore, integral to our business operations. We have over the years engaged the services of logistics service providers for our business operations. We do not, however, have any contractual arrangements with such third-party logistics service providers. While arrangements with ports (onward shipping) is, generally, conducted in an organized manner, most of the overland transport providers operate in the unorganized sector. We are, therefore, constrained to rely on a large number of such overland transport providers.

While these third-party logistics service providers have generally, in the past, been reliable, we cannot assure you that they will continue to be available to us as required. If such third-party logistics service providers discontinue their services for a reasonable length of time and, if we are unable to obtain the services of other service providers, our business operations could be adversely impacted, at times, significantly.

Moreover, we cannot assure you that we will not be liable for acts of negligence or other acts which may result in harm or injury to third parties. Any such acts could result in serious liability claims (for which we may not be adequately insured) which may, in addition to resulting in pecuniary liability also entail personal liability, which could significantly adversely impact our business operations and financial condition.

21. ***We have in the past, and more recently too, acquired / assimilated affiliated business operations from entities controlled by our Promoters and / or Promoter Group entities and we may continue to grow through inorganic acquisitions. We cannot assure you that we will be able integrate these or future acquisitions into our Company effectively, or at all.***

We have in the past acquired the business of Triwal Board Private Limited in Fiscal 2019, through a court approved scheme of amalgamation and the businesses of M/s. Polysol Industries and M/s Urmi Polymer Industries through acquisition of the business of these entities in Fiscal 2021. For further details of the acquisition of the aforementioned businesses, please see the chapter entitled '*History and Certain Corporate Matters'* beginning on page 199. These businesses were acquired to consolidate our business operations. Each acquisition brings with it unique challenges including *inter alia* integration of operations and employees. While we believe that we have been successful in integrating these businesses and our business operations have not been hampered, these have been entities that were controlled by our Promoters and / or members of our Promoter Group which may have rendered the process of assimilation and integration easier. Further, we are, currently, in the process of acquiring the assets of M/s. Bhavisha Industries which is a proprietorship firm owned by Bhavisha Shaileshbhai Desai, one of our directors and the members of our Promoter Group and in relation to the same have entered into a memorandum of understanding on March 2, 2022. Also, our Company has entered into 2 agreements for assignment pursuant to which: (i) our promoter, Shaileshkumar Balvantrai Desai has agreed to assign the rights of exclusive use of the office premises on the 3rd Floor admeasuring 1,026.03 sq. of the building known as Express House situated at Vapi notified Industrial Estate, GIDC, Vapi, Gujarat for a total consideration ₹38.65 million; and (ii) our Company has agreed to assign the rights of exclusive use of property bearing industrial plot no. 85/F/1 admeasuring 10,696.00 sq. mts. and industrial plot no.85/F/2 admeasuring 10,007.00 sq. mts. consisting of R.S. No.810, 814, 815, 1052, 826 and 828 within Vapi Notified Industrial Area, GIDC, Vapi, Tal Vapi, Dist. Valsad for a total consideration ₹200.70 million. The assignment will be consummated after the completion of the Offer for consideration, and, is subject, to the execution of a deed of assignment. For further details, please see the chapter entitled '*History and Certain Corporate Matters'* beginning on page 199.

Our Company may, in future, acquire third party businesses / companies as part of our inorganic growth strategy. In the event we acquire companies / businesses, the success of such acquisitions will depend heavily on our ability to integrate such entities and their diverse business and operational practices with our Company. Any failure to integrate potential future acquisitions, if any, could hamper our existing operations, not bring in the anticipated benefits, prove to be a drain on our resources and adversely impact our business, results from operations and financial condition.

22. ***There are certain outstanding legal proceedings involving our Company, Promoters, Directors, and Group Companies which, if determined against us, could have a material adverse effect on our business, cash flows, financial condition and results of operations.***

Our Company, Promoters, certain of our Directors and Group Companies are currently involved in a number of legal proceedings, pending at different levels of adjudication before various courts and tribunals. A classification of outstanding legal proceedings and the monetary amount involved in the cases we are currently involved in is mentioned in brief below:

Type of proceedings	Number of outstanding proceedings	Amount involved (₹ in million)
Cases against our Company		
Quantifiable		
Claims related to direct and indirect taxes	7	17.05
Non- Quantifiable		
Criminal proceedings	1	-
Actions taken by statutory or regulatory authorities	1	-
Total	**9**	**17.05**
Cases by our Company		
Quantifiable		
Criminal proceedings	16	17.69
Total	**16**	**17.69**
Cases against our Directors		
Quantifiable		
Criminal proceedings	4	42.27
Direct and indirect taxes	1	4.40
Non- Quantifiable		
Actions taken by statutory or regulatory authorities	2	-
Other pending material litigation	1	-
Total	**8**	**46.67**
Cases against our Promoters		
Quantifiable		
Criminal Proceedings	1	90.16
Non-Quantifiable		
Criminal proceedings	1	-
Actions taken by statutory or regulatory authorities	1	-
Total	**3**	**90.16**

We may be required to devote management and financial resources in the defence or prosecution of such legal proceedings. Should any new developments arise, including a change in Indian law or rulings against us by the appellate courts or tribunals, we may face losses and have to make further provisions in our financial statements, which could increase our expenses and our liabilities. There can be no assurance that the provisions we have made for litigation will be sufficient or that further litigation will not be brought against us in the future. Decisions in such proceedings adverse to our interests may have a material adverse effect on our business, cash flows, financial condition, and results of operations. Further, delay in settlement of statutory dues, vendor payments and employee settlement cases may also have an adverse impact on us.

In the event significant claims are determined against us and we are required to pay all or a portion of the disputed amounts, there could be a material adverse effect on our business and profitability. We cannot provide any assurance that these matters will be decided in our favour. Furthermore, we may not be able to quantify all the claims in which we are involved. Failure to successfully defend these or other claims or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subjected to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure that similar proceedings will not be initiated in the future. This could adversely affect our business, cash flows, financial condition, and results of operation.

For further details of the outstanding litigation proceedings, please see the chapter entitled '*Outstanding*

Litigation and Material Developments' beginning on page 311.

23. ***Our Promoters and some of our Directors and Key Managerial Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoters, some of our Directors and Key Managerial Personnel may be regarded as having an interest in us other than reimbursement of expenses incurred and normal remuneration or benefits. Further, our Promoters and certain Directors and Key Managerial Personnel may be deemed to be interested to the extent of Equity Shares held by them, or their relatives, as well as to the extent of dividend, bonus or other distributions on such Equity Shares. We cannot assure you that our Promoter, Directors and our Key Managerial Personnel will exercise their rights as shareholders to the benefit, and in the best interest, of our Company. For further details, please see chapters entitled '*Our Management*' and '*Our Promoters and Promoter Group*' on pages 203 and 222, respectively.

24. ***We may not be able to secure additional funding in the future. In the event our Company is unable to obtain sufficient funding, it may delay our growth plans and have a material adverse effect on our business, cash flows and financial condition.***

From time to time, our Company's plans may change due to changing circumstances, new business developments, new challenges or investment opportunities or unforeseen contingencies. If our plans change or if we are required to adapt to changing circumstances or business realities, our Company may need to obtain additional financing to meet inter alia capital expenditure. Such financing may be in the form of debt funding, which may be raised through borrowings from commercial banks, issue of debentures or other debt securities. If we raise funds in future by incurring additional debt, the interest and debt repayment obligations of our Company will increase, and we may be subject to supplementary or new covenants, which could limit our ability to access cash flow from operations and/or other means of financing. Moreover, these additional funds could come at a higher cost which may impact our profitability. Further, we cannot assure you that we will be able to obtain adequate financing to fund future capital requirements on acceptable terms, in time. As on May 21, 2021 our debt facilities were rated by Acuite as: (a) long term rating – Acuite A-(stable outlook); and (b) short term rating – Acuite A2+. Any adverse credit rating by the debt rating agencies for the debt availed by our Company may adversely impact our Company's ability to obtain further financing. Any failure to obtain sufficient funding could result in the delay or abandonment of our growth plans and have an adverse impact on our business, cash flows and financial conditions.

25. ***Any failure on our part to effectively manage our inventory may result in an adverse effect on our business, revenue from manufacturing operations and financial condition.***

We are a manufacturing entity and, at all points of time, a certain portion of assets comprise inventory of raw materials and finished products. Maintaining sufficient inventory of raw materials is critical for our operations including as a buffer against any supply disruptions. Any failure on our part to effectively manage our inventory of raw materials and finished products in response to changing market scenario may have an adverse effect on our financial condition and may even lead to loss of materials and increase the costs of our operations.

In the event, we overestimate our requirements for raw materials as compared to the demand for our products, it may lead to wastage and increase our operating costs and further restrict our ability to service our customers in a timely and cost-efficient manner. Further, such erroneous overestimations may also unduly increase our foreign exchange exposure and increase costs of production affecting profitability. Equally, if we underestimate our requirements for raw materials, it may adversely affect our ability to manufacture the required quantity of products for our customers' requirements in a timely and cost-efficient manner which may lead to loss of business and / or the opportunity to service customers which could adversely affect our business, results of operations and financial condition. Further, we may also lose opportunities to acquire raw materials in a cost-effective manner, thereby increasing costs of operations and adversely affecting our working capital requirements.

Additionally, if our inventory of finished products is not dispatched on time or if there is an unanticipated delay in the delivery of our finished products or if the finished products are not properly maintained or are damaged or destroyed, we could lose such inventory which could have an adverse impact on our production cycle, results of operation and financial condition.

26. ***We have a high working capital requirement and if we are unable to raise sufficient working capital our operations will be adversely affected.***

Our business operations are subject to high working capital requirements. Currently, we meet our working capital requirements through a mix of internal accruals and working capital facilities from scheduled commercial banks. As on February 28, 2022, we had sanctioned working capital facilities aggregating ₹405.00 million of which we had availed of ₹320.19 million.

While we believe that our internal accruals and working capital facilities availed from our lenders will be sufficient to address our working capital requirements, we cannot assure you that we will continue to generate sufficient internal accruals and / or be able to raise adequate working capital from lenders to address our future needs. Our inability to meet our present working capital requirements or our enhanced working capital requirements will have an adverse impact on our results of operation, business and financial condition. For further details pertaining to our present working capital position, please see the chapters entitled '*Financial* Indebtedness' and '*Management's Discussion and Analysis of Financial Condition and Results of Operation*' beginning on pages 302 and 280, respectively.

In addition, our Promoters and members of the Promoter Group have also extended their personal guarantees for some of the debt facilities availed by our Company. Any inability to continue to provide such guarantee or their inability to honour such guarantee could result in an acceleration of such facilities and / or adversely impact our ability to raise debt which could impact our cash flows, result in cash flow mismatch and adversely affect our financial condition.

27. ***Delays or defaults in client payment could result in reduction of our profits.***

One of the risks involved in relation to our business is the practice of extending long term credit. We, generally, extend credit on sales of between 60 and 100 days to our customers, in the ordinary course of business and we have, and will continue, to have high levels of outstanding receivables. As at September 30, 2021 and as at March 31, 2021, March 31, 2020 and March 31, 2019, we had outstanding trade receivables aggregating ₹1,353.51 million, ₹1,679.41 million, ₹1,478.49 million and ₹1,480.17 million, respectively, constituting 74.43%, 44.24%, 33.57% and 33.74%, respectively, of our revenue from operations during the respective periods. Further, our trade receivable turnover ratio as of September 30, 2021, and March 31, 2021, March 31, 2020 and March 31, 2019, was 1.20, 2.40, 2.98 and 3.10, respectively. Further, as of September 30, 2021, and March 31, 2021, March 31, 2020 and March 31, 2019, trade receivables aggregating ₹88.94 million, ₹117.96 million, ₹34.11 million and ₹20.25 million, were due for more than 6 months.

While, in the 6 month period ended September 30, 2021, and the immediately preceding 3 Fiscals, our average write-off was ₹1.59 million. Delays or defaults in client payments, or an increase of our outstanding receivable in proportion to our income could, amongst others, result in a reduction of our profits.

28. ***Our sale of products to our customers is subject to terms and conditions and failure to adhere to such terms could result in monetary liability.***

Our sale of products to our customers is based on either contracts or purchase orders which have in-built terms and conditions including conditions pertaining to maintaining. In terms of these arrangements, we are required to keep confidential, the know-how and technical specifications provided to us by these customers. In the event of any breach of the confidentiality norms or other terms and conditions that the sale is subject to, these customers may terminate their arrangements with us and / or initiate proceedings for breach of contract. Moreover, most of these contracts do not contain provisions limiting our liability with respect to breaches of our obligation to keep the information we receive from them are confidential. As a result, 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 the contract, 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. Additionally, we may be liable to pay the customer for performance of the contract by others.

Further, some of these contracts may be subject to the laws of countries other than India and our ability to litigate may be constrained unfamiliarity with the laws of such jurisdiction and may also require us to spend significant funds in defending ourselves before foreign courts / arbitral tribunals. These factors could, in addition to proving a drain on our resources, also divert management's time and focus, which could adversely affect our reputation, business and financial condition.

29. ***We are heavily reliant on our Promoters, Key Managerial Personnel and persons with technical expertise. Failure to retain or replace them will adversely affect our business.***

In order to successfully manage and expand our business, we are dependent on the services of our Promoters and Key Managerial Personnel, and our ability to attract, train, motivate and retain skilled employees and other professionals. If we are unable to hire additional personnel or retain existing qualified personnel, in particular our Key Managerial Personnel and persons with requisite skills, our operations and our ability to expand our business may be impaired. Further, we may be unable to hire and retain enough skilled and experienced employees to replace those who leave or may not be able to re-deploy existing resources successfully. Failure to hire or retain Key Managerial Personnel and skilled and experienced employees could adversely affect our business and results of operations.

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

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

In addition, we believe that our ability to implement our business and growth strategies will also depend on our ability to expand the capacity at our existing Manufacturing Facilities or setting up new manufacturing facilities. We are, currently, contemplating setting up manufacturing operations in either the North-Eastern or Southern part of India, to capitalise on the perceived business opportunities. Our inability to maintain our growth, or failure to successfully implement our growth strategies within time and cost expectations, or if we the perceived business opportunity does not materialise, it could have an adverse impact on the results of our operations, our financial condition and our business prospects.

31. ***One of our strategies is to augment our focus on overseas markets. We will be required to comply with the hitherto unfamiliar laws of each such jurisdiction and we could be subject to onerous conditions which could require us to expend time and money in ensuring compliance.***

Currently, a vast majority of our revenue is generated from sale of our Products in India and only a small percentage of revenue is generated from export of our products. In the 6 month period ended September 30, 2021, and Fiscal 2021, Fiscal 2020, and Fiscal 2019, our revenues from exports were ₹45.88 million, ₹59.40 million, ₹52.39 million, and ₹37.72 million constituting 2.68%, 1.85%, 1.62% and 1.25%, respectively, of our revenue from manufacturing operations. In Fiscal 2021, we have exported products to different countries, in primarily in Asia and Europe, such as China, Egypt, France, Germany, Indonesia, Kuwait, Philippines, Singapore, South Korea, Sri Lanka, Thailand and the United Arab Emirates.

We propose to deepen our engagement with entities in countries to which we have already exported products. Additionally, we will seek to expand our geographic footprint by foraying into countries to which we have not exported products. This will require to familiarise ourselves, and comply, with the laws of such countries, some of which may require us to make changes to our current operations which could require us to *inter alia* expend additional funds and also divert our management's time and energy. Further, failure to comply with hitherto unfamiliar laws could subject us to liability which could adversely affect our business, reputation and financial condition.

32. ***Conflicts of interest may arise out of common business objects shared by our Company and some of our Group Companies and members of the Promoter Group.***

Our Group Company, namely Polysol Specialty Chemicals Private Limited and a member of our Promoter Group, namely M/s. Bhavisha Industries, share the common business objects and the constitutional documents of this Group Company and member of our Promoter Group permit them to operate in the same line of business as us, which may lead to competition with such Group Company and member of our Promoter Group. Presently, the aforesaid Group Company and the member of our Promoter Group are not currently involved in any business activities similar to that of our Company. However, there is no assurance that they will not compete with our Company. Our Promoters have undertaken to not undertake any business (directly and indirectly) which competes in any manner with the business undertaken by our Company, any Group Company and/or the members of our Promoter Group. Any violation, non-compliance (whether in whole or in part) or unenforceability of such non-compete obligations may have an adverse effect on the results of our operations and financial condition.

33. ***Any failure to obtain, renew and maintain requisite statutory and regulatory permits, licenses and approvals for our operations from time to time may adversely affect our business.***

We require various statutory and regulatory permits, licenses and approvals to carry out our business and operations including environmental clearances and consents (cumulatively, the **Approvals**). A majority of these Approvals are granted for a limited duration and must be periodically renewed. Further, while we have applied for some of these Approvals, we cannot assure you that such Approvals will be issued or granted to us in a timely manner, or at all. If we do not receive these Approvals or if we are unable to renew the Approvals in a timely manner, or at all, then our business and operations may be adversely affected. For further details, please see the chapter entitled *'Government and Other Approvals*' beginning on page 318.

Moreover, the Approvals are subject to numerous conditions and there can be no assurance that these Approvals will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Suspension or revocation of the Approvals by the relevant regulatory authority, either on account of non-compliance or otherwise, would impair our Company's operations and, consequently, have an adverse effect on our business, cash flows and financial condition. Our Company may also be liable to monetary penalties and concerned officers in default may be subject to imprisonment.

Further, the Government of India has notified four labour codes, namely,: (i) the Code on Wages, 2019; (ii) the Industrial Relations Code, 2020; (iii) the Code on Social Security, 2020; and (iv) the Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers, employees and labour relations. While certain aspects of the Code of Wages, 2019, have been notified, the vast majority the codes are yet to come into force on the date of this Draft Red Herring Prospectus. 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, future cash flows and prospects.

We have not determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

34. ***We have a large work force and our employee benefit expense is one of the larger components of our fixed operating costs. An increase in employee benefit expense could reduce our profitability.***

Our pool of employees consists of permanent employees and persons hired on contract labour basis. As on February 28, 2022, we employed 250 full time employees. Our employee benefit expense during the 6 month period ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019 was ₹57.48 million, ₹70.88 million, ₹84.58 million, and ₹74.72 million, constituting approximately 3.56%, 2.17%, 2.04% and 1.78%, respectively, of our total expense.

Due to economic growth in the past and the increase in competition for skilled and semi-skilled employees in India, wages in India have, in recent years been increasing at a fast rate. We may need to increase our compensation levels to remain competitive in attracting and retaining the quality and number of skilled and semi-skilled employees that our business requires. Further, a shortage in the labour pool or general inflationary pressures will also increase our labour costs. For instance, during the COVID-19 pandemic we faced an acute shortage of labour since a large number of workers were from different parts of the country. While, the pandemic related shortage may be considered an exceptional situation, any prolonged situation resulting in the shortage of labour could have significant adverse impact on our business and financial condition.

A significant long-term increase in our employee benefit expense could reduce our profitability, which could, amongst others, impact our growth prospects.

35. ***Our Company has in the past entered into related party transactions and may continue to do so in the future and we cannot assure you that we could not have achieved more favourable terms if such transactions had not been entered into with related parties and that such transactions will not have an adverse effect on our financial conditions and result of operations.***

Our Company has entered into various transactions with related parties including in respect of use of our Corporate Office for which we have not executed any agreement. While our Company believes that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

It is likely that our Company may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. We cannot assure you that such transaction, individually or in the aggregate, will always be in the best interests of our Company and/or that it will not have an adverse effect on our business and results of operations. Further, in the absence of a contract permitting us to use our Corporate Office, we may be required to vacate the premises at short notice and identifying and relocating to new premises, will detract from our management's time and energy and could also result in additional costs. For further details of our related party transaction please see the chapter entitled *'Restated Financial Statements – Note 48: Related Party Disclosures'* beginning on page 265.

36. ***Any material deviation in the utilisation of Offer Proceeds shall be subject to applicable law.***

Our funding requirements and the deployment of the proceeds from this Offer are based on our current business plan and strategy. We may have to revise this from time to time as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the deployment for a particular purpose from its planned expenditure at the discretion of our Board, in compliance with applicable law. Accordingly, we may not be able to utilise the proceeds from this Offer in the manner set out in this Draft Red Herring Prospectus in a timely manner or at all. As a consequence of any increased expenditure, the actual deployment of funds may be higher than estimated.

37. ***We will not appoint a monitoring agency to monitor the proceeds of the Offer***

The SEBI ICDR Regulations stipulate that a monitoring agency be appointed to monitor the use of the issue proceeds, where the size is above ₹1,000.00 million. However, since the Fresh Issue is for less than ₹1,000.00 million, we are not required to appoint a monitoring agency and our Audit Committee will monitor the utilisation of the Net Proceeds, in compliance with applicable law. Nevertheless, the deployment of the proceeds from the Fresh Issue will be entirely at the discretion of our Company.

38. ***A shortage or non-availability of essential utilities such as electricity, gas, steam and water could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.***

Our Company is heavily dependent on continuous and supply of electricity, gas, steam and water which are critical to our manufacturing operations. While we have entered into agreements with local electricity distribution companies for the supply of electricity and maintain diesel-generator sets we cannot assure you that these will be sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Any shortage or non-availability of essential utilities could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. Such shut-downs could, particularly if they are for prolonged periods, have an adverse effect our business, results of operations and financial condition. Moreover, if we are required to operate for extended periods of time on diesel-generator sets or if we are required to source water from third parties, our cost of operations would be higher during such period which could have an adverse impact on our profitability.

39. ***The loss, shutdown or slowdown of operations at any of our Company's facilities could have a material adverse effect on our Company's results of operations and financial condition.***

Our Company's manufacturing operations are subject to operating risks, such as the breakdown or failure of equipment, power supply interruptions, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. The occurrence of any of these risks could affect our Company's operations by causing production at our manufacturing facilities to shut down or slowdown. Although our Company takes reasonable precautions to minimize the risk of any significant operational problems at its facilities, no assurance can be given that one or more of the factors mentioned above will not occur, which could have a material adverse effect on our Company's results of operations and financial condition. For instance, in May 2021, our manufacturing facility at Dadra & Nagar Haveli, Daman and Diu was destroyed due to fire. The fire and the resultant destruction of our factory brought manufacturing operations at the facility to a complete stop and we have not yet re-commenced operations. While the manufacturing facility at Dadra & Nagar Haveli and Daman and Diu, is our smallest factory with the least capacity we will still incur a significant cost in re-commencing operations, in addition to the loss of revenue for over 8 months. Despite the passage of time, due to various factors, including the process of completing legal formalities, we are yet to submit our insurance claim in this respect. Further, there can be no assurance that we will receive the entire amount of our claim, when made.

40. ***We cannot assure you that our Company will be able to pay dividends in the future.***

Our Company's ability to pay dividends in the future will depend upon a variety of factors, including our profitability, general financial conditions, capital requirements, results of operations, contractual obligations and overall financial position, applicable Indian legal restrictions, our Articles of Association, and other factors considered relevant by the Board of Directors of our Company. Further, our Promoters will continue to hold a significant portion of our post-Offer paid-up Equity Share capital and will have a significant ability to control the payment and/or the rate of dividends. Therefore, we cannot assure you that our Company will be able to declare dividends, of any particular amount or with any frequency in the future. For further details, please see the chapter entitled '*Dividend Policy*' beginning on page 229.

41. ***This Draft Red Herring Prospectus contains information from an industry report prepared by Frost & Sullivan which we have commissioned and paid for.***

This Draft Red Herring Prospectus includes information that is derived from the F&S Report, prepared by Frost & Sullivan, a research house, pursuant to an engagement with our Company. Frost & Sullivan has advised that while it has taken due care and caution in preparing the commissioned report, which is based on information obtained from sources that it considers reliable (**Information**), it does not guarantee the accuracy, adequacy or completeness of the Information and disclaims responsibility for any errors or omissions in the Information or for the results obtained from the use of the Information. The F&S Report also highlights certain industry and market data, which may be subject to estimates and/or 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 estimates and / or assumptions may change based on various factors. We cannot assure you that Frost & Sullivan's estimates and / or assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the F&S Report is not a recommendation to invest or disinvest in our Company. Frost & Sullivan has disclaimed all financial liability in case of any loss suffered on account of reliance on any information contained in the F&S Report.

And additional disclaimer provided by Frost & Sullivan is as follows:

*"Independent Market Report – India Chemicals and Specialty Chemicals Market" (the "**Report**')" has been prepared for the proposed initial public offering of equity shares (the "**Offer**") by Gujarat Polysol Chemicals Limited (the "**Company**").*

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

Frost & Sullivan has prepared the Report in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that the Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, but 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 Offer, the recipient should conduct its own investigation and analysis of all facts and information contained in the offer documents of which this report is a part and the recipient must rely on its own examination of the Company and the terms of the Offer, 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 Offer."

Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

42. *We have certain contingent liabilities which may adversely affect our cash flows and financial condition.*

Our contingent liabilities as on September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, as per the Restated Financial Statements are as set out in the table below:

(in ₹ million)

Particulars	**As at**			
	September 30, 2021	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Guarantee Deposits with Banks	3.21	3.21	3.21	2.76
Letter of Credit not accepted till date	107.30	72.64	117.77	51.23
Income tax matters	2.85	2.85	-	-
Excise and GST matters	14.30	14.30	-	-
Total	**127.66**	**93.00**	**120.98**	**53.99**

If a significant portion of these contingent liabilities materialise, it could have an adverse effect on our business, cash flows, financial condition and results of operations. For further details, please see the chapter entitled *'Restated Financial Statements'* beginning on page 230.

43. *We have negative cash flows from operating activities in the 6 month period ended September 30, 2021*

We have experienced negative net cash flows of ₹3.44 million from operating activities in the 6 month period ended September 30, 2021. We cannot assure you that we will not experience negative cash flows in the future and negative cash flows in future could adversely affect our financial condition and trading price of our Equity Shares.

44. ***We have availed unsecured loans which can be recalled by the lenders at any time.***

As of September 30, 2021, our Company has availed an interest free unsecured loan of ₹14.10 million from Gokul Refoils and Solvents Limited which may be recalled by the lender at any time. If the aforementioned lender recalls the loan, our Company would need to find alternative sources of financing, or fund it from our internal accruals which will be reduced to such extent.

45. ***Our Selling Shareholders are selling Equity Shares in the Offer and will receive proceeds as part of the Offer for Sale.***

The Offer includes an Offer for Sale of up to [●] Equity Shares aggregating up to ₹3,270.00 million, consisting of up to [●] Equity Shares aggregating up to ₹1,830.00 million by Shaileshkumar Balvantrai Desai, up to [●] Equity Shares aggregating up to ₹380.00 million by Umang Shailesh Desai, up to [●] Equity Shares aggregating up to ₹1,020.00 million by M/s. Polysol Financial Services LLP and up to [●] Equity Shares aggregating up to ₹40.00 million by M/s. Apurva International. The proceeds from the Offer for Sale will be paid to the Selling Shareholders in proportion to the respective portion of Equity Shares transferred by them pursuant to the Offer, and we will not receive any such proceeds. For further details, please see the chapters entitled *'Objects of the Offer'* and *'Capital Structure'* beginning on pages 90 and 75, respectively.

46. ***Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA have been included in this Draft Red Herring 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 revenue from manufacturing Operations, EBITDA, EBITDA Margin, Profit After Tax (**PAT**) (before other comprehensive income), PAT Margin (%), Net Worth, net debt, RoE, RoCE, RoNW net debt to Net Worth, ratio of net debt to EBITDA Interest coverage ratio, fixed asset turnover ratio, etc, have been included in this Draft Red Herring 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.

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

Our funding requirements set out in the chapter entitled *'Objects of the Offer'* beginning on page 90 are based on management estimates and have not been appraised by any bank or financial institution. Our funding requirements are based on our current business plan and may vary based on various factors including macro-economic and other changes. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and, consequently, the funding requirement and the utilization of proceeds from the Offer may also change. This may also include re-scheduling the proposed utilization of Offer Proceeds at the discretion of our management. We may make necessary changes to utilisation of Offer Proceeds in compliance with the provisions of the Companies Act. In the event of any variation in actual utilization of the Offer Proceeds, any increased fund deployment for a particular activity may be met from funds earmarked from any other activity and/or from our internal accruals. Further, any such revision in the estimates may require us to revise our projected expenditure which may have a bearing on our profitability.

Risks Related to External Factors

48. ***A slowdown in economic growth in India could adversely affect our business.***

The structure of the Indian economy has undergone considerable changes in the last decade. These include increasing importance of external trade and of external capital flows. Any slowdown in the growth of the Indian economy or the chemical sector or infrastructure sector or any future volatility in global commodity prices could adversely affect our business, financial condition and results of operations. India's economy could be adversely affected by a general rise in interest rates, fluctuations in currency exchange rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors.

Further, conditions outside India, such as slowdowns in the economic growth of other countries, could have an impact on the growth of the Indian economy and government policy may change in response to such conditions. The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States, Europe or China or Asian emerging market countries, may have an impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss of investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets, and could have an adverse effect on our business, financial condition and results of operations and the price of the Equity Shares.

49. *Increasing employee compensation in India may erode some of our competitive advantage and may reduce our profit margins, which may have a material adverse effect on our business, financial condition, cash flows and results of operations.*

Employee compensation in India has historically been significantly lower than employee compensation in the United States and Western Europe for comparably skilled professionals, which has been one of our competitive strengths. However, compensation increases in India may erode some of this competitive advantage and may negatively affect our profit margins. Employee compensation in India is increasing at a faster rate than in the United States and Western Europe, which could result in increased costs relating to engineers, managers and other mid-level professionals. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Compensation increases may have a material adverse effect on our business, financial condition, cash flows and results of operations.

50. *Adverse geopolitical conditions such as increased tensions between India and its neighbouring countries, Russia-Ukraine conflict, could adversely affect our business, results of operations and financial condition.*

Adverse geopolitical conditions such as increased tensions between India and its neighbouring countries, resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries including the Government of India imposing restrictions on the import or export of products or raw materials, among others, and affect our ability to procure raw materials required for our manufacturing operations. We could also be affected by the introduction of or increase in the levy of import tariffs in India, or in the countries to which we export our products, or changes in trade agreements between countries. For instance, the government of India has imposed additional tariffs in the nature of countervailing duty and anti-dumping duty on a number of items imported from China. Any such measure which affects our raw material supply or reciprocal duties imposed on Indian products by China or other countries may adversely affect our results of operations and financial condition. Further, prolonged Russia-Ukraine conflict that is currently impacting, inter alia, global trade, prices of oil and gas and could have an inflationary impact on the Indian economy.

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

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating is Baa3 with a "stable" outlook (Moody's), BBB– with a "stable" outlook (S&P) and BBB– with a "negative" outlook (Fitch). In Fiscal 2020, both Fitch and Moody had lowered India's sovereign credit rating a notch. 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.

52. ***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, 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. 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.

53. ***Significant differences exist between Ind AS and other accounting principles, such as Indian* GAAP, *U.S. GAAP and IFRS, which may be material to the Restated Financial Statements prepared and presented in accordance with the SEBI ICDR Regulations contained in this Draft Red Herring Prospectus.***

We have not attempted to quantify the impact of US GAAP or any other system of accounting principles on the financial data, prepared and presented in accordance with Ind AS for the 6 month period ended September 30, 2021, the Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019, included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or any other accounting principles. US GAAP differs in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Restated Financial Information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Prospectus should accordingly be limited. Additionally, Ind AS differs in certain respects from IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS.

54. ***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.

55. ***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. Any gain realized 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 realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. 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.

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

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020.

Additionally, the Finance Act does not require Dividend Distribution Tax 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. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

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

The Offer Price of the Equity Shares will be determined by our Company in consultation with the Book Running Lead Manager through the Book Building Process. This price will be based on numerous factors, as described under chapter entitled *'Basis for Offer Price'* beginning on page 99 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 you will be able to resell their Equity Shares at or above the Offer Price.

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

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

58. ***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 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.

59. ***Investors may have difficulty enforcing foreign judgments against us or our management.***

We are incorporated under the laws of India and all our Directors and Key Managerial Personnel reside in India. A majority of our assets, and the assets of our Directors and officers, are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Code of Civil Procedure, 1908, of India (**Civil Code**). Further, the Civil Code only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes or, other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards. Judgments or decrees from jurisdictions not recognised as a reciprocating territory by India cannot be enforced or executed in India. Even if a party were to obtain a judgment in such a jurisdiction, it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. Further, the party which has obtained such judgment must institute the new proceedings within 3 years of obtaining the judgement.

As a result, you may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws.

60. ***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.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. The Offer Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Offer.

The market price of the Equity Shares after the Offer can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian specialty chemical industry, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of the Equity Shares. In particular, the stock market as a whole recently experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

61. ***There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell Equity Shares or the price at which Equity Shares can be sold at a particular point in time.***

Following the Offer, our listed Equity Shares will be subject to a daily "circuit breaker" imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the stock exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares beyond the circuit breaker limit set by the Stock Exchanges. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

62. ***Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during a part of fiscal 2008 and 2009 adversely affected market prices in the global securities markets, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of the Equity Shares.

63. ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely impact 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 does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. In addition, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. For further details, please see the chapter entitled '*Restrictions on Foreign Ownership of Indian Securities*' beginning on page 361.

64. ***Our performance is linked to the stability of policies and the political situation in India and any significant changes in the policies may disrupt our business.***

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Company's shares, may be affected by changes in government of India's policies, including taxation. Social, political, economic or other developments in or affecting India could also adversely affect our business.

Since 1991, successive governments have pursued policies of economic liberalisation and financial sector reforms. The current Government has announced its general intention to continue India's current economic and financial sector liberalization and deregulation policies. However, we cannot assure you that such policies will be continued and a significant change in the Government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, results of operations and financial condition. The rate of economic liberalisation could change, and specific laws and policies affecting companies in the manufacturing sector, foreign investment and other matters affecting investment in the Equity Shares could change as well. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of the Equity Shares. Any adverse change in government policies relating to our sector in particular may have an impact on our profitability. Any political instability could delay the reform of the Indian economy and could have an adverse effect on the market for the Equity Shares. Protests against privatization could slow down the pace of liberalisation and deregulation. The rate of economic liberalisation could change, and specific laws and policies affecting companies in our sector, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

65. *Our ability to raise foreign borrowing may be constrained by Indian law.*

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

66. *If security or industry analysts do not publish research, or publish unfavourable or inaccurate research about the business of our Company, the price and trading volume of the Equity Shares may decline.*

The trading market for the Equity Shares may depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We may be unable to sustain coverage by established and / or prominent securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of our Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for our Equity Shares would be negatively impacted. In the event we obtain securities or industry analyst coverage, if one or more of the analysts downgrade our Equity Shares or publish inaccurate or unfavourable research about our business, our Equity Shares price may decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, demand for our Equity Shares could decrease, which might cause the price and trading volume of our Equity Shares to decline.

67. *You may not be able to immediately sell any of the Equity Shares you subscribe to in this Offer on an Indian Stock Exchange.*

The Equity Shares are proposed to be listed on the Stock Exchanges. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and commence trading, including the crediting of the Investors' "demat" accounts within the timeline specified under applicable law. Further, in accordance with Indian law, permission for listing of the Equity Shares will not be granted until after the Equity Shares in this Offer have been Allotted and submission of all other relevant documents authorizing the issuing of the Equity Shares. The Allotment of Equity Shares in the Offer and the credit of Equity Shares to the applicant's demat account with the relevant depository participant and listing is expected to be completed within the period as may be prescribed under applicable law. Any failure or delay in obtaining the approvals or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the prescribed time periods or at all which could restrict your ability to dispose of the Equity Shares.

68. *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 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 we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in our Company may be reduced.

69. ***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 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 6 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.

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

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted.

SECTION III: INTRODUCTION

THE OFFER

The following table summarises the Offer:

Offer of Equity Shares(1)	Up to [●] Equity Shares, aggregating up to ₹4,140.00 million
of which:	
Fresh Issue(1)	Up to [●] Equity Shares, aggregating up to ₹870.00 million
Offer for Sale(1)(2)	Up to [●] Equity Shares, aggregating up to ₹3,270.00 million, by the Selling Shareholders.
The Offer comprises of(4):	
A. QIB Portion	Not more than [●] Equity Shares
of which:	
(i) Anchor Investor Portion(3)	Up to [●] Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
B. Non-Institutional Portion(4)	Not less than [●] Equity Shares
C. Retail Portion(5)	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus)	20,154,750 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Utilisation of Net Proceeds	Please see chapter entitled *'Objects of the Offer'* beginning on page 90 for information about the use of the Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

(1) *The Offer has been authorized by a resolution of our Board dated February 14, 2022. Further, our board has taken on record the consent of the Selling Shareholders for the participation in the Offer for Sale on March 24, 2022 and the Fresh Issue has been authorized by a resolution of our Shareholders dated February 16, 2022.*

(2) *The Selling Shareholders have agreed for the Offer for Sale as follows:*

Sr. No.	***Name of the Selling Shareholder***	***Offered Shares (in terms of amount in ₹ Million)***	***Date of the consent letter to participate in the Offer for Sale***	***Date of board resolution / authorization***
1.	*Shaileshkumar Balvantrai Desai*	*1,830.00*	*[●]*	*[●]*
2.	*Umang Shailesh Desai*	*380.00*	*[●]*	*[●]*
3.	*M/s. Polysol Financial Services LLP**	*1,020.00*	*[●]*	*[●]*
4.	*M/s. Apurva International*	*40.00*	*[●]*	*[●]*

**Polysol Financial Services Limited got converted into M/s. Polysol Financial Services LLP vide certificate of registration on conversion dated March 31, 2016. M/s. Polysol Financial Services LLP is registered under Section*

58(1) of the Limited Liability Partnership Act, 2018.

Each of the Selling Shareholders has severally and not jointly confirmed that their respective Offered Shares have been held by them for a period of at least 1 year prior to the filing of this Draft Red Herring Prospectus with the SEBI and are eligible for being offered for sale in the Offer, in terms of Regulation 8 of the SEBI ICDR Regulations. The Selling Shareholder have approved the transfer of the Offered Shares, pursuant to the Offer for Sale. For further details of authorizations received for the Offer, please see the chapter entitled 'Other Regulatory and Statutory Disclosures' beginning on page 325.

(3) *Our Company and the Selling Shareholders, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to the Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. For further details, please see the chapter entitled 'Offer Procedure' beginning on page 343.*

(4) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Selling Shareholders, in consultation with the BRLM and the Designated Stock Exchange. Under-subscription, if any, in the Net QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. In the event of undersubscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, Equity Shares will be Allotted first towards the Fresh Issue from the valid bid followed by Allotment of Equity Shares offered by Selling Shareholders in proportion of Equity Shares or amount for offer for sale offered by them in the Offer for Sale. In case our Company fails to get minimum subscription of 90%, we shall refund the application monies, as applicable, within 4 days of the Bid/ Offer Closing Date.*

(5) *Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, please see the chapter entitled 'Offer Procedure' beginning on page 343. For details of the terms of the Offer, please see the chapter entitled 'Terms of the Offer' beginning on page 334.*

For further details, including in relation to grounds for rejection of Bids, please see the chapters entitled '*Offer Structure*' and '*Offer Procedure*' beginning on pages 340 and 343, respectively. For further details of the terms of the Offer, please see the chapter entitled '*Terms of the Offer*' beginning on page 334.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Restated Financial Information as of and for the 6 month period ended September 30, 2021 and Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019.

The summary financial information presented below should be read in conjunction with the chapters entitled 'Restated Financial Statements' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on pages 230 and 280, respectively.

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(in ₹ million)

Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	702.17	587.82	469.61	369.79
(b) Investment Property	-	174.70	177.00	179.30
(c) Intangible assets	1.52	1.27	-	-
(d) Financial Assets				
(i) Investments	0.00	0.00	0.00	0.00
(iii) Others	17.90	15.98	13.41	13.20
(e) Other non-current assets	8.41	10.57	3.88	1.02
Total non-current assets	**729.99**	**790.34**	**663.90**	**563.31**
(2) Current Assets				
(a) Inventories	545.34	405.12	328.85	243.77
(b) Financial Assets				
(i) Trade receivables	1,353.51	1,679.41	1,478.49	1,480.17
(ii) Cash and cash equivalents	1.09	8.93	13.48	8.31
(iii) Other bank balances	41.89	40.05	58.71	76.47
(iv) Loans	2.67	2.56	6.27	2.35
(v) Others	13.60	11.30	10.80	10.94
(c) Current Tax Assets (Net)	32.08	-	12.14	1.60
(d) Other current assets	251.93	207.08	92.21	348.43
Total current assets	**2,242.10**	**2,354.46**	**2,000.96**	**2,172.04**
Assets classified as held for sale	173.55	-	-	-
Total assets	**3,145.65**	**3,144.79**	**2,664.86**	**2,735.35**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	201.55	40.31	26.39	26.19
(b) Other Equity	1,370.39	1,378.55	909.32	707.03
Total equity	**1,571.94**	**1,418.86**	**935.71**	**733.22**
Liabilities				
(1) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	393.46	377.94	340.27	437.79
(ii) Trade payables	3.48	7.54	7.32	12.89
(b) Provisions	2.99	0.23	0.32	0.14
(c) Deferred tax liabilities (Net)	49.25	35.21	28.89	27.35

Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total non-current liabilities	**449.18**	**420.92**	**376.80**	**478.18**
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	532.15	393.47	354.17	344.08
(ii) Trade payables				
(A) due to micro enterprises and small enterprises				
(B) due to other than micro enterprises and small enterprises	549.07	879.41	891.35	901.49
(iii) Other financial liabilities	16.88	8.94	91.67	46.64
(b) Other current liabilities	24.80	16.41	14.29	230.92
(c) Provisions	1.63	1.27	0.87	0.84
(d) Current Tax Liabilities (Net)	-	5.51	-	-
Total current liabilities	**1,124.53**	**1,305.02**	**1,352.35**	**1,523.96**
Total Equity and Liabilities	**3,145.65**	**3,144.79**	**2,664.86**	**2,735.35**

[The rest of the page has been intentionally left blank]

RESTATED STATEMENT OF PROFITS AND LOSS

(in ₹ million)

	Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
I	Revenue from operations	1,818.49	3,796.06	4,404.56	4,387.58
II	Other income	13.69	8.26	4.82	10.40
III	**Total income (I+II)**	1,832.17	3,804.32	4,409.38	4,397.98
IV	**EXPENSES**				
	Cost of materials consumed	1,296.39	2,233.19	2,461.94	2,411.91
	Purchase of Stock in trade	84.17	555.64	1,131.13	1,324.46
	Changes in Inventories of finished goods, Stock- in- trade and work-in-progress	(66.85)	(14.09)	(0.75)	(46.38)
	Employee benefits expense	57.48	70.88	84.58	74.72
	Finance costs	35.41	77.37	105.68	117.79
	Depreciation and amortisation expense	17.98	30.88	25.12	20.25
	Other expenses	189.60	307.45	340.84	304.26
	Total expenses (IV)	1,614.17	3,261.32	4,148.55	4,207.01
V	**Profit before tax from Continuing Operations(III-IV)**	218.00	543.00	260.84	190.97
VI	**Tax expense:**				
	(a) Current tax	52.44	138.08	57.56	52.58
	(b) Deferred tax	14.75	6.52	1.42	10.39
VII	**Profit for the Year from Continuing Operations (V-VI)**	150.81	398.39	201.85	128.00
VIII	Profit from discontinued operations	5.87	-	-	-
IX	Tax expense of discontinued operations	1.48	-	-	-
X	**Profit from Discontinued operations (after tax)(VIII-IX)**	4.39	**-**	**-**	**-**
XI	**Profit for the period (VII+X)**	**155.20**	**398.39**	**201.85**	**128.00**
XII	**Other comprehensive income**				
	A (i) Items that will not be reclassified to profit or loss	(2.85)	(0.81)	0.46	(0.16)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.72	0.20	(0.12)	0.05
	B (i) Items that will be reclassified to profit or loss		-	-	**-**
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	**-**
XIII	**Total Comprehensive Income for the Year (XI+XII)**	**153.07**	**397.79**	**202.20**	**127.89**
XIV	**Earnings per equity share**				
	Basic	7.70	20.98	15.30	9.77
	Diluted	7.70	19.77	10.02	6.38

RESTATED STATEMENT OF CASH FLOWS

(in ₹ million)

	Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
[A]	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax from continuing operations	218.00	543.00	260.84	190.97
	Adjustments to reconcile profit before tax to net cash flows:				
	Profit from discontinued operations	5.87			
	Non-Cash Items	23.82	31.84	47.72	31.39
	Non Operating Items	21.84	73.57	101.67	113.59
	Remeasurement of Defined Benefit Plan	(2.85)	(0.81)	0.46	(0.16)
	Operating Profit/(Loss) before changes in Working Capital	266.68	647.59	410.69	335.80
	Working capital adjustments:				
	(Increase)/ Decrease in Non Current / Current Assets:				
	Inventories	(140.22)	(76.27)	(85.08)	20.30
	Trade receivables	325.90	(200.92)	1.68	(131.30)
	Other financials assets	(4.51)	1.03	(4.00)	9.51
	Other non financial assets	(44.85)	(114.87)	256.21	(91.35)
	Increase / (Decrease) in Non Current / Current Liabilities:				
	Trade Payables	(334.40)	(11.71)	(15.71)	12.86
	Other Financial Liabilities	7.93	(31.10)	0.41	(48.59)
	Other Non Financial Liabilities & Provisions	11.51	2.42	(216.41)	121.67
		88.05	216.17	347.79	228.90
	Cash Flow from operations after changes in Working Capital				
	Income tax (paid)/ Refund	(91.50)	(120.44)	(68.10)	(61.75)
	Net cash flows from operating activities (A)	(3.44)	95.73	279.69	167.14
[B]	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of property, plant and equipment (including CWIP)	(135.11)	(156.45)	(125.50)	(114.41)
	Sale/Adjustment of Property, plant and equipment	12.82	0.74	-	-
	Purchase of Mutual Funds	-	-	(28.00)	
	Sale of Mutual Funds	-	-	28.04	-
	Dividend Income	-	-	0.00	0.00
	Interest received (finance income)	0.92	3.77	3.97	4.11
	Bank Balances not considered as Cash and Cash Equivalents	(1.83)	18.66	17.76	(8.24)

	Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	Net cash flows used in investing activities (B)	(123.20)	(133.28)	(103.73)	(118.54)
[C]	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Impact due to business combination	-	85.37	(3.56)	(39.02)
	Proceeds / (Repayment) from borrowing (net)	154.20	76.97	(83.58)	71.13
	Interest & financial charges	(35.41)	(129.34)	(83.65)	(94.26)
	Net cash flows from/(used in) financing activities (C)	118.80	33.00	(170.79)	(62.15)
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(7.84)	(4.55)	5.17	(13.55)
	Cash and cash equivalents at the beginning of the year	8.93	13.48	8.31	21.86
	Cash and cash equivalents at year end	1.09	8.93	13.48	8.31
	Notes:				
	Cash & Bank Balances consists of the following:				
	Cash & Cash Equivalents				
	a. Balances with Banks	0.80	7.94	12.55	7.13
	b. Cash on hand	0.28	0.99	0.93	1.18
	Closing Cash & Cash Equivalents	1.09	8.93	13.48	8.31

GENERAL INFORMATION

Our Company was originally incorporated as 'Gujarat Polysol Chemicals Private Limited', a private limited company under the Companies Act, 1956 at Ahmedabad with a certificate of incorporation issued by the RoC on October 18, 1989. Subsequently, the name of our Company was changed to 'Gujarat Polysol Chemicals Limited' upon conversion of our Company into a public limited company pursuant to a special resolution passed by our Shareholders on September 21, 2021. A fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued under the Companies Act, 2013 by the RoC on October 13, 2021. For details of changes in the name and registered office of our Company, please see the chapter entitled '*History and Certain Corporate Matters*' beginning on page 199.

The corporate identification number of our Company is U24231GJ1989PLC012892 and the registration number of our Company is 012892.

Registered Office

Plot No 1734, Third Phase,
G.I.D.C Vapi, District – Valsad,
Vapi – 396 195, Gujarat, India
Tel: +91 99251 00334
Email: compliance@gujaratpolysol.com
Website: www.gujaratpolysol.com

Corporate Office

"Polysol Building", 2nd Floor,
C5/101/4, N.H.No: 48,
Near Supreme Hotel, GIDC,
Vapi – 396 195, Gujarat, India
Tel: +91 99251 00331
Email: compliance@gujaratpolysol.com
Website: www.gujaratpolysol.com

Address of the Registrar of Companies

Registrar of Companies
ROC Bhavan, Opp. Rupal Park Society,
Behind Ankur Bus Stop, Naranpura,
Ahmedabad – 380 013, Gujarat, India

Board of Directors

The Board of Directors of our Company comprises of the following:

Sr. No.	Name	Designation	DIN	Address
1.	Shaileshkumar Balvantrai Desai	Chairman and Managing Director	00266938	Plot No. 20, Vrajvihar Building, Chharwada Road, Behind Old GIDC Office, GIDC Vapi, Pardi, Valsad, Vapi – 396 195, Gujarat, India
2.	Umang Shailesh Desai	Whole-Time Director	05161181	Plot No. 20, Chharwada Road, Behind Grims MBA College, GIDC Vapi, Pardi, Valsad – 396 195, Gujarat, India
3.	Bhavisha Shaileshbhai Desai	Whole-Time Director	08780032	Plot No. 20, Chharwada Road, Behind MBA Rofel College, GIDC Vapi, Pardi, Valsad – 396 195, Gujarat, India
4.	Jagdish Lalbhai Shah	Independent Director	00045662	604, Lightbridge, Gladys Alwares Road, Hiranandani Meadows, Apna Bazar, Thane – 400 610, Maharashtra, India

Sr. No.	Name	Designation	DIN	Address
5.	Sandhya Mahesh Borase	Independent Director	08874647	Flat No. 501, Ranjiv, Plot no. 80, Sher – E – Punjab Society, Andheri East – 400093, Maharashtra, India
6.	Vijay Gopi Kishan Agarwal	Independent Director	00058540	A-93, Kalapataru Solitaire, NS Road No. 5, JPVD Scheme, Mumbai – 400049, Maharashtra, India

For further details pertaining to our Directors, please see the chapter entitled '*Our Management*' beginning on page 203.

Company Secretary and Compliance Officer

Dipakkumar Mohanlal Sanghani is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Dipakkumar Mohanlal Sanghani
C-5/101/4, Polysol Building,
2nd Floor, GIDC, Char Rasta,
N.H 48, Vapi, District Valsad – 396 195,
Gujarat, India
Tel: +9199251 00331
E-mail: compliance@gujaratpolysol.com

Investor Grievances

Investors / Bidders can contact the Company Secretary and Compliance Officer, BRLM 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 the 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, Investors / Bidders may also write to the BRLM, in the manner provided below.

All Offer related grievances, other than by the 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 Investor/ Bidder, ASBA Form number, Investor/ Bidders' DP ID, Client ID, PAN, address of the Investor/ Bidder, number of the 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 Investors/ 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 Investor/ Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, any ASBA Investor/ Bidder whose Bid has not been considered for the 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 3 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 the 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 Investor/ Bidder, Bid cum Application Form number, Investor/ Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Investor/ 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 names and addresses of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

All grievances relating to the Bids submitted with the Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Investors/ Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Book Running Lead Manager

Inga Ventures Private Limited

1229, Hubtown Solaris,
N.S. Phadke Marg, Opp. Telli Galli,
Andheri (E) - 400 069,
Mumbai, Maharashtra, India
Tel: +91 22 6854 0808
Email: gpcl.ipo@ingaventures.com
Investor Grievance Email: investors@ingaventures.com
Website: www.ingaventures.com
Contact Person: Kavita Shah
SEBI Registration No.: INM000012698

Statement of *inter se* allocation of responsibilities

There is one BRLM to the Offer and thus, there are no *inter-se* allocation of responsibilities. The responsibilities of the BRLM are set out below:

Sr. No.	Activity
1.	Capital structuring, positioning strategy and due diligence of the Company includi ng the operations/management/business plans/legal etc. Drafting and design of the DRHP, RHP and Prospectus and of statutory advertisements including corporate advertising, brochure, etc. and filing of media compliance report, application form and abridged prospectus.
2.	Ensuring compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and the SEBI including finalisation of Prospectus and the RoC filing.
3.	Appointment of intermediaries – Bankers to the Offer, Registrar to the Offer, advertising agency, printers to the Offer including co-ordination for agreements.
4.	Domestic institutional marketing including banks/ mutual funds and allocation of investors for meetings and finalizing road show schedules
5.	International institutional marketing including co-ordination for research briefing, allocation of investors for meetings and finalize roadshow schedules, preparation and finalisation of the road-show presentation and frequently asked questions.
6.	Non-Institutional and Retail marketing of the Issue, which will cover, inter alia: • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising application form • Finalising centres for holding conferences for brokers etc. • F–llow - up on distribution of publicity; and • Issue material including form, RHP / Prospectus and deciding on the quantum of the Issue material
7.	Coordination with Stock Exchanges for anchor intimation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange.
8.	Managing the book and finalization of pricing
9.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.

	Co-ordination with the SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to the SEBI.

Registrar to the Offer

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli West, M–mbai - 400 083,
Maharashtra, India.
Tel: +91 22 4918 6200
E-mail: gujaratpolysol.ipo@linkintime.co.in
Investor grievance e-mail: gujaratpolysol.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration no.: INR000004058

Legal Counsel to the Offer as to Indian law

Bharucha & Partners
13th Floor, Free Press House,
Free Press Journal Marg,
Nariman Point,
Mumbai – 400 021
Maharashtra, India
Tel: +91 22 6132 3900

Special Purpose International Legal Counsel to the BRLM

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049321
Tel: +65 6538 0900

Bankers to our Company

HDFC Bank Limited
Ground Floor, Hanis Landmark,
Vapi Daman Road, Chala,
Vapi – 396191, Gujarat, India
Tel: +91 76000 21173
E-mail: pankaj.patel3@hdfcbank.com

Axis Bank Limited
Axis Bank Limited, Plot No. CM 8/9,
C K Chambers, Gunjan Road,
Vapi – 396 195, Gujarat, India
Tel: 0260 225220
E-mail: vapi.branchhead@axisbank.com

Escrow Collection Bank(s)/ Refund Bank(s)/Public Offer Account Bank
[●]

Sponsor Bank(s)
[●]

Syndicate Members

[●]

Statutory Auditors to our Company

J.V. Vasani & Co.
3rd Floor, Azad Complex,
Near Ayush Hospital,
Beside Civil Court, N.H. 48,
Vapi – 396 195
Tel: 0260 – 2422671, 0260 – 2432671
E-mail: vapi@jvvco.in
ICAI Firm Registration No.: 114283W
Peer Review Certificate No.: 011287

Changes in the auditors

There has been no change in the statutory auditors of our Company in the last 3 Fiscals.

Designated Intermediaries

Self-Certified Syndicate Banks

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

SCSBs and mobile applications enabled for UPI Mechanism

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

Syndicate SCSB Branches

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

Registered Brokers

Bidders can submit the ASBA Forms using the stock broker network of the Stock Exchange, i.e.. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com and https://www.nseindia.com, respectively, as updated from time to time.

Registrar and Share Transfer Agents

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

Expert to the Offer

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

1. Our Company has received written consent dated March 24, 2022 from the Statutory Auditors namely, J.V. Vasani & Co., holding a valid peer review certificate from ICAI bearing no. 011287, to include their name as required under Section 26(5) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in relation to the examination report dated March 24, 2022 on our Restated Financial Statements and the statement of special tax benefits certificate dated March 24, 2022 included in this Draft Red Herring Prospectus. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

2. Our Company has received written consent dated February 19, 2022 from an independent chartered engineer, namely C.D. Mehta and Associates, to include their name in this Draft Red Herring Prospectus, as an "expert" as defined under section 2(38) and section 26(5) of the Companies Act, 2013 to the extent and in their capacity as a chartered engineer, certifying the manufacturing capacity and capacity utilisation of our Manufacturing Facilities owned and/or controlled by our Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Please note that the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Appraising Entity

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

Monitoring Agency

The Fresh Issue is for less than ₹1,000.00 million, and therefore, in terms of Regulation 41 of the SEBI ICDR Regulations, we are not required to appoint a monitoring agency.

Credit Rating

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

IPO Grading

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

Debenture Trustees

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

Green shoe option

A green shoe option is not contemplated to be undertaken by our Company.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically on the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with the SEBI circular bearing reference

SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and has been emailed to the SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure –Division of Issues and Listing –CFD."

A copy of the Red Herring Prospectus, along with the material documents and contracts required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, will be filed with the RoC situated at Registrar of Companies, Gujarat at Ahmedabad, and through the electronic portal at http://www.mca.gov.in.

Book Building Process

The book building process, in the context of the Offer, refers to the process of collection of the Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Form within the Price Band, which will be decided by our Company and the Selling Shareholders, as per applicable law in consultation with the BRLM, and will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), [●] editions of [●] (a widely circulated Gujarati newspaper, Gujarati also being the regional language of Gujarat where our Registered Office is located), at least 2 Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLM after the Bid/ Offer Closing Date.

All Bidders except the Anchor Investors shall participate in the Offer mandatorily through the ASBA process by providing the details of their respective ASBA Accounts in which the corresponding Bid Amount will be blocked by the SCSBs and the Sponsor Bank(s), as the case may be. In addition to this, the Retail Individual Bidders may participate through the ASBA process by either: (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. The Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the Net QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors (subject to the Bid Amount being up to ₹200,000) can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than the Anchor Investors) and Non-Institutional Buyers will be on a proportionate basis while allocation to the Anchor Investors will be on a discretionary basis. For further details, please see the chapters entitled '*Terms of the Offer*' and '*Offer Procedure*' beginning on pages 334 and 343, respectively.

The process of Book Building 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 the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details on the method and procedure for the Bidding, please see the chapter entitled '*Offer Procedure*' beginning on page 343.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, please see the chapters entitled '*Terms of the Offer'* and *'Offer Procedure'* beginning on pages 334 and 343, respectively.

Underwriting Agreement

After the determination of the Offer Price, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an underwriting agreement with the Underwriters and Registrar for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

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

(*This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC*)

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

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

In the opinion of the 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). The Board of Directors / IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to the Bidders procured by them, in accordance with the Underwriting Agreement.

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

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of the Equity Shares, but prior to filing the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus, before and duly adjusted for the Offer, is set forth below:

(*in ₹ million, except share data*)

	Particulars	Aggregate nominal value	Aggregate value at Offer Price*
A	**AUTHORIZED SHARE CAPITAL**		
	35,000,000 Equity Shares of ₹10 each	350.00	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	20,154,750 Equity Shares of ₹10 each	201.55	-
C	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares of ₹10 each aggregating up to ₹4,140 million(1)(2)(3)	[●]	[●]
	Of which:		
	Fresh Issue of up to [●] Equity Shares of ₹10 each aggregating up to ₹870 million(1)	[●]	[●]
	Offer for Sale of up to [●] Equity Shares of ₹10 each aggregating up to ₹3,270 million (2)(3)	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares of ₹10 each	[●]	-
E	**SHARE PREMIUM ACCOUNT**		
	Before the Offer	327.24	
	After the Offer	[●]	

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

1. *The Offer has been authorized by our Board pursuant to its resolution dated February 14, 2022 and by our Shareholders pursuant to a special resolution dated February 16, 2022.*
2. *Each Selling Shareholder severally and not jointly confirms that the Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details of authorizations received for the Offer, please see the chapter entitled 'Other Regulatory and Statutory Disclosures' beginning on page 325. The Selling Shareholders have confirmed and consented to their participation in the Offer for Sale as set forth below.*

Sr. No.	*Name of the Selling Shareholder*	*Offered Shares (in terms of amount in ₹ Million)*	*Date of the consent letter to participate in the Offer for Sale*	*Date of board resolution / authorization*
1.	*Shaileshkumar Balvantrai Desai*	*1,830.00*	*[●]*	*[●]*
2.	*Umang Shailesh Desai*	*380.00*	*[●]*	*[●]*
3.	*M/s. Polysol Financial Services LLP**	*1,020.00*	*[●]*	*[●]*
4.	*M/s. Apurva International*	*40.00*	*[●]*	*[●]*
	Total	***3,270.00***		

**Polysol Financial Services Limited got converted into M/s. Polysol Financial Services LLP vide certificate of registration on conversion dated March 31, 2016. M/s. Polysol Financial Services LLP is registered under Section 58(1) of the Limited Liability Partnership Act, 2018.*

3. *Each Selling Shareholder severally and not jointly confirms that the Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details of authorizations received for the Offer, please see the chapter entitled 'Other Regulatory and Statutory Disclosures' beginning on page 325.*

Details of change to our Company's authorized share capital in the last 10 years:

Sr. No.	Date of shareholder's resolution	Particulars
1.	October 13, 2011	Increase in the authorized share capital of our Company from ₹7,500,000 divided into 75,000 Equity Shares of ₹100 each to ₹80,000,000 divided into 800,000 Equity Shares of ₹100 each.
2.	August 28, 2018	Increase in the authorized share capital of our Company from ₹80,000,000 divided into 800,000 Equity Shares of face value of ₹100 each to ₹82,500,000 divided into 815,000 Equity Shares of face value of ₹100 each, 7,500 10% non-cumulative redeemable preference shares of face value of ₹100 each and 2,500 unclassified shares of face value of ₹100 each.
3.	April 15, 2021	a. Re-classification of the authorized share capital of our Company from ₹82,500,000 divided into 815,000 Equity Shares of face value of ₹100 each, 7,500 10% non-cumulative redeemable preference shares of face value of ₹100 each and 2,500 unclassified shares of face value of ₹100 each to ₹82,500,000 divided into 825,000 Equity Shares of face value of ₹100 each. b. Further, 825,000 Equity Shares of face value of ₹100 each were split into 8,250,000 Equity Shares of face value of ₹10 each. Accordingly, the authorized share capital of our Company was revised from ₹82,500,000 divided into 825,000 Equity Shares of face value of ₹100 each to ₹82,500,000 divided into 8,250,000 Equity Shares of face value of ₹10 each. c. Increase in the authorized share capital of our Company from ₹82,500,000 divided into 8,250,000 Equity Shares of face value of ₹10 each to ₹350,000,000 divided into 35,000,000 Equity Shares of face value of ₹10 each.

Notes to the Capital Structure

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

History of Equity Share capital of our Company

The following table sets forth the history of the Equity Share capital of our Company.

Date of allotment	Number of equity shares allotted	Face value (₹)	Offer price per equity share (₹)	Form of consideration	Reasons / Nature for allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
March 31, 1990*	60	100	100	Cash	Subscription to Memorandum of Association (1)	60	6,000
January 16, 1993*	240	100	100	Cash	Subscription to Memorandum of Association (2)	300	3,000
January 16, 1993	4,700	100	100	Cash	Preferential Allotment (3)	5,000	500,000
March 27, 1993	10,000	100	100	Cash	Preferential Allotment (4)	15,000	1,500,000

Date of allotment	Number of equity shares allotted	Face value (₹)	Offer price per equity share (₹)	Form of consideration	Reasons / Nature for allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
January 31, 1994	2,000	100	100	Cash	Preferential Allotment (5)	17,000	1,700,000
March 27, 1995	33,000	100	100	Cash	Preferential Allotment (6)	50,000	5,000,000
March 16, 2009	15,000	100	100	Cash	Preferential Allotment (7)	65,000	6,500,000
April 28, 2009	5,000	100	4,000	Cash	Preferential Allotment (8)	70,000	7,000,000
October 28, 2011	121,261	100	950	Cash	Preferential Allotment (9)	191,261	19,126,100
February 25, 2012	43,000	100	950	Cash	Preferential Allotment (10)	234,261	23,426,100
March 15, 2012	8,139	100	950	Cash	Preferential Allotment (11)	242,400	24,240,000
November 20, 2013	21,500	100	1,022	Cash	Preferential Allotment (12)	263,900	26,390,000
May 31, 2020	139,195	100	2,150.50	Other than cash	Preferential Allotment (13)	403,095	40,309,500
April 15, 2021	Sub-division of 825,000 Equity Shares of face value of ₹100 each to 8,250,000 Equity Shares of face value of ₹10 each.					4,030,950	40,309,500
September 4, 2021	16,123,800	10		N.A.	Bonus issue in the ratio 4 Equity Shares for every 1 Equity Share held in our Company(14)	20,154,750	2,01,547,500

** In the MoA, the subscribers, Shaileshkumar Balvantrai Desai, Shirish Balvantrai Desai and Sanjay Balvantrai Desai, agreed to take 100 Equity Shares each of our Company. The subscription, however, was undertaken in tranches. Accordingly, our Board vide resolution dated March 31, 1990 authorized issue of 20 Equity Shares each to the initial subscribers and vide resolution dated 16 January 1993 authorized issue of 80 Equity Shares each to the initial subscribers.*

(1) Allotment of: 20 Equity Shares each to Shaileshkumar Balvantrai Desai, Shirish Balvantrai Desai and Sanjay Balvantrai Desai;

(2) Allotment of: 80 Equity Shares each to Shaileshkumar Balvantrai Desai, Shirish Balvantrai Desai and Sanjay Balvantrai Desai;

(3) Allotment of: (i) 1,560 Equity Shares to Kevin S. Desai, (ii) 1,570 Equity Shares to Umang Shailesh Desai and (iii) 1,570 Equity Shares to Hitarth S. Desai;

(4) Allotment of: (i) 1,320 Equity Shares to Shaileshkumar Balvantrai Desai, (ii) 1,240 Equity Shares to Shirish Balvantrai Desai, (iii) 1,000 Equity Shares to Sanjay Balvantrai Desai, (iv) 1,230 Equity Shares to Kevin S Desai, (v) 900 Equity Shares to Umang Shailesh Desai, (v) 980 Equity Shares to Hitarth S. Desai, (vii) 2,890 Equity Shares to Balvantrai Desai, (viii) 100 Equity Shares to Urmila Desai, (ix) 100 Equity Shares to Nilima Shailesh Desai, (x) 100 Equity Shares to Jaina S. Desai, (xi) 100 Equity Shares to Heena S. Desai, and (xii) 5 Equity Shares to Desai

Shailesh Balvantrai HUF, (xiii) 5 Equity Shares to Shirish Balvantrai Desai HUF, (xiv) 5 Equity Shares to Sanjay B. Desai HUF, (xv) 5 Equity Shares to Shaileshkumar Balvantrai Desai partner of Sarigam Industrial Products, (xvi) 5 Equity Shares to Shirish Balvantrai Desai partner of Polysol Chemical, (xvii) 5 Equity Shares to Sanjay Balvantrai Desai partner of Apurva Chemicals, (xviii) 5 Equity Shares to Balvantrai P. Desai partner of Ami Chem Industries and (xix) 5 Equity Shares to Shirish Balvantrai Desai partner of Sanjay Dye Chem Industries;

(5) Allotment of: 2,000 Equity Shares to Umang Shailesh Desai;

(6) Allotment of: (i) 3,380 Equity Shares to Shaileshkumar Balvantrai Desai, (ii) 2,960 Equity Shares to Shirish Balvantrai Desai, (iii) 5,275 Equity Shares to Sanjay Balvantrai Desai, (iv) 2,575 Equity Shares to Heena S. Desai, (v) 4,500 Equity Shares to Nilima Shailesh Desai, (vi) 4,700 Equity Shares to Jaina S. Desai, (vii) 1,500 Equity Shares to Urmila S. Desai and (viii) 8,110 Equity Shares to Balvantrai P. Desai;

(7) Allotment of: 5,000 Equity Shares each to Shaileshkumar Balvantrai Desai, Shirish Balvantrai Desai and Sanjay Balvantrai Desai;

(8) Allotment of: 1,000 Equity Shares each to Sepia Ventures Private Limited, Meadow Ventures Private Limited, Blazer Ventures Private Limited, Kumaon Engineering Private Limited and Kapindra Multi Trade Private Limited;

(9) Allotment of: (i) 84,210 Equity Shares to Shaileshkumar Balvantrai Desai, (ii) 5,473 Equity Shares to Nilima Shailesh Desai and (iii) 31,578 Equity Shares to Umang Shailesh Desai;

(10) Allotment of: (i) 28,000 Equity Shares to Shaileshkumar Balvantrai Desai, (ii) 10,000 Equity Shares to Umang Shailesh Desai and (iii) 5,000 Equity Shares to M/s. Polysol Financial Services LLP. Please note that Polysol Financial Services Limited got converted into M/s. Polysol Financial Services LLP vide certificate of registration on conversion dated March 31, 2016. M/s. Polysol Financial Services LLP is registered under Section 58(1) of the Limited Liability Partnership Act, 2018;

(11) Allotment of: (i) 5,139 Equity Shares to Shaileshkumar Balvantrai Desai, and (ii) 1,000 Equity Shares each to Polysol Industries, Urmi Polymer Industries and M/s. Apurva International;

(12) Allotment of 21,500 Equity Shares to Shaileshkumar Balvantrai Desai;

(13) Allotment of: (i) 109,547 Equity Shares to Shaileshkumar Balvantrai Desai, (ii) 9,192 Equity Shares to Nilima Shailesh Desai and (iii) 20,456 Equity Shares to Umang Shailesh Desai for the purpose of acquisition of business of M/s. Urmi Polymer Industries and M/s. Polysol Industries. For further details of the aforementioned acquisition, please see the chapter entitled 'History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets in last 10 years' on page 201; and

(14) Allotment of: (i) 10,783,640 Equity Shares to Shaileshkumar Balvantrai Desai, (ii) 2,661,360 Equity Shares to Umang Shailesh Desai, (iii) 834,600 Equity Shares to Nilima Shailesh Desai, (iv) 200 Equity Shares to Desai Shailesh Balvantrai HUF, (v) 1,000,000 Equtiy Shares to M/s. Polysol Financial Services LLP, (vi) 40,000 Equity Shares to M/s. Apurva International, (vii) 800,000 Equity Shares to Bhavisha Shaileshbhai Desai and (viii) 4000 Equity Shares to Apoorva Mohan.

All the above Equity Shares were fully paid-up at the time of allotment.

Preference share capital

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

2. Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash or bonus issue:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Offer price per equity share (₹)	Form of consideration	Reasons for allotment	Benefits if any that have accrued to our Company
May 31, 2020	139,195	100	2,150.50	Other than cash	Preferential Allotment (1)	-
September 4, 2021	16,123,800	10	-	N.A.	Bonus issue in the ratio 4 Equity Shares for every 1 Equity Share held in our Company(2)	-

(1) *Allotment of: (i) 109,547 Equity Shares to Shaileshkumar Balvantrai Desai, (ii) 9,192 Equity Shares to Nilima Shailesh Desai and (iii) 20,456 Equity Shares to Umang Shailesh Desai for the purpose of acquisition of business of M/s. Urmi Polymer Industries and M/s. Polysol Industries. For further details of the aforementioned acquisition, please see the chapter entitled 'History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets in last 10 years' on page 201.*

(2) *Allotment of: (i) 10,783,640 Equity Shares to Shaileshkumar Balvantrai Desai, (ii) 2,661,360 Equity Shares to Umang Shailesh Desai, (iii) 834,600 Equity Shares to Nilima Shailesh Desai, (iv) 200 Equity Shares to. Desai Shailesh Balvantrai HUF,(v) 1,000,000 Equity Shares to M/s. Polysol Financial Services LLP, (vi) 40,000 Equity Shares to M/s. Apurva International, (vii) 800,000 Equity Shares to Bhavisha Shaileshbhai Desai, and (viii) 4000 Equity Shares to Apoorva Mohan.*

3. Except for the creation of the revaluation reserve of ₹174.76 million pursuant to amalgamation of the wholly owned subsidiary Triwal Board with our Company (for further details, please see the chapter entitled *'History and Certain Corporate Matters – Revaluation of Assets'* on page 202), our Company has not revalued its assets since incorporation and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

4. Our Company has not issued or allotted any Equity Shares pursuant to any schemes of arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013, as applicable.

5. Our Company does not have an employee stock option scheme, and consequently, no Equity Shares have been issued pursuant to any employee stock option schemes.

6. Except for the allotment of Equity Shares pursuant to a bonus issue as disclosed below, our Company has not issued any Equity Shares at a price that may be lower than the Offer Price during a period of 1 year preceding the date of this Draft Red Herring Prospectus:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Offer price per equity share (₹)	Form of consideration	Reasons for allotment	Benefits if any that have accrued to our Company
September 4, 2021	16,123,800	10	-	N.A.	Bonus issue in the ratio 4 Equity Shares for every 1 Equity Share held in our Company*	-

**Allotment of: (i) 10,783,640 Equity Shares to Shaileshkumar Balvantrai Desai, (ii) 2,661,360 Equity Shares to Umang Shailesh Desai, (iii) 834,600 Equity Shares to Nilima Shailesh Desai, (iv) 200 Equity Shares to Desai Shailesh Balvantrai HUF,(v) 1,000,000 Equity Shares to M/s. Polysol Financial Services LLP, (vi) 40,000 Equity Shares to M/s. Apurva International, (vii) 800,000 Equity Shares to Bhavisha Shaileshbhai Desai and (viii) 4000 Equity Shares to Apoorva Mohan.*

7. **Shareholding Pattern of our Company:**

Category(I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total No. of Equity Shares (calculate as per SCRR) (VIII) As a % of (A+B +C2)	No. of Voting Rights held in each class of securities (IX) No. of Voting Rights			No. 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)	No. of locked in Equity Shares (XII)		No. of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	Total as a % of (A+B +C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoter and Promoter Group	8	20,154,750	-	-	20,154,750	100	20,154,750	20,154,750	100	-	100	[●]	[●]	[●]	[●]	20,154,750
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total No. of Equity Shares (calculate as per SCRR) (VIII) As a % of (A+B +C2)	No. of Voting Rights held in each class of securities (IX) No. of Voting Rights			No. 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)	No. of locked in Equity Shares (XII)		No. of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	Total as a % of (A+B +C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	8	20,154,750	-	-	20,154,750	100	20,154,750	20,154,750	100	-	100	[●]	[●]	[●]	[●]	20,154,750

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

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

Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity share capital of our Company, on a fully diluted basis, as on the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares*	Percentage of the pre-Offer equity share capital (%)
1.	Shaileshkumar Balvantrai Desai	13,479,550	66.88
2.	Umang Shailesh Desai	3,326,700	16.51
3.	M/s. Polysol Financial Services LLP**	1,250,000	6.20
4.	Nilima Shailesh Desai	1,043,250	5.18
5.	Bhavisha Shaileshbhai Desai	1,000,000	4.96
Total		**20,099,500**	**99. 97**

**The face value of the Equity Shares is ₹10 each.*
***Polysol Financial Services Limited got converted into M/s. Polysol Financial Services LLP vide certificate of registration on conversion dated March 31, 2016. M/s. Polysol Financial Services LLP is registered under Section 58(1) of the Limited Liability Partnership Act, 2018.*

Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as of 10 days prior to the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares*	Percentage of the pre-Offer equity share capital (%)
1.	Shaileshkumar Balvantrai Desai	13,479,550	66.88
2.	Umang Shailesh Desai	3,326,700	16.51
3.	M/s. Polysol Financial Services LLP**	1,250,000	6.20
4.	Nilima Shailesh Desai	1,043,250	5.18
5.	Bhavisha Shaileshbhai Desai	1,000,000	4.96
Total		**20,099,500**	**99.97**

**The face value of the Equity Shares is ₹10 each.*
***Polysol Financial Services Limited got converted into M/s. Polysol Financial Services LLP vide certificate of registration on conversion dated March 31, 2016. M/s. Polysol Financial Services LLP is registered under Section 58(1) of the Limited Liability Partnership Act, 2018.*

Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as of the date 1 year prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares*	Percentage of the pre-Offer equity share capital (%)
1.	Shaileshkumar Balvantrai Desai	289,691	71.87
2.	Umang Shailesh Desai	66,534	16.51
3.	Nilima Shailesh Desai	20,865	5.18
4.	M/s. Polysol Financial Services LLP**	25,000	6.20
Total		**402,095**	**99.75**

**The face value of the Equity Shares was ₹100 each.*
***Polysol Financial Services Limited got converted into M/s. Polysol Financial Services LLP vide certificate of registration on conversion dated March 31, 2016. M/s. Polysol Financial Services LLP is registered under Section 58(1) of the Limited Liability Partnership Act, 2018.*

Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, as of the date 2 years prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares*	Percentage of the pre-Offer equity share capital (%)
1.	Shaileshkumar Balvantrai Desai	178,144	67.50
2.	Umang Shailesh Desai	46,078	17.46
3.	Nilima Shailesh Desai	11,673	4.42
4.	M/s. Polysol Financial Services LLP**	25,000	9.47

Sr. No.	Name of the Shareholder	No. of Equity Shares*	Percentage of the pre-Offer equity share capital (%)
Total		**260,895**	**98.85**

**The face value of the Equity Shares was ₹100 each.*
***Polysol Financial Services Limited got converted into M/s. Polysol Financial Services LLP vide certificate of registration on conversion dated March 31, 2016. M/s. Polysol Financial Services LLP is registered under Section 58(1) of the Limited Liability Partnership Act, 2018.*

9. Our Company has not made an initial public offering prior to the filing of this Draft Red Herring Prospectus.

10. Except for the allotment of the Equity Shares pursuant to the Fresh Issue, our Company does not intend or propose to alter its capital structure for a period of 6 month from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of the Equity Shares, or by way of further issue of the Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for the Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of the Equity Shares, or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use the Equity Shares as currency for acquisitions or participation in such joint ventures.

11. **Shareholding of our Directors or Key Managerial Personnel**

    Except as disclosed in the chapter entitled '*Our Management*' beginning on page 203, none of our Directors or Key Managerial Personnel hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

12. **Details of Shareholding of our Promoters in our Company**

    a. As on the date of this Draft Red Herring Prospectus, our Promoters holds 16,806,250 Equity Shares, equivalent to 83.39% of the issued, subscribed and paid-up equity share capital of our Company.

    b. The build-up of the equity shareholding of our Promoters since incorporation of our Company is set forth in the table below.

Shaileshkumar Balvantrai Desai

Nature of transaction	Date of allotment / transfer / transmission and date on which the Equity Shares were made fully paid up	No. of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	% of the pre-Offer capital	% of the post-Offer capital
Subscription to Memorandum of Association	March 31, 1990	20	100	100	0.00	[●]
Subscription to Memorandum of Association	January 16, 1993	80	100	100	0.00	[●]
Transfer to Umang S. Desai	January 17, 1993	(30)	100	100	0.00	[●]
Preferential Allotment	March 27, 1993	1,320	100	100	0.07	[●]
Preferential Allotment	March 27, 1995	3,380	100	100	0.17	[●]
Transfer to M/s. M/s. Polysol Financial Services LLP*	April 1, 1995	(3,750)	100	100	(0.19)	[●]
Preferential Allotment	March 16, 2009	5,000	100	100	0.25	[●]
Transfer from Balvantri P. Desai	April 1, 2009	7,250	100	100	0.36	[●]
Transfer from Shirish Balvantrai Desai	April 1, 2011	5,520	100	100	0.27	[●]

Nature of transaction	Date of allotment / transfer / transmission and date on which the Equity Shares were made fully paid up	No. of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	% of the pre-Offer capital	% of the post-Offer capital
Transfer from Sanjay Balvantrai Desai		7,585	100	100	0.38	[●]
Transfer from Kevin S. Desai		2,830	100	100	0.14	[●]
Transfer from Hitarth S Desai		2,580	100	100	0.13	[●]
Transfer from Jainaben S. Desai		4,800	100	100	0.24	[●]
Transfer from Heenaben S. Desai		2,675	100	100	0.13	[●]
Transfer from Shirish B Desai HUF		5	100	100	0.00	[●]
Transfer from Sanjay B Desai HUF		5	100	100	0.00	[●]
Transfer from Shirish Desai partner of Polysol Chemicals		5	100	100	0.00	[●]
Transfer from Sanjay Balvantrai Desai partner of Apurva Chemicals		5	100	100	0.00	[●]
Transfer from Balvantrai P Desai partner of Ami Chem Industries		5	100	100	0.00	[●]
Preferential Allotment	October 28, 2011	84,210	100	950	4.18	[●]
Preferential Allotment	February 25, 2012	28,000	100	950	1.39	[●]
Preferential Allotment	March 15, 2012	5,139	100	950	0.25	[●]
Preferential Allotment	November 20, 2013	21,500	100	1022	1.07	[●]
Transfer from Sanjay Dye Chem Industries	June 5, 2016	5	100	100	0.00	[●]
Transfer from Sarigam Industrial Products		5	100	100	0.00	[●]
Transfer from Polysol Industries	March 31, 2020	1,000	100	100	0.05	[●]
Transfer from Urmi Polymer Industries		1,000	100	100	0.05	[●]
Preferential Allotment	May 31, 2020	109,547	100	2,150.50	5.44	[●]
Transfer to Approva Mohan	April 1, 2021	(100)	100	100	0.00	[●]
Transfer to Bhavisha Shaileshbhai Desai		(20,000)	100	100	(0.99)	[●]
April 15, 2021	Sub-division of 269,591 Equity Shares of face value of ₹100 each to 2,695,910 Equity Shares of face value of ₹10 each.					
Bonus issue	September 4, 2021	10,783,640	10	N.A.	53.50	[●]
Total Shareholding		**13,479,550**	**----**	**----**	**66.88**	[●]

** Polysol Financial Services Limited got converted into M/s. Polysol Financial Services LLP vide certificate of registration on conversion dated March 31, 2016. M/s. Polysol Financial Services LLP is registered under Section 58(1) of the Limited Liability Partnership Act, 2018.*

Umang Shailesh Desai

Nature of transaction	Date of allotment / transfer / transmission and date on which the Equity Shares were made fully paid up	No. of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	% of the pre-Offer capital	%of the post-Offer capital
Preferential Allotment	January 16, 1993	1,570	100	100	0.08	[●]
Transfer from Shaileshkumar Balvantrai Desai	January 17, 1993	30	100	100	0.00	[●]
Preferential Allotment	March 27, 1993	900	100	100	0.04	[●]
Preferential Allotment	January 31, 1994	2,000	100	100	0.10	[●]
Preferential Allotment	October 28, 2011	31,578	100	950	1.57	[●]
Preferential Allotment	February 25, 2012	10,000	100	950	0.50	[●]
Preferential Allotment	May 31, 2020	20,456	100	2,150.50	1.01	[●]
April 15, 2021	Sub-division of 66,534 Equity Shares of face value of ₹100 each to 665,340 Equity Shares of face value of ₹10 each.					
Bonus Issue	September 4, 2021	2,661,360	10	N.A.	13.20	[●]
Total shareholding		**3,326,700**	**----**	**----**	**16.51**	**[●]**

c. None of the Equity Shares held by our Promoters are pledged or otherwise encumbered.

d. All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.

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

f. Except as disclosed below, the members of our Promoter Group (other than our Promoters and who have been disclosed herein) do not hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares held	% of total pre-Offer paid up Equity Share capital of our Company
1.	Nilima Shailesh Desai	10,43,250	5.18
2.	Bhavisha Shaileshbhai Desai	10,00,000	4.96
3.	Apoorva Mohan	5,000	0.02
4.	M/s. Polysol Financial Services LLP*	12,50,000	6.20
5.	Desai Shailesh Balvantrai HUF	250	0.001
6.	M/s. Apurva International	50,000	0.25
TOTAL		**3,348,500**	**16.61**

** Polysol Financial Services Limited got converted into M/s. Polysol Financial Services LLP vide certificate of registration on conversion dated March 31, 2016. M/s. Polysol Financial Services LLP is registered under Section 58(1) of the Limited Liability Partnership Act, 2018.*

g. None of our Promoters, members of our Promoter Group and / or our Directors and their relatives have purchased or sold any securities of our Company during the period of 6 months immediately preceding the date of this Draft Red Herring Prospectus.

h. The shareholding of the Selling Shareholders has been disclosed below:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)	Percentage of the post-Offer equity share capital (%)
1.	Shaileshkumar Balvantrai Desai	13,479,550	66.88	[●]
2.	Umang Shailesh Desai	3,326,700	16.51	[●]
3.	M/s. Polysol Financial Services LLP*	1,250,000	6.20	[●]
4.	M/s. Apurva International	50,000	0.25	[●]
Total		**18,106,250**	**89.84**	**[●]**

**Polysol Financial Services Limited got converted into M/s. Polysol Financial Services LLP vide certificate of registration on conversion dated March 31, 2016. M/s. Polysol Financial Services LLP is registered under Section 58(1) of the Limited Liability Partnership Act, 2018.*

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

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-offer eligible equity share capital of the issuer held by the promoter is required be locked in for a period of 18 months as minimum promoter's contribution from the date of allotment, and the promoter's shareholding in excess of 20% of the fully diluted post-offer equity share capital shall be locked in for a period of 6 months from the date of allotment (**Promoters' Contribution**).

The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of 18 months from the date of Allotment are set out below.

Date of allotment of the equity shares	Date on which the Equity Shares were made fully paid up	Nature of transaction	No. of Equity Shares held	Face Value (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the post-Offer paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
Shaileshkumar Balvantrai Desai								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total						[●]	[●]	

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

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

i. the Equity Shares offered as part of the Promoters' Contribution do not comprise of Equity Shares acquired during the immediately preceding 3 years:
   a. for consideration other than cash and revaluation of assets or capitalisation of intangible assets involved in such transaction; or
   b. resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits, or bonus shares issued against the Equity Shares that are otherwise ineligible for computation of Promoters' Contribution.

ii. the Promoters' Contribution does not include the Equity Shares acquired during the immediately preceding 1 year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

iii. Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm, and, consequently, the Promoters' Contribution does not include the Equity Shares issued pursuant to conversion of partnership firm or a limited liability partnership firm; and

iv. the Equity Shares held by our Promoters and offered as part of the Promoters' Contribution are not subject to any pledge or encumbrance.

13. **Details of the Equity Share capital locked-in for 6 months**

In addition to the Promoter's Contribution which will be locked-in for 18 months as set forth above, unless provided otherwise in the applicable law, pursuant to the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital held by persons (including those Equity Shares held by our Promoters in excess of the Promoters' Contribution), except the Offered Shares and any other categories of shareholders exempted under Regulation 17 of the SEBI ICDR Regulations, will be locked-in for a period of 6 months from the date of Allotment. Any unsubscribed portion of the Offer for Sale will also be subject to the aforementioned lock-in of 6 month from the date of Allotment.

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

There shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment.
Note: This amendment shall come into effect from April 1, 2022.

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

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

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

Pursuant to Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a housing finance company, subject to the following:

a. With respect to the Equity Shares locked-in as the Promoter's Contribution for 18 months from the date of Allotment, the loan must have been granted to our Bank for the purpose of financing one or more Objects of the Offer, which is not applicable in the context of this Offer; and

b. With respect to the Equity Shares locked-in for 6 months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.

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

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

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than our Promoters and members of our Promoter Group prior to the Offer and locked-in for a period of 6 month, may be transferred to any other person holding the Equity Shares which are locked-in along with the

Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of such transferee and compliance with the applicable provisions of the SEBI Takeover Regulations.

17. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, and / or our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of 6 months immediately preceding the date of this Draft Red Herring Prospectus.

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

19. As on the date of this Draft Red Herring Prospectus, neither the BRLM nor its associates, as defined under the SEBI Merchant Bankers Regulations hold any Equity Shares. The BRLM and its associates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in investment banking transactions with, or investment management services in respect of, with our Company for which they may in the future receive customary compensation.

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

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

22. Our Company shall ensure that any transaction in the Equity Shares by our Promoters and the members of our Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.

23. The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (**SCRR**) read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs (such portion referred as QIB Portion), provided that our Company and the Selling Shareholders may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (**Anchor Investor Portion**), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allotment is made to the Anchor Investors (**Anchor Investor Allocation Price**). In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds (**Mutual Fund Portion**), and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to non-institutional bidders and not less than 35% of the Net Offer shall be available for allocation to retail individual bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) are mandatorily required to utilise the ASBA process providing details of their respective ASBA accounts and UPI ID in case of retail individual bidders using UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the SCSBs or by the Sponsor Bank(s) under UPI Mechanism, as the case may be, to participate in the Offer. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For further details please see the chapter entitled '*Offer Procedure*' beginning on page 343.

24. There shall be only one denomination of the Equity Shares, unless otherwise permitted by applicable laws.

25. None of our Promoters or members of our Promoter Group will participate in the Offer except to the extent of their participation in the Offer for Sale.

26. No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or otherwise, to any Bidder for making a Bid.

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of [●] Equity Shares, aggregating up to ₹870.00 million by our Company and an Offer for Sale of up to ₹[●] Equity Shares, aggregating up to ₹3,270.00 million by the Selling Shareholders.

Fresh Issue

Requirement of funds:

We propose to utilize the Net Proceeds towards funding the following objects:

1. Repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Company; and

2. General corporate purpose.

(collectively, referred to herein as the '**Objects**')

The objects clause in the Memorandum of Association, enable us: (i) to undertake our existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds. Further, our Company expects to receive the benefits of listing of the Equity Shares, including to enhance our visibility and our brand image among our existing and potential customers and creation of a public market for our Equity Shares in India.

Offer for Sale

Each of the Selling Shareholders will be entitled to a proportionate share of the proceeds of the Offer for Sale after deducting their respective portion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. Other than the listing fees for the Offer, which will be borne by our Company, all cost, fees and expenses in respect of the Offer will be borne by our Company and the Selling Shareholders on a pro rata basis, in proportion to the number of the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by each of the Selling Shareholders in the Offer for sale upon successful completion of the Offer.

Net Proceeds

The details of the proceeds of the Fresh Issue are summarized in the following table:

(in ₹ million)

Particulars	Estimated amount
Gross Proceeds of the Fresh Issue	Up to 870.00
(less) Offer related expenses in relation to the Fresh Issue[#]	[●]
Net Proceeds*	[●]

 # All costs, fees and expenses relating to the Offer (other than the listing fees which will be borne by our Company) shall be shared amongst our Company and the Selling Shareholders on a pro rata basis, as set out above. For details, please see the chapter entitled 'Objects of the Offer – Offer related expenses' on page 95.
** To be determined upon finalization of the Offer Price and updated in the Prospectus prior to filing with the ROC.*

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilized in accordance with the details provided in the following table:

(in ₹ million)

Particulars	Estimated amount
Repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Company	650.00
General corporate purpose*	[●]
Total	[●]

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

Proposed Schedule of Implementation and Deployment of Net Proceeds

The following table sets forth the schedule of the expected deployment of the Net Proceeds:

(₹ in million)

Particulars	Total Estimated Cost	Amount to be funded from the Net Proceeds	Estimated deployment of Net Proceeds in Fiscal 2023
Repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Company	650.00	650.00	650.00
General corporate purpose*	[●]	[●]	[●]
Total	[●]	[●]	[●]

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

Means of Finance

The fund requirements for all objects are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.

The fund requirements, deployment of funds and the intended use of the Net Proceeds as described in this Draft Red Herring Prospectus are based on our current business plan, management estimates, prevailing market conditions, and other commercial and technical factors. The fund requirements and deployment of funds have not been appraised by any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment from time to time on account of a variety of factors, such as our financial and market condition, our business and growth strategies, our ability to identify and implement inorganic growth initiatives (including investments and acquisitions), competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For further information on factors that may affect our internal management estimates, please see the section entitled 'Risk *Factors- S. No. 46. The objects of the Offer for which funds are being raised have not been appraised by any bank or financial institution and are based on management estimates.'* on page 52

Details of the Object of the Offer

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

Our Company has entered into various financing arrangements from time to time, with various lenders. The financing arrangements availed by our Company include *inter alia* term loans and working capital facilities. For further details, please see the chapter entitled '*Financial Indebtedness*' beginning on page 302.

As on February 28, 2022, our total outstanding non-current borrowings including current maturities of long- term borrowings and our current borrowings amounted to ₹872.49 million. Our Company proposes to utilize an estimated amount of ₹650.00 million from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by our Company. Given the nature of these borrowings and the terms of repayment or pre-payment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings prior to Allotment or avail of additional credit facilities. If at the time of Allotment, any of the below-mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed or drawn down or if the limits under the working capital borrowings are increased, then our Company may utilise the Net Proceeds for part or full pre-payment / repayment of any such refinanced facilities or repayment of any additional facilities obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or pre-payment of borrowings (including refinanced or additional facilities availed, if any), in part or full, would not exceed ₹650.00 million. We may utilize Net Proceeds towards prepayment and/or repayment of such additional indebtedness availed by us, details of which shall be provided in the Red Herring Prospectus.

We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness and debt servicing costs and enable utilisation of our internal accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

For the list of the borrowings availed by our Company, which are proposed to be fully or partially repaid or pre-paid from the Net Proceeds, please see the table below and for details of the outstanding borrowings of our Company as of February 28, 2022.

Sr. No.	Purpose	Amount Sanctioned (in ₹ million)	Amount Outstanding (as on February 28, 2022) (in ₹ million)	Rate of Interest/ Commission	Tenor and repayment schedule	Prepayment terms / penalty
Aditya Birla Finance Limited						
1.	For takeover of existing term loan from Religare Finvest Ltd.	9.60	7.01	Interest rate linked to long term reference rate of ABFL + / - spread	120 months from the date of first disbursement	ABFL has, pursuant to the letter dated March 19, 2022, guided our Company that if the prepayment is made out of internal accruals/ initial public offering proceeds/ permitted mezzanine debt, our Company may prepay the entire outstanding amount or a part thereof by giving ABFL 30 days written notice of its intention to prepay and paying foreclosure charges as mutually agreed.
2.	For working capital purpose	45.00	32.86	Interest rate linked to long term reference rate of ABFL + / - spread	120 months from the date of first disbursement	
3.	For takeover of existing term loan from Religare Finvest Ltd.	86.40	63.10	Interest rate linked to long term reference rate of ABFL + / - spread	120 months from the date of first disbursement	
4.	For working capital purposes	49.00	35.78	Interest rate linked to long term reference rate of ABFL + / - spread	120 months from the date of first disbursement	
5.	For general corporate purpose	170.00	102.00	10.25%	120 months from first disbursement	
Axis Bank Limited						
6.	For re-imbursement of capex incurred during August	99.00	97.35	1 year MCLR	64 months including 4 months of moratorium	If the prepayment is made out of internal accruals/

Sr. No.	Purpose	Amount Sanctioned (in ₹ million)	Amount Outstanding (as on February 28, 2022) (in ₹ million)	Rate of Interest/ Commission	Tenor and repayment schedule	Prepayment terms / penalty
	2020 to June 2021					initial public offering proceeds/ permitted mezzanine debt, prior written notice of not less than 30 business days to be given by our Company to Axis Bank Limited.
7.	To take over the outstanding limit of Yes Bank	45.30	35.66	9.05%	60 months	
8.	For funding the cash flow mis-match in working capital created due to COVID-19 pandemic	51.50	49.35	1 year MCLR + 0.35%	5 years including 12 months of moratorium	
9.		56.40	56.40			
10.	Working Capital Demand Loan	100.00	50.00	To be decided on case to case basis at the time of drawal	Maximum 180 days	N.A.
HDFC Bank Limited						
11.	For business purposes	25.00	5.43	MCLR + 1.00% p.a.	60 months, valid up to September 15, 2022	Prepayment Penalty – 4% of the principal amount of the loan being repaid or at such rates as may be decided by the bank from time to time. Prepayment Terms: Our Company may prepay the entire outstanding amount (but not a part thereof) by giving the lender 30 days' written notice.
12.	Working Capital Demand Loan	100.00	100.00	7.00% p.a.	4 months from January 6, 2022	N.A.
13.	To purchase a Honda CRV passenger car	2.83	1.18	8.70%	60 months up to December 5, 2023	Prepayment Penalty- 3% of the part

Sr. No.	Purpose	Amount Sanctioned (in ₹ million)	Amount Outstanding (as on February 28, 2022) (in ₹ million)	Rate of Interest/ Commission	Tenor and repayment schedule	Prepayment terms / penalty
14.	To purchase Porsche Macan	7.90	5.13	8.35%	60 months up to February 7, 2025	payment in case the part pre-payment is post 24 months from the first EMI. Prepayment Premium – Our Company may, prepay the whole or any part of the outstanding (including interest, dues, fees and charges) by giving at least 30 days' notice in writing to the lender, unless the same has been waived in writing by the lender.
15.	To purchase Range Rover Velar	7.18	4.66	8.35%	60 months up to February 7, 2025	
Housing Development Finance Corporation Limited						
16.	Home Loan	47.70	42.29	Retail Prime Lending Rate *minus* spread	240 months	Our Company will be entitled to prepay the loan, either partly or fully, as per rules of the lender including prepayment charges for the time being in force in that behalf.
TOTAL		902.81	688.20			

Note: In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed, our Company has obtained the requisite certificate dated March 24, 2022 from our Statutory Auditor.

General corporate purposes

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹[●] million, towards general corporate purposes, subject to such amount, not exceeding 25% of the Gross Proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include capital expenditure, meeting other expenses including salaries and other expenses in the ordinary course of business, meeting ongoing general corporate purposes or contingencies, strategic initiatives, working capital requirements, meeting exigencies and expenses incurred by our Company in the ordinary course of business, as may be applicable. The quantum utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes relating to our business which are considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act and in accordance with the stated objectives and our business. Our Company's management shall have flexibility in utilising any surplus amounts.

Interim use of Net Proceeds

We, in accordance with the policies formulated by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits only in one or more scheduled commercial banks included in the Second Schedule of the RBI, as amended, as may be approved by our Board or a duly constituted committee thereof.

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

Bridge Loans

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

Offer related expenses

The total Offer related expenses are estimated to be approximately ₹[●] million. The Offer related expenses consist of listing fees, underwriting fees, selling commission and brokerage, fees payable to the BRLM, legal counsels, Registrar to the Offer, Banker 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, SCSCBs, 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.

Except for listing fees of the Offer, which will be borne by our Company, all cost, fees and expenses (including all applicable taxes) in respect of the Offer will be shared amongst our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale, upon successful completion of the Offer in accordance with the requirement under Section 28(3) of the Companies Act. The break-up for the estimated Offer expenses are as follows:

Activity	Amount (₹ in million)(1)	As a % of total estimated Offer related expenses(1)	As a % of Offer size(1)
Fees payable to the BRLM including brokerage, underwriting and selling commission, as applicable	[●]	[●]	[●]
Brokerage, selling commission and processing fees to SCSBs for ASBA Applications procured by the Syndicate, Sub-Syndicate, Registered Brokers, RTAs or CDPs and submitted with the SCSBs; and bidding charges to members of the Syndicate, RTAs and CDPs(2)(3)(4)(5)(6)	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others:	[●]	[●]	[●]

Activity	**Amount (₹ in million)[(1)]**	**As a % of total estimated Offer related expenses[(1)]**	**As a % of Offer size[(1)]**
• Listing fees; • SEBI, BSE and NSE processing fees, book building software fees, listing fees, fees paid to Depositories inter-alia for corporate action, bid verification; • Fees payable to legal counsel; and • Miscellaneous.			
Total estimated Offer expenses	[●]	[●]	[●]

(1) Amount will be finalized and incorporated in the Prospectus on the determination of the Offer Price. Offer expenses include applicable taxes, where applicable.

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

Portion for Retail Individual Investors *	[●]% of the amount Allocated (plus applicable taxes)
Portion for Non-Institutional Investors*	[●]% of the amount Allocated (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 the BSE or the NSE. No additional processing/uploading charges shall be payable by our Company to the SCSBs on the applications directly procured by them.

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

Portion for Retail Individual Investors	₹[●] per valid Bid cum Application Forms* (plus applicable taxes)
Portion for Non-Institutional Investors	₹[●] per valid Bid cum Application Forms* (plus applicable taxes)

** The processing fees for applications made by RIBs using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation on compliance with the SEBI Circular No: SEBI/ HO/ CFD/ DIL2/ P/CIR/2021/570 dated June 02, 2021 read with the SEBI Circular No: SEBI/ HO/ CFD/ DIL2/ CIR/P/ 2021/ 2480/1/M dated March 16, 2021.*

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

Portion for Retail Individual Investors	[●]% of the amount Allocated (plus applicable taxes)
Portion for Non-Institutional Investors	[●] % of the amount Allocated (plus applicable taxes)

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

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

Portion for Retail Individual Investors	₹[●] per valid Bid cum Application Forms* (plus applicable taxes)
Portion for Non-Institutional Investors	₹[●] per valid Bid cum Application Forms* (plus applicable taxes)

**Based on valid applications.*
** Amount of bidding charges payable to Registered Brokers, RTAs/CDPs shall be determined on the basis of applications which have been considered eligible for the purpose of Allotment. In order to determine to which RTAs/CDPs the commission is payable to, the terminal from which the bid has been uploaded will be taken into account.*

(6) Processing fees for applications made by RIBs using the UPI Mechanism would be as follows:

Payable to Members of the Syndicate including their sub-syndicate members / RTAs / CDPs	*₹ [●] per valid application (plus applicable taxes)*
Sponsor Bank(s)	*₹ [●] per valid application (plus applicable taxes)* *The Sponsor Bank(s) 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*

Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, other than the listing fees, all estimated Offer related expenses to be proportionately borne by the Selling Shareholders shall be deducted from the proceeds of the Offer for Sale, and subsequently, the balance amount from the Offer for Sale will be paid to the Selling Shareholders. In the event, any expense is paid by our Company on behalf of the Selling Shareholders in the first instance, it will be reimbursed to our Company, by the Selling Shareholders to the extent of its respective proportion of Offer related expenses, directly from the Public Offer Account.

In the event that the Offer is postponed or withdrawn or abandoned for any reason or in the event the Offer is not successfully completed, all expenses in relation to the Offer shall be shared by our Company and the Selling Shareholders in accordance with applicable law.

Appraising Agency

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

Monitoring Agency

The Fresh Issue is for less than ₹1,000.00 million, and therefore, in terms of Regulation 41 of the SEBI ICDR Regulations, we are not required to appoint a monitoring agency.

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

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

Variation in objects

In accordance with the provisions of the Companies Act, 2013 and the SEBI ICDR Regulations, our Company shall not vary the Objects of the Offer unless our Company is authorized to do so by way of a special resolution of Shareholders through a postal ballot and such variation will be in accordance with the applicable laws including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act, 2013 and applicable rules. The postal ballot 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 located. In accordance with the Companies Act, 2013, our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, 2013 and the SEBI ICDR Regulations.

Other confirmations

Except to the extent of the proceeds received pursuant to the Offer for Sale, none of our Promoters, Directors, KMPs, members of our Promoter Group or Group Companies will receive any portion of the Offer Proceeds.

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, members of our Promoter Group, Directors and/or Key Managerial Personnel. Further, there are no material existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoters, Directors, Key Managerial Personnel, members of our Promoter Group or Group Companies.

Further, pursuant to the Offer, the Net Proceeds received by our Company shall only be utilised for objects identified by our Company and for general corporate purposes and none of our Promoters, Promoter Group, and Group Companies, as applicable, shall receive a part of or whole Net Proceeds directly or indirectly.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company, in consultation with the Selling Shareholders and the BRLM, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price. Investors should also refer to the section entitled '*Risk Factors*' beginning on page 33 and chapters entitled '*Our Business*', and '*Restated Financial Statements*' beginning on pages 173 and 230, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

1. Strong and diversified customer base;
2. Leading chemical manufacturer of large and diverse bouquet of products;
3. Strong focus on R&D;
4. Extensive manufacturing capabilities of products with stringent quality norms and procedures;
5. Strong promoters and experienced management team; and
6. Strong and consistent financial performance.

For further details, please see the chapter entitled '*Our Business – Competitive Strengths*' on page 175 and section entitled '*Risk Factors*' beginning on page 33, respectively.

Quantitative Factors

Some of the information presented below relating to our Company is based on the Restated Financial Statements prepared in accordance with the SEBI ICDR Regulations. For further details, please see the chapter entitled *'Restated Financial Statements'* beginning on page 230.

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

1. Basic and Diluted Earnings Per Share (EPS), as adjusted for changes in capital:

Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Fiscal 2019	9.77	6.38	1
Fiscal 2020	15.30	10.02	2
Fiscal 2021	20.98	19.77	3
Weighted average*	**17.21**	**14.29**	-
6 month period ended on September 30, 2021**	**7.70**	**7.70**	-

** Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e., (EPS x Weight) for each year/Total of weights.*
***not annualized.*

Notes:

1. *The ratios have been computed as below:*
   a. *Basic EPS (in ₹) = Net profit/ (loss) after tax, as restated attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the year.*
   b. *Diluted EPS (in ₹) = Net profit/ (loss) after tax, as restated attributable to equity shareholders divided by weighted average number of diluted Equity Shares outstanding during the year.*
2. *The figures disclosed above are based on the Restated Financial Statements of our Company.*
3. *The face value of each Equity Share is ₹10 each.*
4. *Basic and diluted earnings per Equity Share are computed in accordance with Ind AS 33 'Earnings per Share' prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with the requirement of the SEBI ICDR Regulations.*
5. *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Information as appearing in chapter entitled 'Restated Financial Statements' beginning on page 230.*

2. Price to Earnings Ratio (P/ E) in relation to Offer Price of ₹[●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)*	P/E at the Cap Price (no. of times)*
Basic EPS as per the Restated Financial Statements for Fiscal 2021	[●]	[●]
Diluted EPS as per the Restated Financial Statements for Fiscal 2021	[●]	[●]

Note:

1. *Price/ earning (P/E) ratio is computed by dividing the price per share by earnings per share.*

Industry P/ E:

Particulars	P/ E
Highest	36.86
Lowest	16.21
Average	26.53

Note: Peer Group includes Himadri Speciality Chemicals Ltd., and BASF India Limited. P/E Ratio has been computed based on the closing market price of equity shares on the National Stock Exchange of India Limited on www.nseindia.com, divided by the Diluted EPS as on 31 March 2021 as disclosed in audited financials submitted by the respective entity with the stock exchange for the year ended 31 March 2021. Peer Group set out above has been identified on the basis of the peers of our Company set out on page 172 of the chapter entitled 'Industry Overview' of this Draft Red Herring Prospectus.

3. Average Return on Net Worth ('RoNW')

Period	RoNW (%)	Weight
Fiscal 2019	22.92	1
Fiscal 2020	26.53	2
Fiscal 2021	32.02	3
Weighted Average*	28.67	-
6 month period ended on September 30, 2021**	11.11	-

**The weighted average is a product of RoNW and respective assigned weight dividing the resultant by total aggregate weight.*
***not annualized.*

Notes:

1. *Return on Net Worth (%) =Net profit after tax, as restated for the end of the year/ period divided by Net Worth as at the end of the year/ period.*
2. *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, as per the Restated Financial Statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.*

4. Net Asset Value (NAV) per Equity Share:

Net Asset Value (NAV) per Equity Share	₹
As on September 30, 2021	69.32
As on March 31, 2021	65.50
After the Offer	
At the Floor Price	[●]
At the Cap Price	[●]
At the Offer Price	[●]

Notes:

1. *Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*
2. *NAV per Equity Share = Net worth as at the end of the year/period divided by weighted average number of equity shares outstanding during the year / period.*

5. Comparison of accounting ratios with listed industry peers:

Our Company has bouquet of products for four different Application Industries. None of the listed peers cater to all the four Application Industries. Below mentioned listed company(ies) is/are catering to select Application Industry.

Name of Company	**Latest financial year (Fiscal 2021)**	**Revenue from operation (in ₹ million)**	**Face Value (₹ per share)**	**EPS (₹ per share)**		**NAV (₹ per share)**	**P/E**	**RONW (%)**
				Basic	**Diluted**			
Gujarat Polysol Chemicals Limited	Standalone	3,796.06	100	20.98 (1)	19.77(1)	65.50	[●]	32.02%
Himadri Speciality Chemicals Ltd.	Consolidated	16,794.58	1	1.13	1.13	42.78 (2)	36.86 (3)	2.64% (4)
BASF India Limited	Standalone	95,583.40	10	127.7	127.7	404.06 (2)	16.21 (3)	31.60% (4)

Source:

a. All the financial information for our Company mentioned above is based on the Restated Financial Statements for the year ended March 31, 2021. The Equity Shares of our Company were subdivided into ₹10 face value vide shareholders meeting dated April 15, 2021.

b. All the financial information for listed industry peers mentioned above is on a standalone/consolidated basis and is sourced from the audited consolidated/ standalone financial statements of the respective companies for the year ended March 31, 2021 available on website of the Stock Exchanges.

Notes:

1. *EPS (basic/ diluted) has been calculated after giving effect to subdivision and bonus issuance in accordance with principles of IND AS 33 - 'Earning per Share'.*
2. *NAV is computed as the closing net worth (sum of equity share capital, other equity and non-controlling interest) divided by the closing outstanding number of equity shares as on March 31, 2021.*
3. *P/E Ratio has been computed based on the closing market price of equity shares on March 31, 2021, on www.nseindia.com, divided by the Diluted EPS as on March 31, 2021.*
4. *RoNW is computed as net profit after tax and minority interest divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus. In case the net worth is negative for a particular year, the same has not been considered.*

6. The Offer Price will be [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company, in consultation with the BRLM, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with section entitled '*Risk Factors*' beginning on page 33 and chapters entitled '*Our Business*', and '*Restated Financial Statements*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on pages 173, 230 and 280, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the section entitled '*Risk Factors*' beginning on page 33 and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors,
Gujarat Polysol Chemicals Limited
Plot No. 1734, Third Phase,
G.I.D.C, District – Valsad,
Vapi – 396 195,
Gujarat, India

Inga Ventures Private Limited
1229, Hubtown Solaris, N.S. Phadke Marg,
Opp. Telli Galli, Andheri (East)
Mumbai 400 069.

(Inga Ventures Private Limited is hereinafter referred to as **Book Running Lead Manager/BRLM**)

Re: Proposed initial public offering of equity shares of ₹10 each (Equity Shares) by Gujarat Polysol Chemicals Limited (Company) comprising a fresh issue of Equity Shares and an offer for sale of Equity Shares by Selling Shareholders (Offer)

Dear Sirs,

We, M/s. J.V. Vasani & Co., the statutory auditor of the Company, hereby report that the enclosed statement is in connection with (i) the possible special tax benefits available to the Company and, (ii) to the shareholders of the Company, under applicable tax laws presently in force in India including the Income Tax Act, 1961 (**Act**), the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable states' Goods and Services Tax Act, the Finance Act, 2021, the Foreign Trade Policy and Handbook of Procedures, Customs Act, 1962, State Industrial Incentive Policies and rules made under any of the aforementioned legislations.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company or its shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose, or be able, to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company. Further, the benefits discussed in the enclosed statement 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 changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. We do not express any opinion or provide any assurance as to whether:

1. The Company or its shareholders will continue to obtain these benefits in the future; or

2. The conditions prescribed for availing of the benefits have been/would be met with.

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

We hereby consent to the extracts of this certificate being used in the Draft Red Herring Prospectus (**DRHP**) to be filed with the Securities and Exchange Board of India (**SEBI**), the BSE Limited (**BSE**) and the National Stock Exchange of India Limited (**NSE** and together with the BSE, the **Stock Exchanges**) and the Red Herring Prospectus (**RHP**) and the Prospectus (**Prospectus** and together with DRHP and RHP, the **Offer Documents**), to be filed with the Registrar of Companies, Ahmedabad at Gujarat (**ROC**) and submitted to the SEBI, and the

Stock Exchanges with respect to the Offer, and in any other material used in connection with the Offer and on the website of the Company in connection with the Offer.

We undertake to update you of any change in the above-mentioned disclosures until the Equity Shares allotted, pursuant to the Offer, are listed and commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be considered as an updated information until the Equity Shares commence trading on the Stock Exchanges, pursuant to the Offer.

This certificate is for information and for inclusion, in part or in full, in the Offer Documents or any other Offer-related material, and may be relied upon by the Company, the BRLM and the legal advisor to the Offer. We hereby consent to the submission and disclosure of this certificate as may be necessary to the SEBI, the ROC, the Stock Exchanges and any other regulatory or judicial authorities and, or, for any other litigation purposes and, or, for the records to be maintained by the BRLM, in accordance with applicable law.

All capitalized terms not defined herein bear the meaning ascribed to them in the Offer Documents.

Yours sincerely,

For J. V. Vasani & Co.
Chartered Accountants
F.R.N: 114283W

____
(Jignesh V. Vasani)
Partner
M.No. 047954
UDIN:
Place: Vapi

Cc:

Bharucha & Partners
13th Floor, Free Press House,
Free Press Journal Marg,
Nariman Point,
Mumbai – 400 021
Maharashtra, India.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND TO ITS SHAREHOLDERS UNDER INCOME TAX ACT, 1961 (ACT), THE CENTRAL GOODS AND SERVICES TAX ACT, 2017, THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017 AND THE APPLICABLE STATES' GOODS AND SERVICES TAX ACTS, THE FINANCE ACT, 2021, THE FOREIGN TRADE POLICY AND HANDBOOK OF PROCEDURES, CUSTOMS ACT, 1962, STATE INDUSTRIAL INCENTIVE POLICIES AND RULES MADE UNDER ANY OF THE AFOREMENTIONED LEGISLATIONS.

I. Special tax benefits available to the Company

There are no Special Benefit available to Company

III. Special tax benefits available to the Shareholders

There are no Special Benefit available to the Share holders

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Section 1: Global & India Macro-Economic Overview

Gross Domestic Product (GDP) Growth

In early 2020, COVID-19 pandemic had hit the World and paralysed the economies of the World. Now in 2021, the global economy is poised to stage its most robust post-recession recovery in 80 years. But the rebound is expected to be uneven across countries, as major economies look set to register strong growth even as many developing economies lag. While IMF suggested the economic growth to bounce back at 6%, the United Nations on responded to the rebounding Chinese and US economies by revising its global economic forecast upward to 5.4% growth for 2021, but it warned that surging COVID-19 cases and inadequate availability of vaccines in many countries threaten a broad-based recovery. With successful pandemic control and a faster vaccination process, the global growth could accelerate to above 5% is what the World Bank suggests.

The global economy is going through the most robust post-recession recovery in 80 years in 2021, a year and a half since the onset of the COVID-19 pandemic. With successful pandemic control and a faster vaccination process, the global growth could accelerate; IMF expects the global economic growth to bounce back to 6.0% in 2021 and 4.4% in 2022, with emerging markets and developing economies growing at 6.7% in 2021 and 5.0% in 2022.

Medium - Long term: Robust Recovery Expected

Given the nature of the COVID-19 shock, a self-imposed reduction in social mobility has been designed to contain the spread of a virus, generating dramatic effects on the economic activities. The short-term economic growth is expected to be comparatively muted. However, given the series of steps taken by the governments and industries across the globe, the medium and long term global economy is expected to remain robust.

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 2020 to halt the spread of Covid-19. India's GDP contracted to 7.3% in 2020 – the first time in four decades.

The health shock of COVID 2.0 seems to be seeping into the economic domain and attenuating the pace of our V-shaped recovery. After coping with the first wave of the pandemic, the economy finally showed some signs of recovery from Q3 FY-21. The second COVID-19 wave has now hit the country hard, pushing more than half of the Indian states into lockdown. This brings major headwinds to the economic recovery and downside risks to the possible green shoots. The Indian economy turned a corner this month and began regaining momentum in June 2021, ultra-high frequency data indicate, though subdued consumer sentiment is expected to limit the pace of recovery in Asia's third largest economy. This comes as states gradually ease curbs on business activity, keeping in mind the decline in the number of fresh Covid cases. The week ended June 13 was at least the third consecutive week in which economic activity sequentially gained momentum, according to three data trackers by research agencies using a range of data available on daily or weekly basis. Economically, in June, India will see activities pick up signalling recovery during the gradual unlocking process. The NCAER report has stressed on a strong positive push to restore the growth process after the Covid-19 waves India has seen. This, combined with a strong expansionary macroeconomic policy thrust, could help revive normal growth.

Economists are now speculating about how India will dig itself out of that hole once the second wave's economic damage is fully realized. They estimate that the latest outbreak has pushed back India's economic recovery by three to six months, depending on the virus's trajectory and the nation's preparedness for a possible third wave. Since hitting a peak above 400,000 daily cases in early May, the infection rate has dropped to 152,734 per day, and the number of deaths has fallen to around a four-week low of 3,128 daily. Economists believe that the delay in economic recovery would be limited to just about a quarter, provided the COVID's second wave is not allowed to last much beyond June. The economic recovery would depend on the pace of vaccination and government policy interventions in the coming weeks and months. India's Health Minister, Harsh Vardhan, has pledged to vaccinate at least all of the adult population by the end of the year, notwithstanding a current supply shortage.

An already-slowing Indian economy had been derailed from its growth track after a stringent shutdown was imposed in March 2020 to halt the spread of Covid-19. India's GDP contracted to 7.3% in 2020 – the first time in four decades.

With industries, transport, shops, and malls shut, the economic activity came to a grinding halt in India toward the end of March 2020. The domestic consumption, which makes up around 57% of GDP, was almost wiped out. Pay cuts and layoffs across the country completely eroded the demand. The Indian government's decision to remove most of the restrictions has provided the much-needed relief to the large as well as the small businesses. Despite this, the demand scenario remained weak in 2020. The revival in consumption, meanwhile, will be driven by discretionary as well as non-discretionary spending. The non-discretionary spending refers to groceries and other essential items. Expectedly, this category remained largely unscathed during the lockdown. The recovery in 2021 is expected to be in double digit following a better start to the year as compared to 2020. Near-term prospects are favourable but second covid wave is a risk to recovery.

However, the medium term growth outlook is expected to improve and record a growth rate of ~6.6% by CY2025F, 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 2110 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.

From CY2012 to 2016, the market-friendly policies safeguarded India from the subdued global economy; the improved macroeconomic fundamentals and robust capital inflow strengthened the economic growth from 5.5% in 2012 to 8.2% in 2016. However, in 2017 the GDP declined to 6.8% from 8.2% in 2016 due to the external vulnerabilities such as global slowdown, impact of demonetization and the transitory effect of goods and services tax (GST) implementation.

The economic growth of India slipped further in 2019 as a result of the lingering effect of demonetization and the other political reforms. The growth has remained relatively slow due to the prolonged on-going stress among non-bank financial institutions (NBFIs), obstructing the overall credit provision of the financial system.

Due to Covid-19, the GDP of FY21 declined by 8.0% at INR 1,34,08,882 Cr as compared to INR 1,45,69,268 Cr for the same period last year.

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 and 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 and 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.
- Government 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:** Foreign exchange reserves of India totalled USD 477 Bn as on March 20, 2020. This figure stood at USD 581 Bn as on December 25, 2020, recording a whopping increase of USD 104 Bn in a relatively short period of around 9 months. The forex kitty had surged by USD 3.074 Bn to record a high of USD 608.081 Bn in the 2nd week of June 2021. Sliding from a lifetime high, the country's foreign exchange reserves declined by USD 4.148 Bn to reach USD 603.933 Bn for the week ended 18 June 2021 due to a fall in gold and currency assets, the Reserve Bank of India (RBI) data suggested. India's foreign exchange reserves however, 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 up to 31.3.2019 to incentivize formalization and creation of new employment
- Total benefit of Rs. 8300 Crores has been given to 1,52,899 Establishments covering 1,21,69,960 Beneficiaries under PMRPY

Indian Government Initiatives and Policies for Manufacturing Sectors: Prime Minister of India, Mr Narendra Modi, launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. Government aims to create 100 Mn new jobs in the sector by 2022. With the help of Make in India drive, India is on a path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a Bn consumers and an increasing purchasing power.

According to the United Nations Conference on Trade and Development (UNCTAD), India ranked among the top 10 recipients of Foreign Direct Investment (FDI) in South Asia in 2019, attracting USD 49 Bn, a 16% increase from the previous year. Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached USD 89.4 Bn during April 2000 - March 2020. In May 2020, the Government of India increased FDI in defence manufacturing under the automatic route from 49% to 74%. India has become one of the most attractive destinations for investment in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- In November 2020, the National Small Industries Corporation (NSIC) signed a Memorandum of Understanding (MoU) with Dun & Bradstreet Information Services India to create an ecosystem to encourage, finance and promote growth of micro, small and medium enterprises (MSMEs)
- In October 2020, Japan Bank for International Cooperation (JBIC) agreed to provide USD 1 Bn (INR 7,400 crores) to SBI (State Bank of India) for funding the manufacturing and sales business of suppliers and dealers of Japanese automobile manufacturers and providing auto loans for the purchase of Japanese automobiles in India
- In October 2020, Tata Group announced plans to invest INR 5,000 crores (USD 673.20 Mn) to set up an Apple phone component plant in Hosur, Tamil Nadu
- In October 2020, Grinntech, an investor-backed start-up specialising in lithium-ion batteries for EVs and energy storage systems, signed a MoU with the Tamil Nadu government to establish a battery and battery management system manufacturing facility in the state
- In October 2020, five international electronics manufacturing applications from companies such as Foxconn, Wistron, Pegatron, Samsung and Rising Star have been approved by the Government of India to set up production worth INR 9 Trillion (USD 122.5 Bn) over the next five years
- In October 2020, five Indian manufacturers such as Micromax, Lava, Padget Electronics, UTL Neolyncs and Optiemus Electronics have been cleared by the Government of India to set up handset production
- In September 2020, Pegatron, the second-largest manufacturer of Apple after Foxconn, began its India operations. The move is a precursor for the Taiwanese electronics maker to set up a manufacturing base in India.

Government Initiatives

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- In November 2020, the Ministry of Skill Development and Entrepreneurship begun skill training of 3 lakh migrant workers from the identified 116 districts across Uttar Pradesh, Bihar, Rajasthan, Odisha, Madhya Pradesh and Jharkhand. The initiative aims to empower migrant workers and rural population in the post-COVID-19 era through demand-driven skilling and orientation under the centrally sponsored and centrally managed (CSCM) component of the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 2016-20.

- In March 2020, the government approved the Production Incentive Scheme (PLI) for Large-scale Electronics Manufacturing. The scheme proposes production-linked incentive to boost domestic manufacturing and attract large investments in mobile phone manufacturing and specified electronic components including Assembly, Testing, Marking and Packaging (ATMP) units.
- In May 2020, Government increased FDI in Defence manufacturing under the automatic route from 49% to 74%
- In March 2020, the Union Cabinet approved financial assistance to the Modified Electronics Manufacturing Clusters (EMC2.0) Scheme for development of world class infrastructure along with common facilities and amenities through Electronics Manufacturing Clusters (EMCs)
- Under the Pradhan Mantri Kaushal Kendras, 73 lakh people were trained during 2016-20 while 723 Pradhan Mantri Kaushal Kendras were established till Jan 2020
- As of August 2020, there were about 15,000 Industrial Training Institutes (ITIs) in India
- In August 2019, the Government permitted 100% FDI in contract manufacturing through the automatic route
- Under the Make in India initiative, Government aims to increase the share of the manufacturing sector to country's GDP to 25% by 2025.
- Under the Mid-Term Review of Foreign Trade Policy (2015-20), the Government of India increased export incentives available to labour intensive MSME sectors by 2%. In April 2020, Government extended FTP for one more year, up to March 31, 2021.

Source: IBEF

Across India, the recent revision of Market Access Initiative by the Ministry of Commerce and Industry aims at benefiting the small to mid-segment newer industry players which do not possess global sales and marketing reach. As a result of the revised MAI policies, the robust growth in Contract Research & Manufacturing Services (CRAMS) industry in India will support newer economies such as Myanmar, Cambodia to collaborate with the local Indian players beneficial for the overall growth of the Asian economy. Moving forward, with a total of over 300 USFDA approved manufacturing sites, the country can become the global leader in the CRAMS industry with the implementation of mandates including Schedule M (Good Manufacturing Practices (GMP) for Premises & Materials and Requirements of GMP in Plant and Equipment) outlining various requirements for manufacturing good quality drugs and pharmaceuticals, by applying Current Good Manufacturing Practice (CGMP) guidelines.

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach USD 1 trillion by 2025. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of USD 2.5 trillion along with a population of 1.32 Bn people, which will be a big draw for investors.

With impetus on developing industrial corridors and smart cities, the Government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

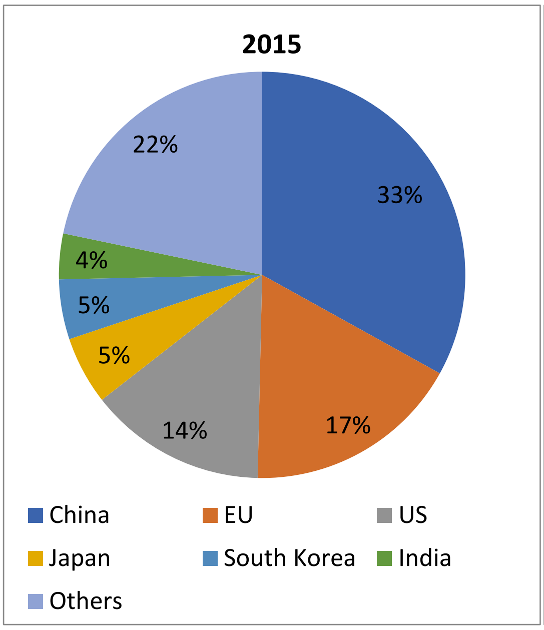
Section 2: Overview of Global Chemicals and Specialty Chemicals

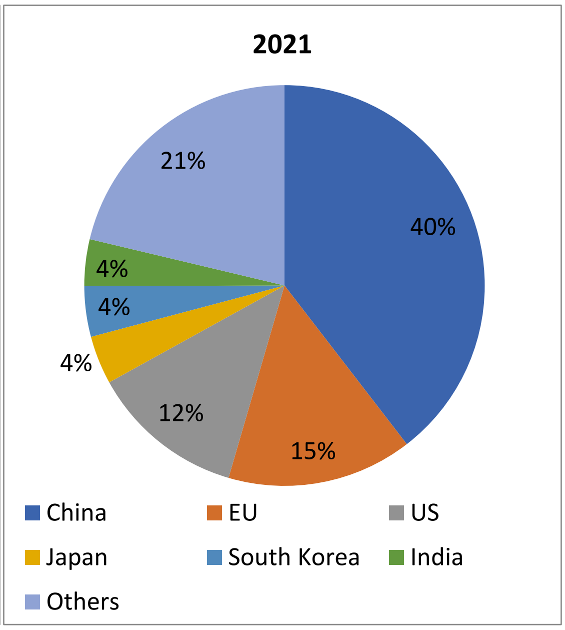
Global Chemical Industry Overview

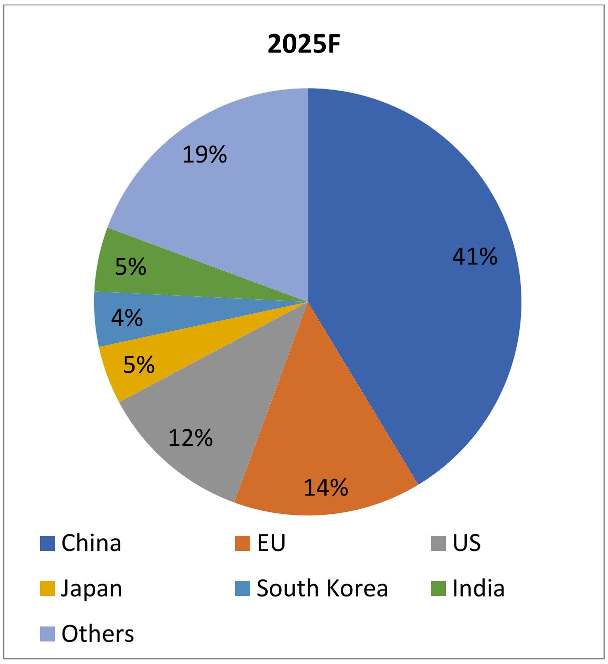
The global chemicals market is valued at around USD 5,340 Bn with China accounting for major market share (40%) in the segment followed by European Union (15%) and United States (12%). India accounts for ~4% market share in the global chemicals market. The global chemicals market is expected to grow at 6.2% CAGR;

reaching USD 6,780 Bn by 2025. Going forward the APAC is anticipated to grow at the fastest rate of 7-8% during the forecast period (2021-25F). The chemicals markets in Western Europe, North America, and Japan are relatively mature and hence would record slow growth rates of around 3-4%.

Exhibit 2.1: Global chemicals market, 2015, 2020 & 2025F, USD 4,227, USD 5,340 Bn & 6,780 Bn

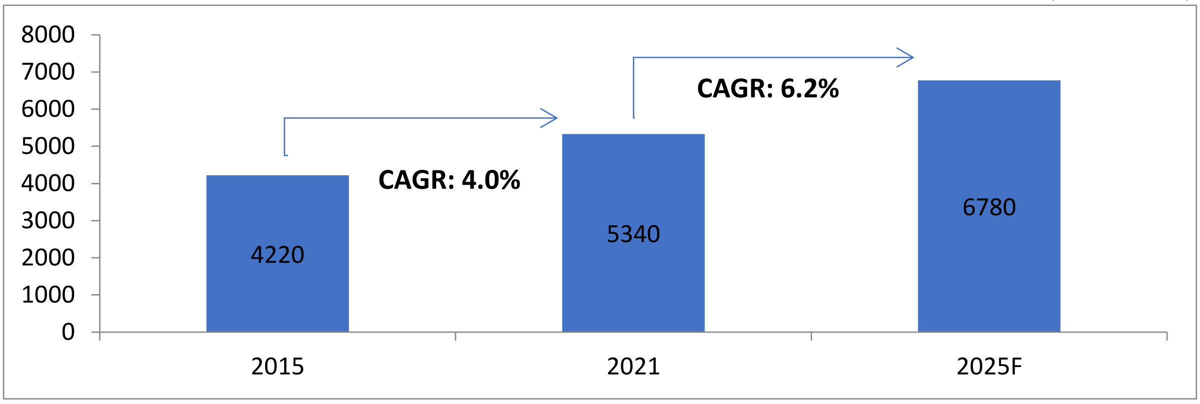






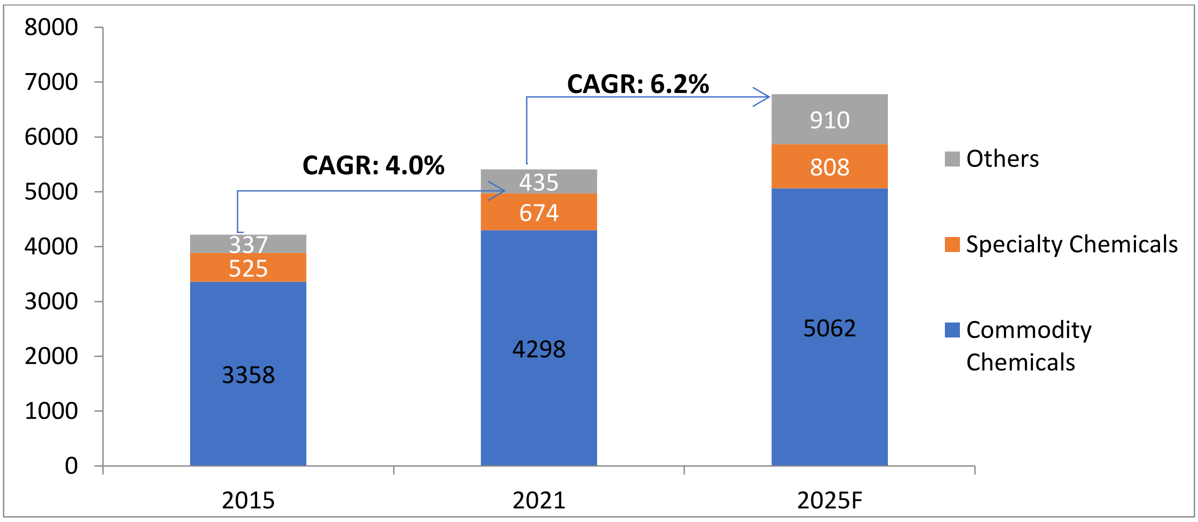
Source: Frost & Sullivan

Exhibit 2.2: Global chemicals market, 2015, 2021 and 2025F (USD Bn)



Source: Frost & Sullivan

Exhibit 2.3: Global chemicals market, 2015, 2021 and 2025F (USD 4220 Bn, USD 5,340 Bn and USD 6780 Bn) along with segment wise CAGR growth



	Commodity Chemicals	Specialty Chemicals	Other Chemicals
2015-20	4.20%	4.26%	4.35%
2020-25F	3.33%	3.69%	15.90%

Source: Frost & Sullivan

Note: Others mainly include Biotech chemicals.

Commodity Chemicals: The commodity chemicals market includes companies that manufacture basic chemicals in large volumes. These include basic chemicals like caustic soda, chlorine, bromine, polymers and 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 leading companies, The Dow Chemical and BASF SE, account for less than 5% of the total market each in 2021. Other industry leaders include Bayer AG, DuPont de Nemours, and AkzoNobel. More than 85% of the market share, however, is accounted for by a mix of other companies. 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 4,298 Bn and is expected to grow at ~4% globally in the next five years.

- **Petrochemicals** are derived from crude oil, crude products, or natural gas. Petrochemicals are used in the manufacture of numerous products such as synthetic rubber, synthetic fibres (e.g., nylon and polyester), plastics, fertilizers, paints, detergents, and pesticides. It is the basis for most organic chemistry. The global petrochemicals market size was predicted at ~USD 498 Bn in 2021 and is anticipated to witness a CAGR of 5%-6% over the forecast period. The growth of the market for petrochemicals will be driven by rising demand for downstream products from end-use industries and capacity additions in the base chemical industry.

Specialty Chemicals: The specialty chemicals market is characterized by high value-added, low volume chemical production. These chemicals are used in a wide variety of products, including fine chemicals, additives, advanced polymers, adhesives, sealants and specialty paints, pigments, and coatings. The specialty market is extremely fragmented. The consolidation of companies has been a major trend, and is expected to continue. Similar to the commodity sector, the specialty sector is affected by high costs of energy and feedstock. Intangible value issues include heightened emphasis on research, customer migration to alternative products, and the impact of regulations on products. The overall market stood at ~USD 674 Bn in 2021, and is expected to showcase a growth between 5-6% till 2025.

- **Agrochemicals & Fertilizers:** The global Agrochemicals & Fertilizer Market is expected to garner revenue of ~USD 250-260 Bn by 2025 with a CAGR of 5.5-6% during the forecast period of 2020-25 from present ~USD 206 bn. The major chemicals used in agriculture to regulate plant growth are synthetic fertilizers, pesticides, and hormones, amongst others. The growth of agriculture in the emerging markets such as South America, Africa, and the Middle East is paving the way for several profitable opportunities for the market players. Additionally, a strong focus of agrochemical manufacturers on product innovation is expected to render a higher competitive advantage to them over their rivals. The market of agrochemicals & fertilizers in China and India is expected to grow significantly owing to the increase in consumption and production of fertilizers, such as nitrogen based, potassium based fertilizers, in these countries. China and India are the major exporters of agrochemicals & fertilizers in the Latin America, Asia Pacific and other regions. These factors are expected to create a robust platform for the growth of the China and India market. A key success factor for the crop protection chemicals in the market is extensive R&D capabilities of a company to develop new molecules satisfying the government norms and stringent environment regulations (possibly having higher pesticide biodegradability index). Emergence of bio-pesticides are making a splash in the existing crop protection market, however product features in these green pesticides are so limited that it has not gained popularity as much as traditional crop protection chemicals. Although it remains a challenge as of now, to introduce (equally effective) 100% sustainable pesticide, transition to hybrid pesticides is seen as future solution for the sustainable agriculture. This essentially ensures a robust growth trajectory for traditional crop protection chemicals in high-volume-high-growth centres like India. Following are some of the critical success factors for the players involved in crop protection chemicals –

1. **Backward integration of technical active ingredients** – Many formulators' needs to have backward integration of its technical AI's (Active Ingredients) in order to succeed in gaining high profit margins in the market.

2. **Comprehensive product portfolio** – 'One stop solution' for farmers of all the agrochemical needs surely drives the success of one firm over another

3. **Strong distribution network** – Distribution network plays vital role in reaching at the fragmented farmers' base across the world also enabling excellent feedback mechanism & deep customer relations.

World chemicals sales were valued at USD 5027 Bn in 2020. China is the largest chemicals producer in the world, contributing to about 39% of global chemical sales in 2020. With 15%, the EU27 chemical industry ranked second in total sales and United States ranked third with 13%.

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 about 48% of global chemical sales in 2020. 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.

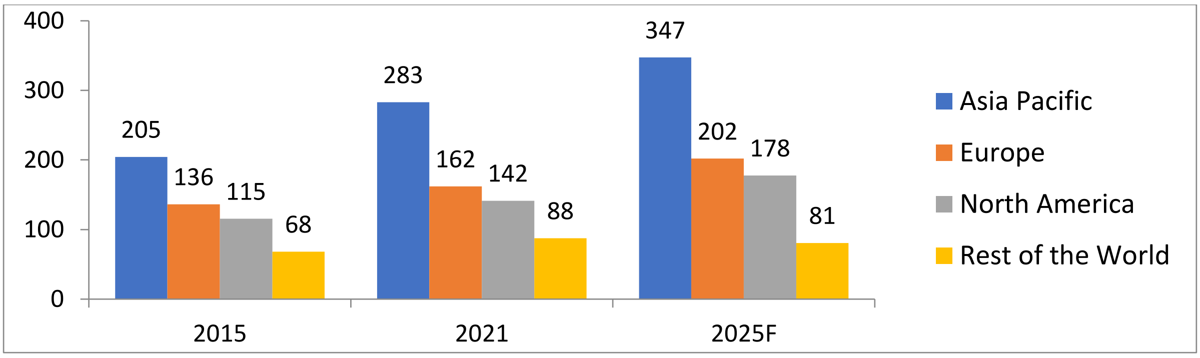
The global landscape of the chemical industry is changing rapidly. China is taking its chemical industry to the next stage of development and is looking to move from "following the lead" to "taking the lead" and from a "big country" to a "great power" of the petroleum and chemical industry, leading in technology innovation and trade, and prevailing in international markets.

Global 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.

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

Exhibit 2.5: Global Specialty Chemicals Market by Geography, 2015, 2021, 2025F Value (USD 525 Bn, USD 674 Bn, USD 808 Bn)



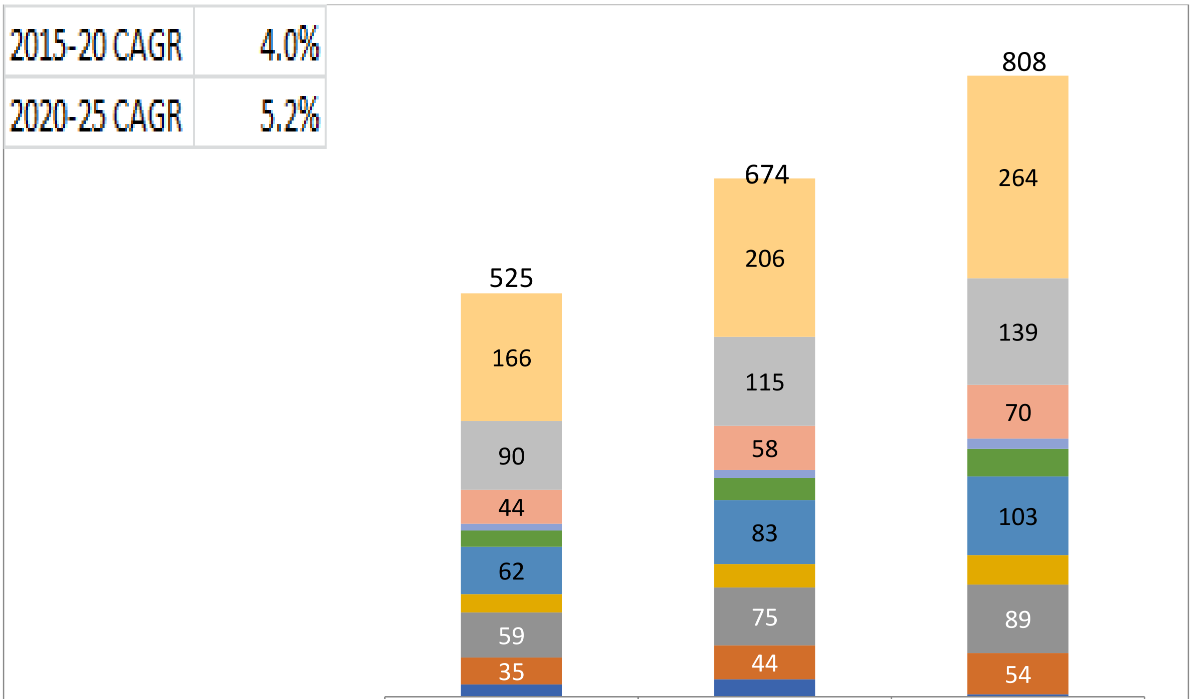
Source: Frost & Sullivan

With a high population base and majority of countries being underdeveloped or developing nations in Asia Pacific (APAC), there is high rate of construction activities resulting in higher demand for construction chemicals and paints & coatings additives. Embracing modern practices in the fields, agrochemicals have seen tremendous growth particularly for pesticides and fertilizer consumption. The consumption of pesticides in Asia-Pacific recorded the fastest growth rate on a global basis and from ~525 KT in 2015 reached a projected volume of ~635 KT in 2020. China, India and Japan represent the largest agrochemicals markets of the Asian continent. Currently, China is leading the market with its developing agricultural sector along with the need for its ever growing population. Globally, China is not only the largest producer but also the largest consumer of fertilizers.

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.

Exhibit 2.6: Global Specialty Chemicals Market, Value (USD Bn), 2015, 2020 and 2025F

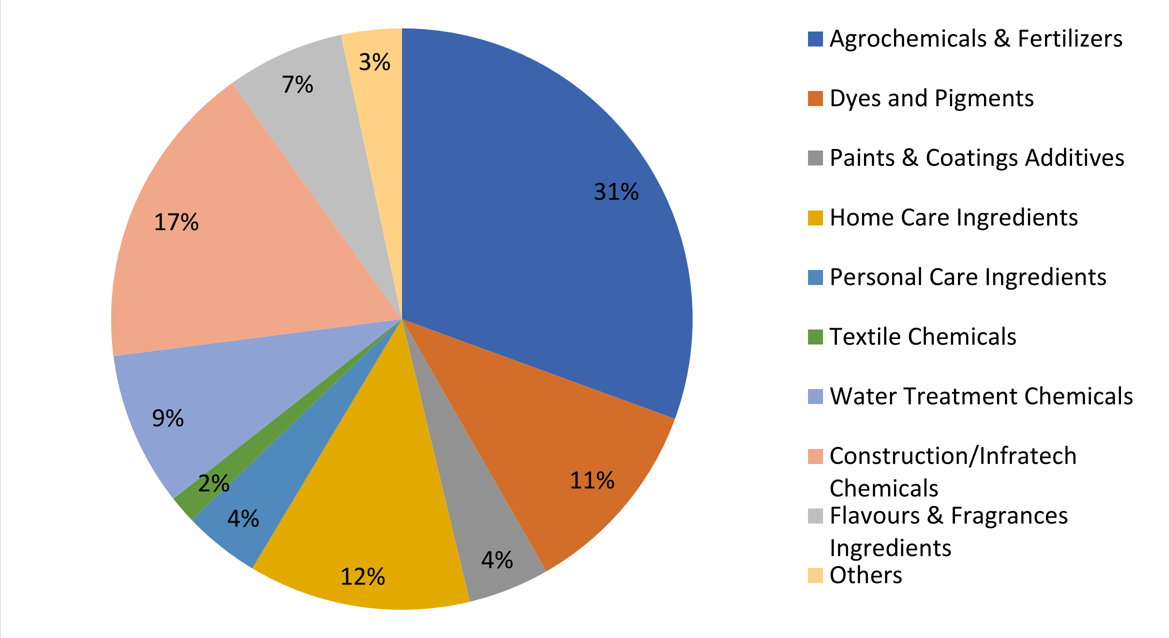


	2015	2021	2025F
Agrochemicals & Fertilisers	166	206	264
Construction chemicals	90	115	139
Water Treatment chemicals	44	58	70
Textile chemicals	9	10	13
Personal Care Ingredients	21	29	36
Home Care Ingredients	62	83	103
Paints & coating Additives	24	30	38
Dyes & pigments	59	75	89
Flavours & fragrances Ingredients	35	44	54
Others	16	23	3

CAGR	Agrochemicals & fertilizers	Dyes and Pigments	Paints & Coatings Additives	Home Care Ingredients	Personal Care Ingredients	Textile Chemicals	Water Treatment Chemicals	Construction	Flavours & Fragrances Ingredients
2015-21	3.7%	4.3%	4.0%	5.2%	5.3%	2.4%	4.6%	4.3%	4.0%
2021-25F	5.7%	4.3%	5.0%	5.4%	6.2%	3.8%	5.0%	4.8%	5.23.4%

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

Exhibit 2.7: Global Specialty Chemicals Market, Industries & Applications, 2021, Value (USD 674 Bn)



Source: Frost & Sullivan

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 towards 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	(2020-25 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 Strong growth in food demand (in proportion with the growing world population) is expected to exhibit a strong growth. Conversely, as a result of increasing urbanisation levels, available arable land is expected to	5.7%

	decrease. Hence fertilizers to play a key role in increasing the average crop yields per hectare. Contract farming is also expected to create a positive impact on fertilizer usage where multinationals & large contractors help farmers improve yield of their crops by providing technological as well as training assistance/support.	
Construction Chemicals	Rise in construction projects across emerging markets and increased adoption of construction chemicals for improvement in quality of projects	4.8%
Home Care Ingredients	Growth in Household and Industrial & Institutional Cleaners market. Growing consumption of Environmentally Friendly Products	5.4%
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. USA and Europe are expected to grow at ~4% primarily driven by the shift towards natural active ingredients.	6.2%
Paints & Coatings Additives	Demand driven by growing automotive industry, increasing urban population, rising household consumption expenditure and improving economic conditions	5.0%
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.	5.0%
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	3.8%
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	4.3%

In addition to the above factors, 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 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. 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 2025 at a CAGR of 10.5% from ~29 Bn in 2021.

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 during May-Aug 2020 due to labour shortages and disruptions in the supply of raw material since March 2020, however companies have ramped 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 2020. However, given strong fundamentals the market is expected to recover between 2021-22.

The Government has implemented enterprising initiatives and schemes such as Make in India, Aatmanirbhar Bharat Abhiyan and the Production-Linked Incentive (PLI) Scheme with the objective of improving the competitiveness of domestic manufacturing, attracting investments and enabling exports. These initiatives are expected to boost domestic production and also increase the demand for chemicals and petrochemicals. Such significant measures are expected to transform India into a global manufacturing hub for chemicals and petrochemicals

Given that global 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.

Key regulations

Ban on Hazardous Chemicals: Across the globe, the governments are tightening the regulations on the use of hazardous chemicals. Recently Hydroquinone was banned in US. In India, The Union Cabinet in October 2020 ratified the ban on seven chemicals that are hazardous to health and environment listed under the Stockholm Convention. Following such strict regulatory changes, the demand for green chemicals is expected to increase in the next decade.

GHS, REACH, and OSHA: The Real Implications

Global readiness for evolving industry standards includes operating according to the Global Harmonized System of Classification and Labelling of Chemicals (GHS); Registration, Evaluation, Authorization and Restriction of Chemical Substances (REACH); and the regulatory Occupational Safety and Health Administration (OSHA) in the U.S., which has recently aligned with GHS. Product labelling regulations mandated by governments can mean the difference between market entry and exclusion. Global and regional standards and regulatory compliance has become a basic necessity for any chemicals manufacturer.
In the European Union (EU), the Classification, Labelling and Packaging Regulation (CLP) has also been aligned to GHS as well. Failure to label according to the new rules does not simply result in a sternly worded letter suggesting that an organization improve its practices; it results in significant regulatory barriers to on-going business operations.

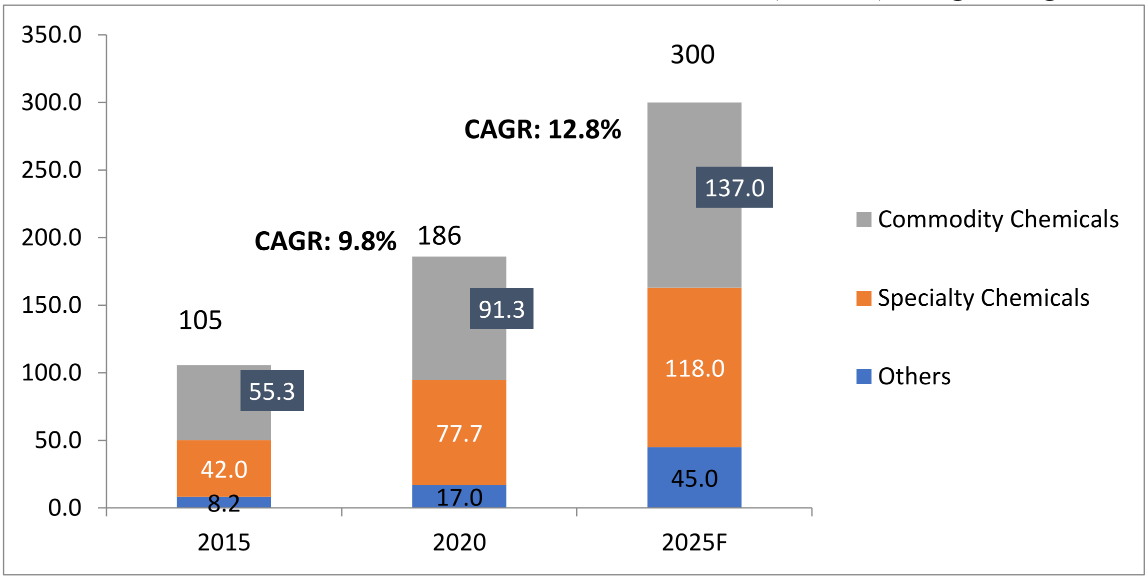
Section 3: Overview of Indian Chemicals and Specialty Chemicals

India Chemical Industry Overview

The Indian chemicals market is valued at USD 169 Bn in year 2020 (~4% share in the global chemical industry) with the commodity chemicals accounting for almost 50%. It is expected to reach ~USD 300 Bn in the next 5 years, with an anticipated growth of ~12% CAGR.

The FDI investment in Indian Chemical sector is also increasing as per Department for Promotion of Industry and Internal Trade (India) from 763 mn USD in FY 2015, it has grown to 1,058 mn USD in FY 2020 (peak was in FY2019 USD 1,981mn). The specialty chemical industry forms ~42% of the domestic chemical market, which is expected to grow at a CAGR of around 11-12%. Agrochemicals and Fertilizers account for 18-20% of the domestic chemicals market and around 47% of the specialty chemicals domain which constitute of various differentiated chemicals used in the agro space including pesticides, herbicides etc.

Exhibit 3.1: Indian Chemicals Market, 2015, 2020 and 2025F (USD Bn) along with growth rates



	Commodity Chemicals	Specialty Chemicals

2015-20	**8.8%**	**10.3%**
2020-25F	**10.7%**	**11.3%**

Source: Frost & Sullivan

Note: Indian chemical industry generally showcases Agrochemicals & Fertilizers outside of Specialty chemicals. In the above graph the specialty chemicals section, however, is inclusive of Agrochemicals & Fertilizers to maintain consistency with the Global section.

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.

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

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

China's specialty chemicals market has seen a downturn in recent years due to various factors; most prominent being the introduction of stringent environmental norms. Tightening environmental protection added new business operating costs and led to factory closures in high-polluting sectors, which weighed on industrial production. Stricter environment regulations have negatively impacted industrial output since 2017. Under these circumstances, the growth of the Chinese specialty chemicals market also has been slowing down. In addition, the recent trade friction between the United States and China reduced Chinese exports to the United States by approximately 3% from 20% in 2018 to 17% in 2019.

<u>Stringent environmental norms:</u> The Chinese government started implementing stricter environmental protection norms from January 2015. In 2018, 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. China's Ministry of Environmental Protection enforced strict penalties on polluting industries, including chemicals.

In 2016, the Government of Jiangsu, China, issued a development plan for the Yangtze River Delta Economic Belt. The pollution in the river has reached dangerous levels with several chemical manufacturers located near the river owing to proximity to ports. As per the plan, the government has set a goal of shutting down or relocating nearly 1,000 chemical plants, which use older technology or are located near the Yangtze River, within three years (2018-2020). By the end of 2020, 134 chemical firms will be shut down, relocated or renovated. No factories will be allowed within 1 km of the river.

Also, the Chinese government has mandated the construction of compulsory effluent treatment plants and imposed green tax on the chemicals industry to combat pollution. As a result, the overall cost of production is likely to go up with capital expenses incurred towards effluent treatment as well rise in compliance cost. The cost is expected to be higher for the smaller non-integrated plants operated by medium- and small-scale players. This is likely to impact production in the medium term and thereby overall chemical exports.

<u>Rising cost of labour:</u> The labour cost (hourly cost of compensation) in China was lower than that of India till 2007. However, over 2005-2015, the average labour cost in China increased nearly 19-20% CAGR, against 4-5% CAGR in India. In fact, over the last five years, this cost has more than doubled compared with India, rendering Chinese manufacturers' uncompetitive vis-à-vis India in terms of labour cost.

All these factors are pushing the capex and opex costs upwards, making Chinese chemical companies less competitive in the export market.

The pandemic has compounded the situation further as companies across the world are looking for alternate supply solutions. Japan announced that it will offer economic stimulus package to encourage companies to shift manufacturing back to Japan. This further proves that increasing number of countries want to reduce dependence on China and develop either local supply chain or alternative chain. As a result, several Indian players have witnessed order inflows from global chemical players to meet the short-term supply disruptions from China, which is a positive remark for Indian market.

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 backed by strong chemistry, R&D skillset and economies of scales achieved by the country, will certainly prosper in India. 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, broader indices delivered 15% returns however Nifty Pharma topped the rank among other sectors, growing 60%, followed by an almost 55% rise in the Nifty IT index. Nifty metal grew by 16%, while Nifty FMCG was up 15% since the start of the year 2020. Speciality chemicals is one of the best performing sectors in 2020, even as most other key sectors bore the brunt of the COVID-19 led sell-off in the markets. Known to be a safe bet, it has delivered double-digit returns in the last five years and is expected to witness an increase in demand in the future.

High Barriers to Entry

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 these norms ensure only the committed players enter and remain in this business. As a consequence of this, approval of any such product typically takes a few years.

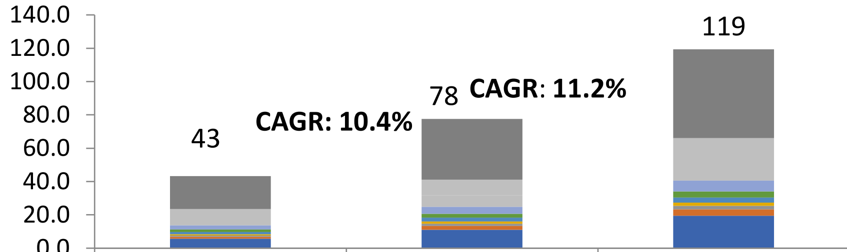
Further, the costs involved of approving any change in suppliers of such products are relatively high, consequently disincentivising any such change in suppliers. Customers typically select suppliers after carefully reviewing them and tend to develop long-term relationships with them as well as limit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

Exhibit 3.2: Indian Specialty Chemicals Market, Value (USD Bn), 2015, 2020 and 2025F

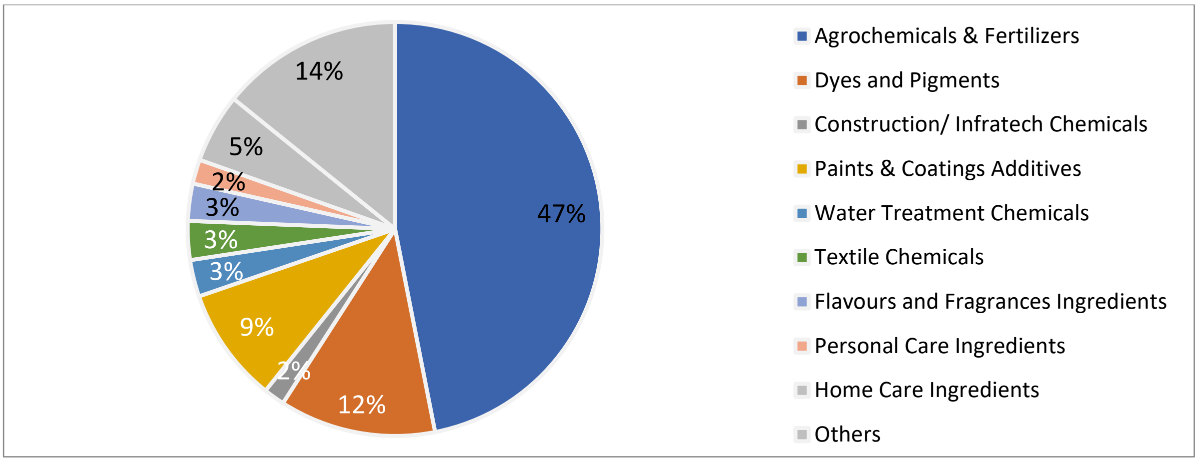


	2015	2021	2025F
Agrochemicals & Fertilizers	19.8	36.4	53.3
Dyes and Pigments	5.7	9.5	14.9
Paints & Coatings Additives	4.1	7.0	10.7
Home Care Ingredients	2.3	4.2	6.5
Textile Chemicals	1.5	2.4	3.5
Water Treatment Chemicals	1.4	2.2	3.1
Construction/Infratech Chemicals	0.7	1.3	1.9
Personal Care Ingredients	0.8	1.5	2.2
Flavours & Fragrances Ingredients	1.2	2.3	3.7
Others	5.7	11.0	19.5

Others include: Sealants and Adhesives, Polymer Additives etc.

Source: Frost & Sullivan

Exhibit 3.3: Indian Specialty Chemicals Market by Industry and Applications, 2021, Value (USD 78 Bn)



Others include: Sealants and Adhesives, Polymer Additives, Flame retardants 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.
Inclusions:

- *Agrochemicals and Fertilizers: Agrochemicals include organic fertilizers, liming and acidifying agents (which are designed to change the pH), soil conditioners, insecticides and pesticides, fungicides, herbicides, and other chemicals like crop-growth regulators. Fertilizers are mainly inorganic compounds of nitrogen like urea or ammonium nitrate, compounds of phosphorous and potassium.*
- *Dyes and Pigments: These are inclusive of Reactive Dyes, Disperse Dyes, Acid Direct Dyes, Azo Dyes, Sulphur Dyes, Solvent Dyes, Vat Dyes, Food Colorants, Organic Pigments, Optical Whitening agents, Inorganic Pigments, Pigment emulsions among others*
- *Construction Chemicals: These are inclusive of concrete admixtures (plasticizers, accelerators, retarders, air enterainers), waterproofing (bitumen, PVC, silicon, SBR and others), protective coatings (epoxy, PUR, PE, alkyl, acrylic and others), concrete repair mortar (cement based and plaster based), plasters, base coats among others*
- *Paints and Coatings Additives: These are made up of insulating paint additives, powder coating additives, catalysts, wetting agents, levelers, clarifier, coupling agents, deflocculants, thinners, thickeners, anti-caking agents and other chemicals.*
- *Water Treatment Chemicals: These are made up of PH neutralizers, algaecides, antifoams (including insoluble oils, silicones, alcohols, stearates and glycols), biocides, boiler water chemicals, coagulants and flocculants, corrosion inhibitors, disinfectants, defoamers among others.*
- *Textile Chemicals: These are inclusive of coating & sizing agents, colorants & auxiliaries, finishing agents, surfactants, de-sizing agents, bleaching agents, leather chemicals among others.*
- *Flavors and Fragrances: Essential Oils (orange, corn mint, eucalyptus, pepper mint, lemon), Oleoresins (paprika, black pepper, turmeric, ginger, others), Aroma chemicals (esters, alcohol, aldehyde, phenol, others), others.*
- *Home & Personal Care Ingredients: These are inclusive of formaldehyde, glycerols, titanium dioxide, isopropyls, alcohols, dimethicone, sodium lauryl sulphate, parabens, tocopherols benzones, oleochemicals, surfactants, polymers, botanical extracts among others.*

Source: Frost & Sullivan

Trend of evolution of products : R&D and innovation of sustainable products

Indian government bodies such as the Department of Science and Technology, the Ministry of Chemicals and Fertilizers, and the Department of Pharmaceuticals, are beginning to organize various green chemistry initiatives and in some cases to partner with SMEs to partially fund investments in green technology. Generic drug Pharma and Active Pharmaceutical Ingredients (API) manufacturers in India exhibit significant interest and some advances in using GC principles. At the same time, majority (65%) of Indian companies rely on treatment and disposal of wastewater instead of source reduction and one in five (20%) does not use any GC metrics. The study found that generic Pharma is more advanced in adopting GC principles than API manufacturers. Regulatory risk and time pressures to deliver drugs were reported as the two most significant barriers for greater adoption of GC in India, while cost savings and environmental regulations were cited as the top two drivers.

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

Segments	Key Growth Drivers	India Market, (2020-25 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 DBT (Direct Benefit Transfer) allows for direct transfer of benefit or subsidy to citizens living below poverty line	10.1%
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	10.4%
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, approved as 'Flagship Programme' by the Union Government in June 2014 with budget outlay of INR 20,000 Crores 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	9.8%
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	12.9%
Home Care Ingredients	Growth in population and per capita income to drive growth in this segment Growth in demand for safety and hygiene in urban as well as rural areas	11.5%
Personal Care Ingredients	Growth in population and per capita income to drive growth in this segment Rapid increase in the adoption of personal care products, especially in rural markets	11.1%
Dyes & Pigments	The current strategy of most European pigment producers is to use their local facilities for high-end performance colorants for new and niche markets and source non-differentiated dye, pigments from low-cost facilities based in China and India	11.4%

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.

In October 2020, the government urged players in the agrochemicals industry to come out with new molecules of global standards for the farmers' benefit, while CropLife India, the industry body, pitched for stable policies and regulatory regimes to boost growth in the sector. 100% FDI is allowed under the automatic route in the chemicals sector with few exceptions that include hazardous chemicals. Total FDI inflow in the chemicals (other than fertilisers) sector reached USD 17.77 Bn between April 2000 and June 2020.

Impact of Make in India

The chemical industry contributes approximately 6.6% of national gross domestic product and accounted for 15-17% of India's manufacturing sector in FY20. The government permits 100% foreign direct investment (FDI) in this sector under the automatic approval route. The manufacturing of most chemical products inter-alia covering organic/inorganic, dyestuff and pesticides is de-licensed. The factors such as boost to specialty (as well as fine agrochemicals) chemicals due to rapid development in construction and agricultural sector, inadequate per capita consumption and strong demand from paints, textiles and diversified manufacturing base shall aid towards the development of Indian chemicals sector.

Frost & Sullivan's analysis indicates that the major indicators like success of Make in India and governments' permit for 100% FDI is positively impacting specialty chemicals segment; pertaining to competitive manufacturing costs, higher investments in R&D, cheaper raw material availability/transport, strong demand from end-use segments, overall supportive ecosystem, etc. Within the specialty chemicals, manufacturing of fine chemicals (pesticide ingredients as well active pharmaceutical ingredients), flavour & fragrance ingredients, surfactants and colorants will be most attractive segments in the next half decade. This is due to their strong growth potential, highly differentiated products folio and high penetration levels predominantly.

Moreover, India's specialty chemical companies are gaining favour with global multinational corporations because of the geopolitical shift after the new coronavirus outbreak as the world looks to reduce its dependence on China. Increasing tariff levels and changing environmental policies in China along with 'Make in India' initiative and a permit to 100% FDI from India, would add more possibilities of specialty chemicals manufacturing base shifting from China to India. With the rapid globalisation and opening up of the Indian economy, "Intellectual Capital" has become one of the key wealth drivers in the present international trade. Intellectual property rights have become significantly conspicuous on the legal horizon of India both in terms of new statutes and judicial pronouncements. India ratified the agreement for establishing the World Trade Organization (the "WTO"), which contains the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). Indian Statutes, enforcement provisions and methods of dispute resolution with respect to intellectual property (IP) protection are fully TRIPS-compliant. India has laws covering various areas of intellectual property as Trade Marks, Patents, Copyrights and Related Rights, Industrial Designs, Information Technology and Cyber-crimes, Data Protection among others.

Across India, the recent revision of Market Access Initiative by the Ministry of Commerce and Industry aims at benefiting the small to mid-segment newer industry players which do not possess global sales and marketing reach. As a result of the revised MAI policies, the robust growth in Contract Research & Manufacturing Services (CRAMS) industry in India will support newer economies such as Myanmar, Cambodia to collaborate with the local Indian players beneficial for the overall growth of the Asian economy. Moving forward, with a total of over 300 USFDA approved manufacturing sites, the country can become the global leader in the CRAMS industry with the implementation of mandates including Schedule M (Good Manufacturing Practices (GMP) for Premises & Materials and Requirements of GMP in Plant and Equipment) outlining various requirements for manufacturing good quality drugs and pharmaceuticals, by applying Current Good Manufacturing Practice (CGMP) guidelines.

The government is also expected to introduce a production-linked incentive scheme for the agro-chemicals sector with incentives of 10-20% output and creating an end-to-end manufacturing ecosystem through cluster development. The sector can progress by adopting a multi-pronged approach by leveraging the reforms in rules and regulations as well as 'Make in India'. Indian government has set up a 2034 vision for the chemicals and petrochemicals sector to seize the opportunities to strengthen domestic manufacturing, reduce imports and attract investment for manufacturing key chemicals in the country. The government has taken initiative to promote and facilitate 'Aatmanirbhar Bharat' (self-reliance India) in the chemicals and petrochemicals sector. The government might relook at the Pesticides Management 2020 Bill as it does not meet the farmer's requirement; most clauses being redrafted from Insecticides Act 1968 and Rules 1971.

India – Racing Ahead of China

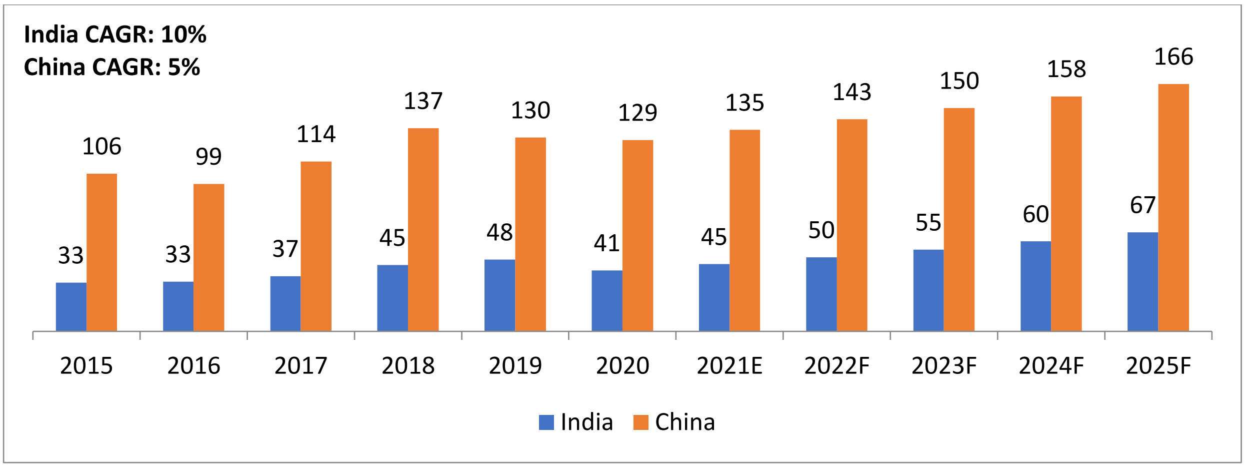
China's specialty chemicals market has seen a downturn in recent years due to various factors. Most prominent amongst these are the recent environmental norms introduced by the Chinese government, which have led to shutdown of a number of chemical plants.

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.

Exhibit 3.6: Chemicals Exports Trend – India vs. China (2015 – 19 Actuals, 2020 – 25 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 (10% for India and 5% for China) has been considered for the forecast period 2020-2025.

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.

The powering trend of de-risking of input procurement from China by global chemical leaders offers great export as well as domestic sales opportunity for Indian specialty chemical industry.

Section 4: Construction Chemicals Industry Overview

Global Construction Chemicals industry overview – market size – historical and projected

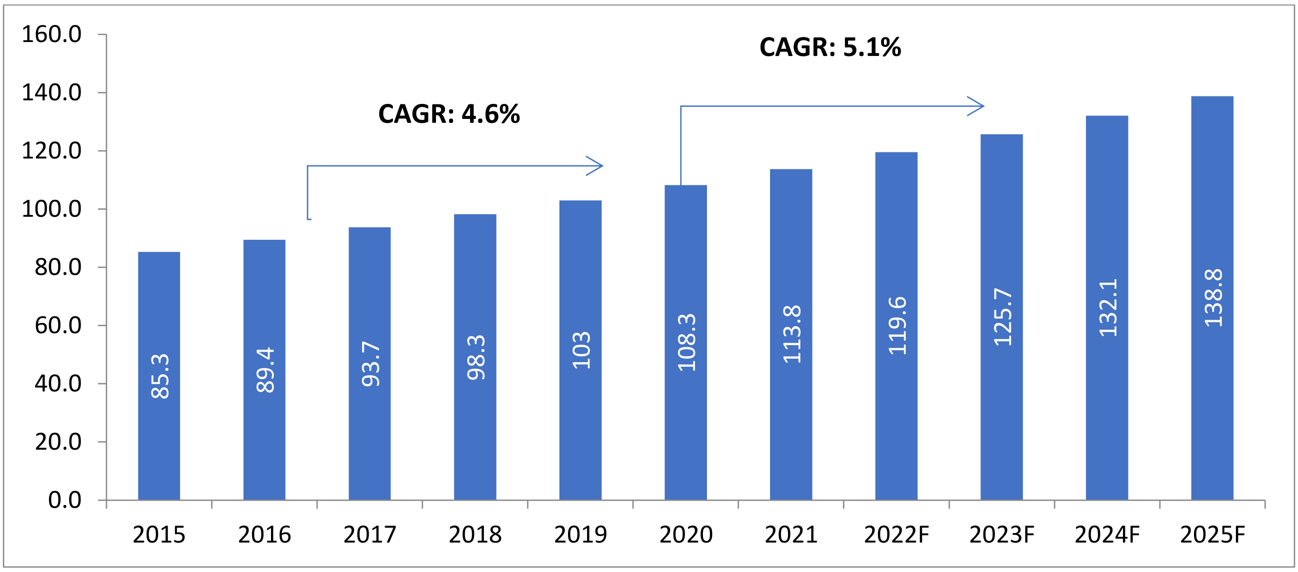
Construction chemicals and materials used in construction include concrete admixtures, waterproofing compounds, grout and concrete repair, and industrial flooring. Construction chemicals refer to the chemical compounds that are combined with building materials, such as concrete and mortar. These chemicals improve the compatibility of these materials with the building structures they are used with. They also help to improve the overall building performance and protect the structures that they are used in.

The Global Construction Chemicals Market is expected to be worth USD 139 bn dollars by the end of 2025; growing at a compound annual growth rate of approximately 5.1 % from the year 2020. Shifting customer

preference toward high-performance products that meet Construction Products Regulations (CPR) and sustainability norms is likely to boost the revenue of construction chemicals.

The size of the global construction chemicals market is expected to experience substantial growth between 2020 and 2025. The growth will largely be due to the increased demand from several end-user industries, including both residential and non-residential sectors, as well as infrastructure.

Exhibit 4.1: Global Construction Chemicals market, 2015 to 2025F (USD bn)



Source: Frost & Sullivan

Construction chemicals are added with construction materials in order to improve its workability, enhance performance, add functionality, improve chemical resistance or enhance durability of civil structures. Over past few years, increasing infrastructure development activities, investment in commercial and residential housing and renovation activities of historical monuments, water retention structure, bridges and other civil structures have led to significant consumption of Construction chemicals across India.

Market segmentation by end-user industry – historical and projected

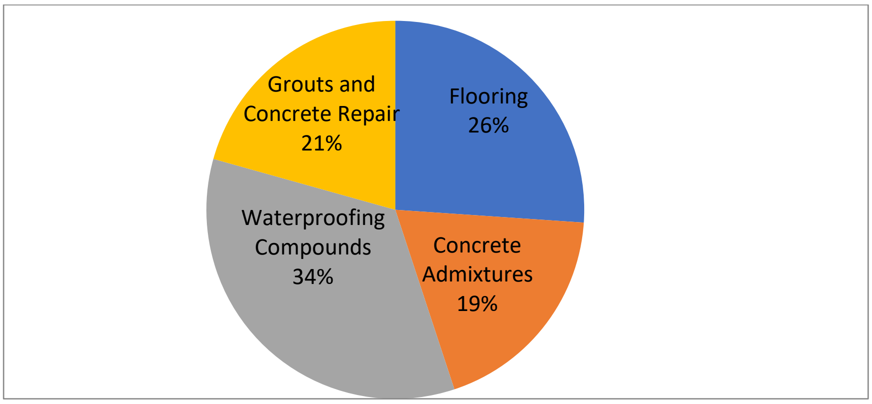
The concrete admixtures sub-segment of the types segment is anticipated to hold one of the leading markets shares by gathering revenue over USD 21 bn in 2020, growing at a CAGR of 4.6% in the forecast period. This is mainly owing to the growing demand for concrete in construction projects across the world. The, it is expected to witness the highest CAGR during the forecast period.

Concrete admixture is defined as a material other than water, aggregates, hydraulic cement, and fiber reinforcement used as an ingredient of concrete or mortar and added to the batch immediately before or during its mixing. The main reasons for use of admixtures are to reduce the cost of concrete production and establish control over the production process and properties of concrete. Concrete admixtures provide several benefits to concrete including:

- Compressive and flexural strength at all ages, decreased permeability
- Improved durability
- Corrosion and shrinkage reduction
- Initial set adjustments
- Increased slump and workability
- Improved pumpability
- Improved cement efficiency and concrete mixture economy

Concrete, being a primary structural material used for residential construction across a majority of European countries, is likely to boost the demand for concrete admixtures. The demand for admixtures in commercial buildings is expected to grow stronger in accordance with expanding commercial construction activity. However, this is expected to vary significantly across regions.

Exhibit 4.5: Global Construction chemicals market by end industry, 2021, USD 113.8 bn



Source: Frost & Sullivan

Waterproofing segment accounts for the largest share in the construction chemicals market at 34%. Waterproofing can be defined as the protection of surfaces or structures to avert the constant or intermittent infiltration of water in its various forms, such as rain, humidity, snow, and hail. Depending on the source of water ingress, waterproofing products are majorly used in a variety of above- and below-ground applications.

In addition, depending on the type of application, waterproofing products are used across residential, commercial, and infrastructure projects.

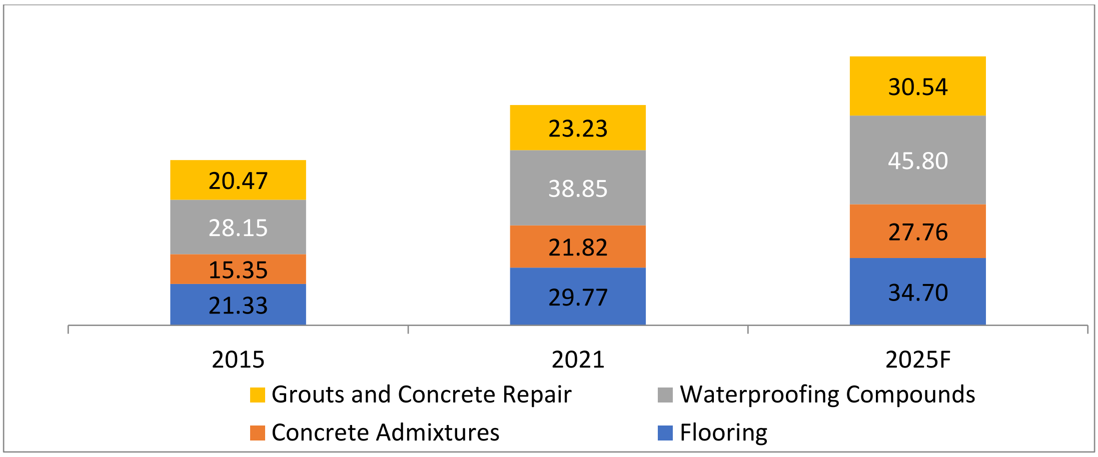
- For above-grade, waterproofing products are used for roofs, walls and decks, and retaining structures such as tanks.
- For below-grade, waterproofing products are used for underground parking decks, foundations, and retaining walls.
- Waterproofing products are available in the market in broadly three types: sheet membranes, liquid-applied and spray-applied membranes.
- For the purpose of this study, waterproofing is mainly segmented into above-grade and below-grade chemicals and membranes

Grout segment accounts for the third largest share in the construction chemicals market at 21%.

Grout is a semi-liquid, flow able plastic material having negligible shrinkage to fill gaps or voids completely, while imparting stability without cracking, delamination, or crumbling. Injection grouting is a process of filling cracks, voids, or honeycombs under pressure in concrete or masonry structural members for repairing cracks and strengthening damaged concrete or masonry structural members. There are different types of grouts used for the repairing and strengthening of concrete in load bearing applications. Selection of the type of grout for a particular application is based on its compatibility with the original building material.

Concrete repair mortars are typically based on a dry-mix formulation using dispersible powder. The selection of the type of concrete mortar is also based on the type of maintenance and repair activities that need to be carried out.

Exhibit 4.6: Global Construction chemicals Industry size by products – forecast - (USD bn), 2015-2025F



Source: Frost and Sullivan analysis

Flooring solutions are typically based on synthetic resin and cementitious systems. Industrial facilities for flooring purposes include manufacturing facilities, warehouses, and food processing, while commercial facilities include supermarkets, laboratories, aviation hangars, and parking decks. Industrial applications require flooring products to possess characteristics such as chemical resistance, load impact, abrasion resistance, and moisture penetration. Product types available in the market vary significantly on the basis of mechanical properties, safety regulations, slip resistance, anti-static performance, and chemical or fire resistance. The strength of the floor depends on the kind of flooring system, which can vary from a single coat of polymer such as epoxy, PU, aliphatic polyaspartics, or acrylic to a complete build-up, including a screed for leveling purposes

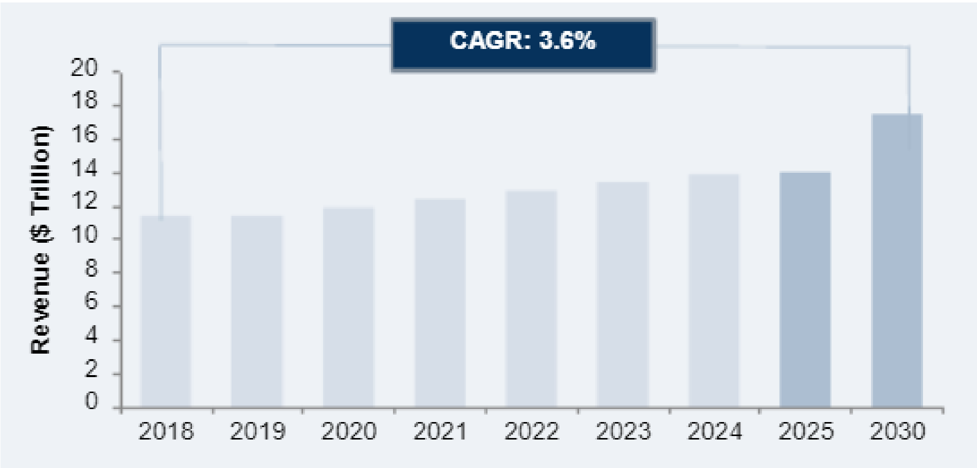
Demand drivers and restraints

Growth of the Construction Industry

Global spending in construction will account for 17.5 trillion by 2030, triggered by increasing housing and infrastructure needs for growing population and industrial investment, with China, the US, and India leading the way and accounting for 57% of all global growth.

The overall growth of the global construction industry is a major growth driver for the global construction coatings market. The construction industry is expected to register a CAGR of around 1% between 2020 and 2027, registering high growth from 2024 onwards, after a considerable decline in the near term due to the crisis created by the COVID-19 outbreak.

Exhibit 4.7: Global construction spending – forecast - (USD bn), 2018-2030F



Source: Frost & Sullivan Research & Analysis

Global spending in construction will account for 17.5 trillion by 2030, with China, US, and India, leading the way and accounting for 57% of all global growth. More than 60% of global infrastructure investment will be made in emerging economies, particularly in Asia, while the US and Canada will account for approximately 20%.

Growth in sustainable manufacturing processes

Sustainable energy sources are expected to be incorporated in building materials. Algae-infused wall panels are being tested on building facades to regulate heat in buildings using photosynthesis. Global glass manufacturer NSG Group has entered into a joint venture with Ubiquitous Energy to manufacture and integrate the latter's building integrated photovoltaic Clear View power technology into window glass.

Construction chemical manufacturers in Europe and North America will benefit from developing bio-based materials and/or adding them to their portfolios, because regulatory bodies and customers in these regions are demanding more environmentally friendly products. Construction chemical manufacturers that collaborate with leading research institutes and universities on projects of this type stand to gain an edge in this increasingly competitive market.

Growth in Repainting for Maintenance Purposes in All Types of Construction

The exterior of a typical commercial or industrial building is repainted every 5-to-10 years depending on the external environment of its location. The cycles of repainting are shorter for buildings located in wet and humid areas and highly urbanised cities. Repainting is mostly frequent on masonry and wood surfaces, while metal structure coatings are required to be durable for more than 10-to-15 years.

Repainting on independent residential buildings is a longer cycle and typically happens every 10-to-15 years depending on where the building is located and the preferences of the owners of those houses. Additionally, maintenance of build structures to repair substrate materials or refurbishment of already-built structures will contribute to the growth of construction coatings market. Although the outbreak COVID-19 is likely to delay expenditure on repainting in the short term, the demand from this maintenance market is expected to revive after 2021-22. For instance, a number of historical buildings in Europe that were scheduled to be repainted in 2020 are more likely to have the work done in 2021-22. Moreover, one of the key programmes under the planned EU Green Deal is to renovate existing buildings to enhance their environmental footprint, which is anticipated to create additional demand for construction coatings for repainting of buildings in the region. Additionally, in the US and Europe, commercial buildings constructed in the 1980s and before are being considered for repainting jobs with advanced coatings that have higher thermal efficiencies.

The Drive by Regulatory Authorities to Reduce Volatile Organic Compounds (VOC) Emissions and the Rising Need for Advanced Performance amongst Customers

Volatile Organic Compounds (VOC) is greatly dangerous for human health, as a number of these compounds such as benzene and methylene chloride, are proven carcinogens. In addition, these chemicals are proven to cause physical ailments such as headaches, asthma, or develop allergies to humans exposed to these. Laws and regulations limiting the VOC of most coatings were implemented globally due to concerns over health and atmospheric pollution.

The US EPA has issued guidelines for individual regions, limiting the amount of solvent in coatings on an industry-by-industry basis. With a few exceptions, most industries and shop applicators are required to limit VOC content to 340 g/l of paint as applied, i.e., including thinner. This corresponds to 55%–60% solids by volume.

Similarly, in Mainland China, VOC should be limited to 420 g/l on all coatings manufactured or imported, non-compliance of which results in a 4% consumption tax levied on the invoice value. Additionally, the State Administration for Market Regulation (SAMR) and the Standardization Administration of the P.R.C.(SAC) have released in early 2020, 9 new VOC regulations impacting coatings used in various end industries, including construction. One of those standards, GB 18582-2020, which will come into effect by the end of 2020, mandates new limits for use of harmful substances in architectural wall coatings, both interior and exterior.

The European Union follows the Directive 2004/42/CE when a coating is applied onsite and Directive 1999/13/EC when a coating is applied in shop or off-site facilities. The general enforcement of laws and regulations to reduce the solvent content of coatings used in construction has been promoting the development of waterborne and powder coatings, which emit negligible VOCs compared to traditional solvent-borne coatings.

Additionally, premium customers of construction chemicals are increasingly preferring higher priced advanced products that provide durable protective, anti-microbial, and mould and UV resistant performance. These trends are expected to promote average price growth with the commercialization and adoption of newer advanced products offered at a higher price point.

Building contractors and architects are moving toward working with sustainable materials, mainly to earn certification and reputation for their projects such as GREET (Singapore) and LGEEP (Australia). The APAC market is also gradually moving toward low-VOC-emitting water-based acrylic adhesives due to increasing customer awareness and stringent regulations in countries such as Singapore

Gradual Growth in Industrial Sector is expected to boost the Demand for Industrial Flooring Products in Europe

The industrial sector in Europe is expanding gradually driven by rising private investment in manufacturing facilities. Lending schemes at low interest rates offer a strong incentive for private companies to invest in manufacturing facilities. In particular, Central European industrial markets continue to grow faster than their developed counterparts in Western Europe. Although a positive outlook is observed throughout the region, annual growth is spearheaded by Germany, Ireland, Sweden and the UK

Growth of Modular and Prefabricated Construction

Frost & Sullivan's analysis suggests that the pandemic will lead to notable changes in the way projects are carried out in the industry. For instance, prefabricated construction, which was already picking up pace in the developed world in both residential and commercial construction, is likely to be explored by more construction companies around the world. This process, aided by digital technologies, such as Artificial Intelligence (AI) and Big Data analytics applied over the design and construction process, could transform the global construction industry in the coming years, driving the demand, especially for metal and wood construction chemicals used on such prefabricated structures

Adoption of PCE-based Admixtures

Globally, PCE-based technology has achieved high penetration in plasticizers and superplasticizing admixtures. In APAC, countries such as Australia and New Zealand have completely transitioned to PCE-based admixtures, due to their high slump retention and superior water-reducing ability at lower dosage rates. However, developing countries such as Thailand and Vietnam are still heavily reliant on lower-cost, traditional naphtha and ligno-based admixtures

Average Price Growth Stemming from the Need to Replacing Titanium Dioxide (TiO2) as a Pigment in the Coatings Used, Especially in the EU

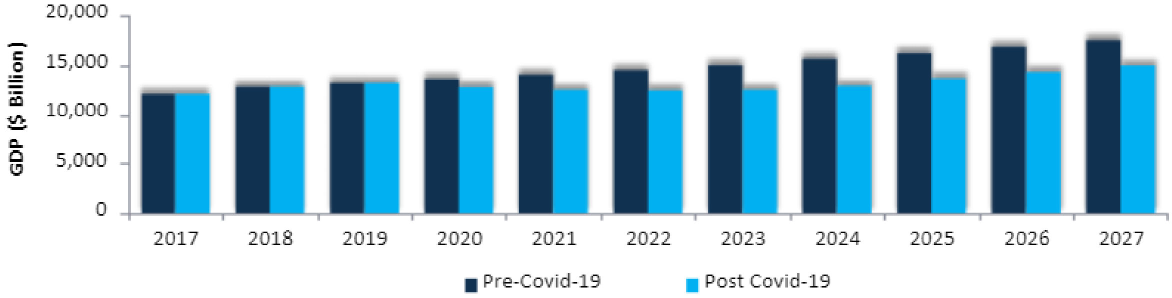
The European Chemicals Agency (ECHA) in 2017, started considering the carcinogenic effects of TiO2 powder to the human beings handling the material. In February 2020, the European Union (EU) formalised under the EU Regulation (EC) No 1272/2008, the classification of TiO2 as category 2 suspected carcinogen by inhalation. The mandate is scheduled to be brought into effect on September 9, 2021. The enforcement of this directive is likely to motivate coating manufacturers to look for alternative pigments (or masterbatches) for coating formulations, which thereby is expected to drive the average prices of those coatings upwards.

<u>Growth Restraint Analysis for the Global Construction chemicals Market</u>

Slowdown in Construction Due to the Outbreak of COVID-19

The construction industry will be greatly impacted by the significant disruption to global economic activity, which is likely to eventually result in considerable reduction in investment along with stalling or delaying of planned projects between 2020 and 2021. The industry is still being challenged by a number of obstacles that are likely to cause a near-negative growth for the industry from 2020 to 2026. Major obstacles include the lack of adequate resources (both material and personnel), cost incurred due to additional measures for health and safety and delays or cancellations of ongoing projects.

Exhibit 4.8: Global GDP from construction – forecast - (USD bn), 2017-2027F



Source: Frost and Sullivan analysis

With the imposition of lockdowns and travel bans from and to China since January 2020, commercial construction companies that rely on materials from China are expected to face a supply crunch and steep price rises

Supply Chain Disruption

With the outbreak of the COVID-19 pandemic, the global supply chains of both raw materials and end products are significantly affected as a result of prolonged lockdowns and travel restrictions imposed in most countries around the world.

Construction coatings companies, especially the small and medium sized ones that do not have a strong presence in every location that they operate in, have been experiencing major disruptions in the supply of raw materials for manufacturing and distribution of coating products to their end customers. In addition, the need for social distancing has been forcing them to impose restrictions on the number of personnel working in their manufacturing facilities at a time and increasing the number of shifts per day to enable adequate production.

The impact of this restraint is expected to be high in the short term and improve thereafter.

Volatility in Crude Oil Prices

Prices of crude oil, a major raw material used for manufacturing formulation resins, have been frequently fluctuating due to a series of disruptive events such as geopolitical and climate-related issues. Such volatile natures of oil prices exert pricing pressure on coating manufacturers. However, as resins constitute less than 50% of the total volume in solvent and waterborne coatings, this restraint is expected to have a medium impact in the short term and improve thereafter.

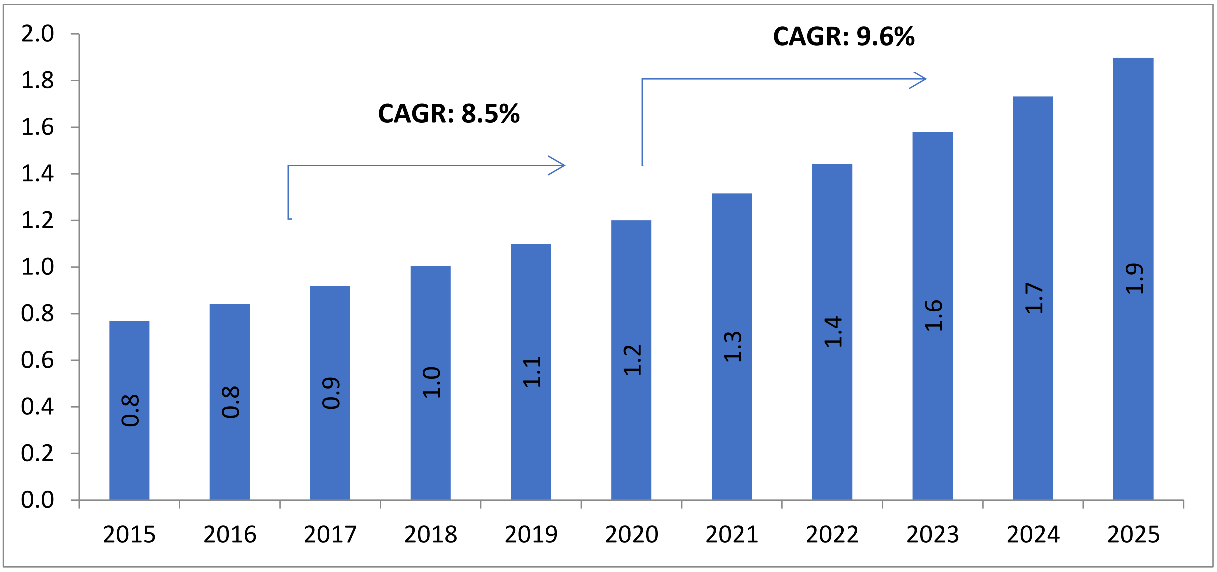
Overall size of Construction Chemicals market in India

India construction chemical industry revenue stood at USD 1.31 Bn in 2021 and recorded a CAGR of 8.5% during FY'15-FY'21. Concrete admixture dominated the constructions chemical market in India in FY'21 followed by waterproofing, Tile adhesives and others. The market was also observed to be highly dominated by the organized construction chemical companies in India.

The construction chemicals market witnessed a high growth in the past few years which is estimated to increase in the coming years. This growth is largely fueled by the growth of the construction industry, technological advancements, and growing demand in the Asia-Pacific region.

The Indian construction chemicals market is projected to exhibit a CAGR of over 9.6% by 2025

Exhibit 4.9: India Construction Chemicals market, 2015 to 2025F (USD bn)



Source: Frost & Sullivan

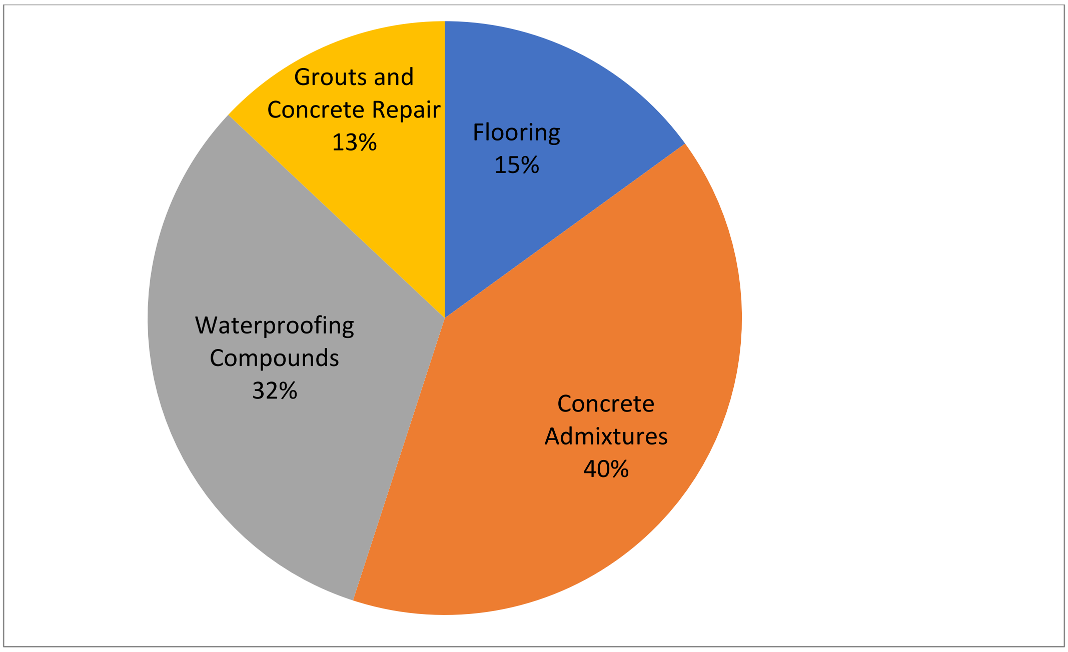
Growth in the market can be attributed to increasing construction of residential houses and commercial complexes across the country. Moreover, there is growing investment in the country's infrastructure projects by the government as well as private companies.

North India currently holds dominance, accounting for over 30% of the India construction chemicals market in 2021. Rising investment in infrastructure projects from the Indian government is creating significant growth opportunities for the years ahead. North India market is expected grow at a CAGR of 13.6% during the forecast period.

Key end users

Construction chemicals market is largely driven by concrete admixtures, which accounted for 40% of the Indian market in 2021. Flooring and waterproofing chemicals are the next big segments with a share of 14% each. Other segments include sealants, grouts and adhesives which together account for ~18% of the total construction chemicals market. The share of flooring is high in Indian market as compared to developed world while India have low share of Tiling, Sealants and waterproofing. Indian construction chemical market has >80% business in new built.

Exhibit 4.10: Indian Construction chemicals market by end industry, 2021, USD 1.31 bn



Source: Frost & Sullivan

Admixtures

Cement is a widely used as binding material in construction. For concreting, cement is mixed with crushed rock, sand and water in specific proportion to produce concrete. For getting better results, better workability, more strength, and finishing, cement or mortar admixtures are used. Chemical admixtures are added to the mix immediately before or during mixing.

Infrastructural applications account for more than 63% of the India construction chemicals market. Rising investments and adoption of governmental initiatives such as "Make in India" and "Pradhan Mantri Awas Yojna" support infrastructural and industrial development, in turn creating long-term growth opportunities for construction chemicals market.

Three types of admixtures are most prevalent in the market - Ligno based, SNF (Sulfonated Naphthalene Formaldehyde) & SMF (Sulfonated Melamine Formaldehyde) based and PCE based. Ligno based admixtures were the first generation admixtures and gave lower performance compared to SNF and PCE based admixtures. PCE based admixtures are the 3rd generation admixtures and are usually 3-4 times more expensive than SNF/ Ligno based admixtures. The raw materials for manufacturing of PCE admixtures are not easily available in India and ~80% are imported from Korea, China and Japan.

Waterproofing agents

Water proofing caters to various end use applications with products based on Bitumen, PU and polymers like SBR & Acrylic. These compounds are available in liquid, solid, slurry and two-component coating forms. Water proofing compounds are designed to stop water infiltration. These compounds or membranes can be extremely effective when applied on the exterior of a foundation system. Application of the water proofing compounds can be done by implant treatments i.e., either dipping or spraying or by low-pressure spraying on the surface.

Flooring agents

Flooring compounds are mostly epoxy and polyurethane based. Industrial flooring compounds are used to meet various industrial needs such as abrasion, load impact, chemical attack, moisture penetration, strengthening of damaged floors, as well as improving the aesthetic appeal of the floor. They are also used to provide certain special features such as slip resistance, static resistance, fire resistance, antibacterial properties, and so on.

Flooring compounds are largely used at the finishing stage of the construction. Major commercial complexes and shopping malls prefer such products. Epoxy and floor hardeners constitute the major share of the market followed by PU based flooring agents.

GPCL is amongst the leading manufacturers of Construction chemical dispersing agents with sizeable major contributor of total requirements. This capacity is approx. 5,000 MT per annum.

Demand drivers and restraints

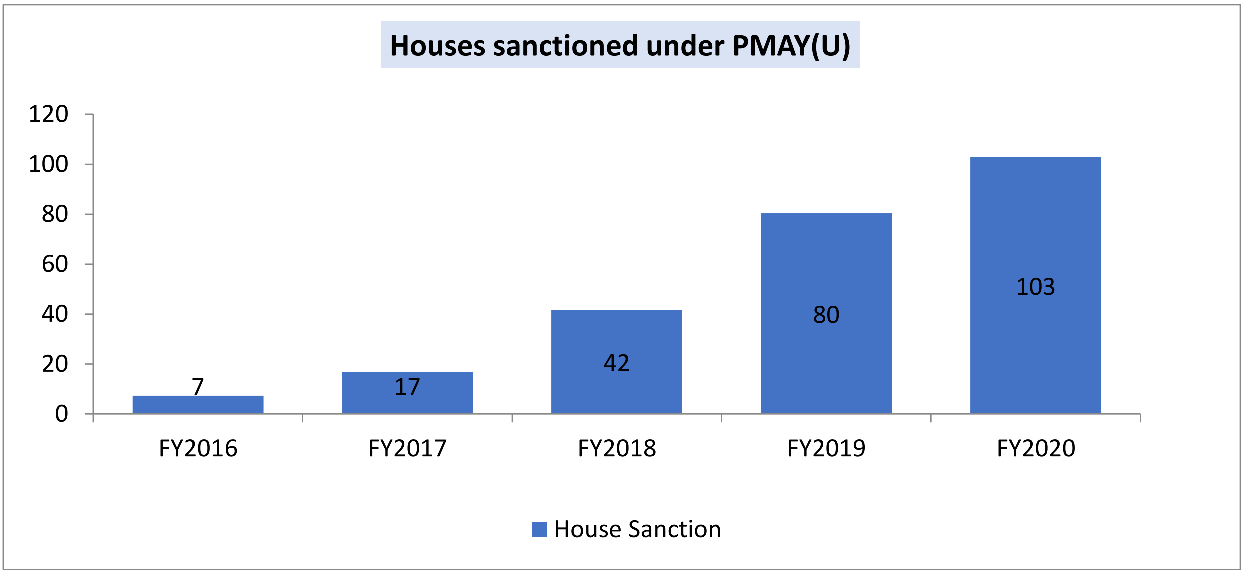
Growth in Indian construction/real estate sector will drive the usage of Construction chemicals products.

The construction industry is one of the fastest growing sectors in India. Growth in number of infrastructural projects and the resultant rise in spending across all states in the country are thrusting the demand for construction chemicals in the country. Rising government initiatives such as Smart City, Make in India, and Housing for All, amongst others are creating significant opportunities which will boost the sales of construction chemicals in India.

Pradhan Mantri Awas Yojana (**PMAY**), an initiative by the Government of India ensures affordable house for all in the urban areas with a target of building 20 mn affordable houses by 31 March 2022. It has two components: Pradhan Mantri Awas Yojana (Urban) (PMAY-U) for the urban poor and Pradhan Mantri Awaas Yojana (Gramin) (PMAY-G and also PMAY-R) for the rural poor.

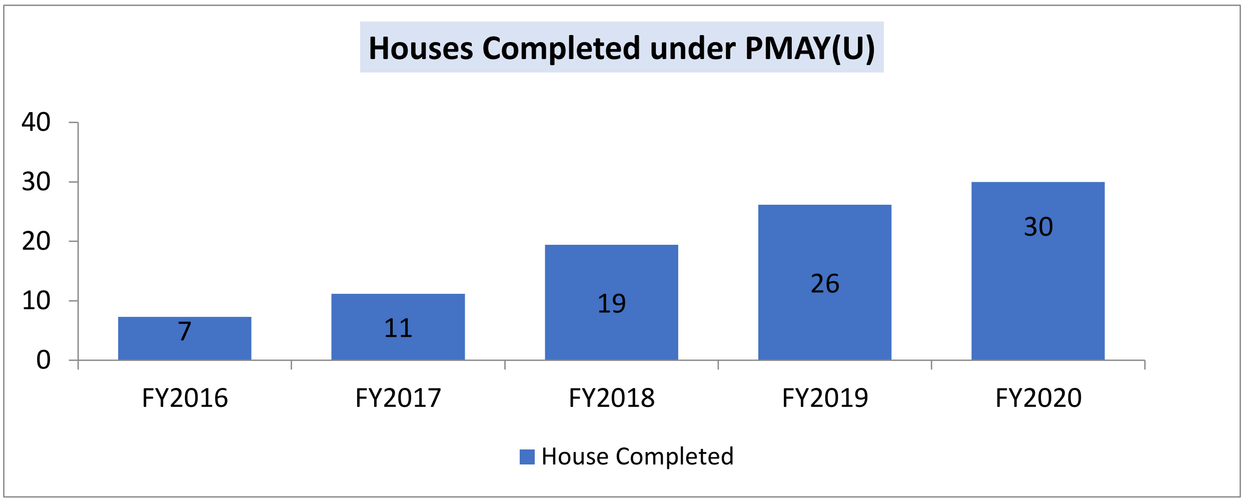
Under the PMAY-U, as per the ministry of Housing & Urban Affairs, a demand of 1.12 Cr houses in urban areas has been validated. In FY20, the total number of houses sanctioned under the scheme had crossed 1 Cr and ~57 lakh houses were in various stages of construction; ~30 lakh of which have been completed. The houses sanctioned under the mission involve an investment of about INR 5,700 bn with Central Assistance of INR 1,600 bn of which INR 600 bn of Central Assistance has already been released.

Exhibit 4.16: Year-on-Year houses sanctioned under PMAY(U), India (lakhs), FY16-FY20



Source: Press Information Bureau, Ministry of Housing & Urban Affairs

Exhibit 4.17: Year-on-Year Houses Completed under PMAY(U), India (lakhs), FY16-FY20



Source: Press Information Bureau, Ministry of Housing & Urban Affairs

The government has identified 305 cities and towns across nine states for implementing this scheme, named, 'Housing for All'. The selected cities and towns are in Chhattisgarh (36 cities/towns), Gujarat (30), Jammu and Kashmir (19), Jharkhand (15), Kerala (15), Madhya Pradesh (74), Odisha (42), Rajasthan (40) and Telangana (34).

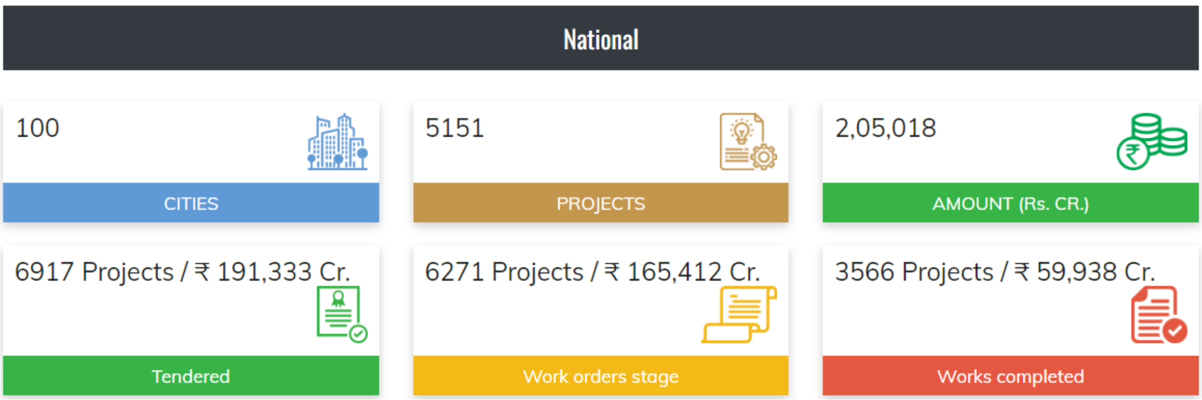
The Ministry has also launched sub schemes like Global Housing Technology Challenge- India (GHTC-India) and Technology Sub-Mission (TSM) to provide the best construction technologies and to facilitate adoption of modern, innovative and green technologies for faster and quality construction of houses. The Government‘s initiative on infrastructural development will support the states in deploying disaster resistant and environment friendly technologies.

In addition to this, the construction activity under the scheme has had a huge impact on the other sectors of the economy with a multiplier effect in employment generation. Around 1.2 Cr employments have been generated through forward and backward linkages with about 250 auxiliary industries like, steel, brick kilns, cement, paint, hardware, sanitary etc. These factors indicate a positive impact on the paints industry leading to higher consumption expected till the conclusion of the scheme in 2022.

Smart cities

In order to sustain the rapid urbanization in India, the Government of India/Ministry of Urban Development (MoUD) had launched the “Smart City Mission” in 2015. Through the Smart City Mission, the Government of India had announced its intention to develop 109 cities as Smart Cities over the next 5 years. The construction of smart cities would lead to larger number of commercial and residential complexes being created driving the demand for decorative paints.

Exhibit 4.18: Development on Smart Cities in India, 2021



Source: smartcities.gov.in; Frost & Sullivan

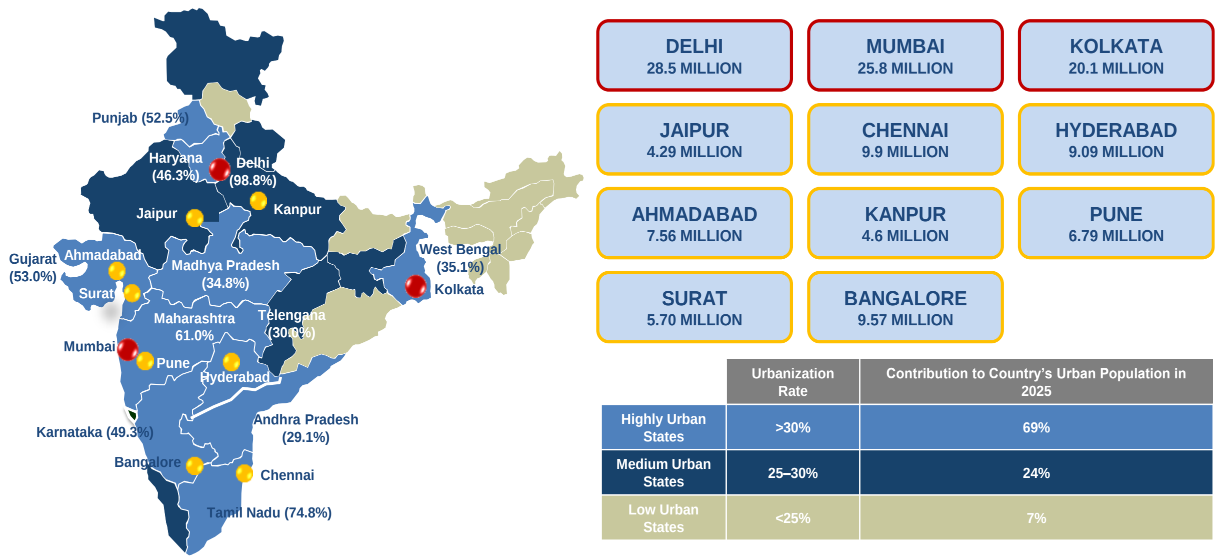
AMRUT - Atal Mission for Rejuvenation and Urban Transformation

The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) had been launched by the Government of India with an aim of providing basic civic amenities such as water supply, sewerage, urban transport, parks to improve the quality of life for all, especially to the poor. Under this project the government will undertake the renovation of 500 cities.

Rapid growth of Urbanization

India's trajectory of urbanization has grown well from 25.6% in 1990 to 34.5% in 2019 (34.9% in 2020E). The rise in urbanization, supported by demand for real estate and improved infrastructure, has boosted the paint application. The UN expects that by 2030 ~40% of the population of India will reside in urban areas.

Exhibit 4.19: Urbanization rate of highly Urban states and Mega cities, 2025F



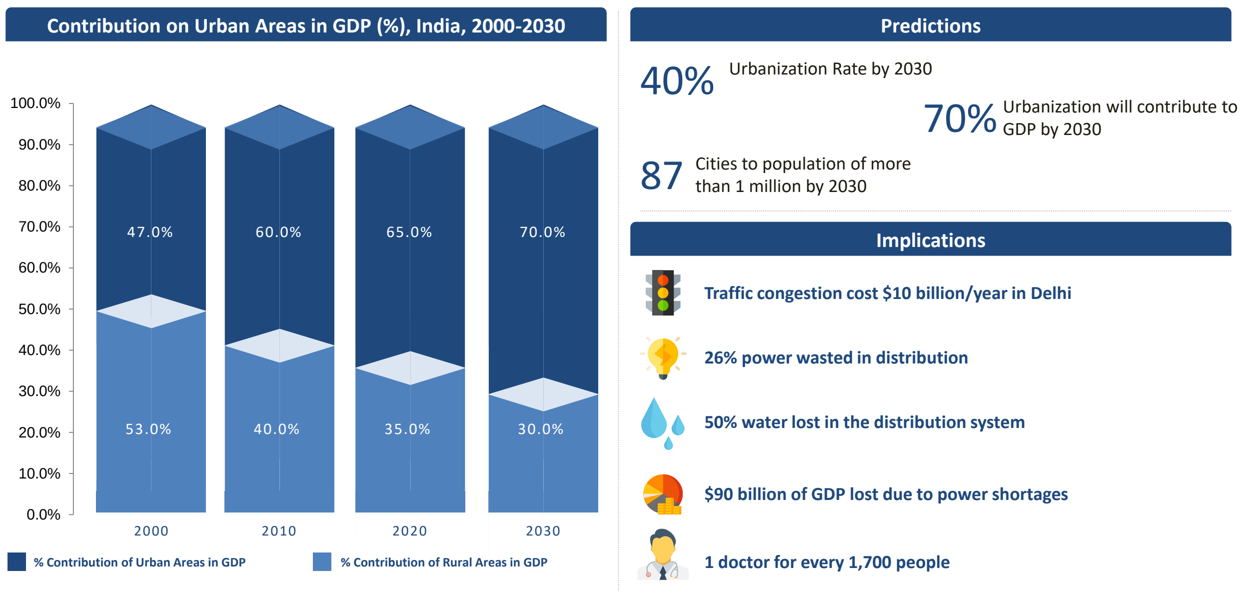
	Urbanization Rate	Contribution to Country's Urban Population in 2025
Highly Urban States	>30%	69%
Medium Urban States	25–30%	24%
Low Urban States	<25%	7%

Key: Mega Cities in 2025 Emerging Mega Cities (over 4 million population in 2025)

Note: Mega City is defined as a city with population of over 8 mn and GDP of USD250 bn or more

Source: Department of Economic Affairs, Ministry of Finance, India and Frost & Sullivan, 2011

Exhibit 4.20: Urban Areas contribution to GDP (%), India, 2000-2030F



Source: smartcities.gov.in, UN Population Database (2017 Revision), Frost & Sullivan

Real Estate Sector Growth

2019 has been a raging year for the Indian economy with the retail inflation soars and the GDP slumping to a six year low. However, the residential real estate sector (Top 7 cities) has remained resilient with sales increasing 6% Y-o-Y despite muted consumption expenditure. The sales have exceeded the launches for the first time post 2016 demonstrating the growth potential of the sector. However the situation has become difficult in 2020 in India owing to the impact of the on-going pandemic. Q1 2020 witnessed a slump in sales on Y-o-Y basis as the buyers deferred their purchase decisions in light of the impending crisis, which led to the sales dipping by nearly 30% in Q1 2020 on a Y-o-Y basis.

Exhibit 4.21: Residential Sales in Top 7 Cities, 2016-2020

Residential (in Units)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Sales	147,584	96,050	136,273	143,923	1,38,350	2,36,530

Source: Mint Real Estate Intelligence Service (JLL), National Real Estate Development Council, Frost & Sullivan

Note: Top 7 cities include Delhi NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune and Kolkata. Mumbai includes Mumbai city, Mumbai suburbs, Thane city and Navi Mumbai.

At a pan India level, the real estate sector in India is expected to reach USUSD 1 trillion by 2030. By 2025, it has been estimated to contribute 13% to the country's GDP. The real estate stock in India was estimated at 3.7 million sq. ft. (msf) in 2019. Emergence of nuclear families, rapid urbanisation and rising household income are likely to remain the key drivers for growth of real estate.

The commercial real estate did well in 2019 but is likely to be affected post the crisis. The demand for commercial real estate won't evaporate completely as the 'Work from Home' model can't be fully adopted as there are multiple jobs that can't be digitized. The demand for the commercial section is expected from Metros and tier I cities and will largely depend on urban conglomerates as tier II demand has not picked up yet and will take long time to sell. Office spaces have been mostly driven by growth in ITeS/IT, BFSI, consulting and manufacturing sectors.

The sector has been performing well; except for the pandemic and is expected to bounce back in 2021-22. A decent growing real estate sector indicates a growth in demand for decorative paints in the future.

Growth Drivers

Rapid Urbanization: Urban Indian population is expected to reach 600 mn by 2030

Affordable Housing Initiative: The government's focus on providing 'Housing for All' will see a growth in affordable houses

Low interest rates: The government is providing low interest rates for affordable housing

Growth of Disposable Income: Increasing urbanization has led to increasing income levels driving the need for houses with affordable amenities

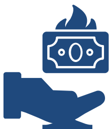
Access to Credit: Government initiatives such as Credit Linked Savings Scheme make credit available for low cost property buyers

Government Reforms Driving the Indian Real Estate Sector

Real Estate Act (RERA) – The Act aims to increase the transparency of transactions and infuse accountability. It also aims to proactive address the concerns of different stakeholders including buyers, developers and investors through a dedicated grievance forum

Goods and Services Tax (GST) – This aims to removes multiple layers of taxation and implement a unified tax economy. It is expected to trim construction costs

Indian Accounting Standard (Ind AS) 115 – This mandates real state firms to move from %age completion methodology to project completion methodology. Under the new rule, developers can show revenue in their books only after the project is complete and the property is handed over to the buyer



Insolvency and Bankruptcy Code (IBC) – This framework enables on time recovery of loans and mandates stakeholders to resolve bad debts which have negatively affected the several leading banks in India

Real Estate Investment Trusts (REITs) – Allows companies to look for alternate source of investments and fund raising avenues. In 2017, SEBI allowed mutual funds to invest in REITs

Currently, there have been fewer options available in the value added sub category and mainly in the premium price ranges; however, with an increasing demand for these products, the companies are likely to launch more specialized products

Increasing compliance with international manufacturing standards

Indian Construction industry is fast adopting the best practices from across the world and implementing consumer standards matching with international standards. This will help increase the current penetration levels of construction chemicals. The following illustrations explain the upcoming trends which are driving the usage of construction chemicals:

Ban on onsite mixing of concrete is aimed at reducing pollution levels and in turn would generate demand for ready-mix concrete admixtures. Self-compacting concrete (SSC) is being preferred over normal-strength concrete as SSC doesn't require external compaction and enhances strength of structure. Increased usage of SSC would drive the growth of special admixtures like plasticizers and retardants.High rise buildings are being developed in cities owing to space constraints. This trend is driving the growth of high performance concrete and increased use of admixtures and related construction chemicals

New Regulatory Norms

New Regulatory Norms and Compulsory Certifications such as Green Building Code, usage of Ready Mix Concrete in Metro Rail Projects in 20+ Cities and Certification for product quality from engineer under RERA has increased usage of construction chemicals in India. Construction sector had to bear the worst impact of COVID 19 as there was a major financial crunch in the market. Construction activities were completely halted and labors migrated. This indirectly impacted the construction chemicals market adversely.

Most leading and internationally acclaimed brands are now available in the country. Indian companies have also started collaborating with foreign partners to deliver products that are on par with the international products. Imported products are available but these are expensive due to the various duties, taxes, and surcharges that they attract. End users still lack enough knowledge on products or their application methods. Though there is an increasing awareness to comply with the norms and procedures for the use of these products, and matching international standards is likely to require time.

There is also increased environmental concern and the industry is gearing up for processes and products that are less hazardous in nature.

Companies in India have now started investing in R&D for improving their technical prowess. The advent of international participants has forced Indian manufacturers to be more competitive in terms of product quality and cost.

Growth in Indian oilfield industry will drive the usage of Construction chemicals products -

Oil and gas sector is among the eight core industries in India and plays a major role in influencing decision making for all the other important sections of the economy.

India is expected to be one of the largest contributors to non-OECD petroleum consumption growth globally. Crude Oil import rose sharply to US$ 101.4 bn in 2019-20 from US$ 70.72 bn in 2016-17.

Energy demand of India is anticipated to grow faster than energy demand of all major economies on the back of continuous robust economic growth. India's energy demand is expected to double to 1,516 Mtoe by 2035 from 753.7 Mtoe in 2017. Moreover, the country's share in global primary energy consumption is projected to increase by two-fold by 2035.

Crude oil consumption is expected to grow at a CAGR of 3.60% to 500 mn tonnes by 2040 from 221.56 mn tonnes in 2017.

India's oil demand is projected to rise at the fastest pace in the world to reach 10 million barrels per day by 2030, from 5.05 million barrel per day in 2020. Natural Gas consumption is forecast to increase at a CAGR of 4.18% to 143.08 million tonnes by 2040 from 58.10 million tonnes in 2018.

Diesel demand in India is expected to double to 163 million tonnes (MT) by 2029-30.As per preliminary data of gasoline sales, fuel consumption in India registered growth in June 2021 and is expected to further recover by end-2021. Gasoline sales by state refiners stood at 2.12 million tonnes in June 2021, registering an increase of 5.7% YoY.

India is set to expand India's natural gas grid to 34,500 kms by adding another 17,000 km gas pipeline. The regasification capacity of the existing 42 MMT per annum will be expanded to 61 MMT per year by the year 2022.

Section 5: Global and India Agro Chemicals Overview

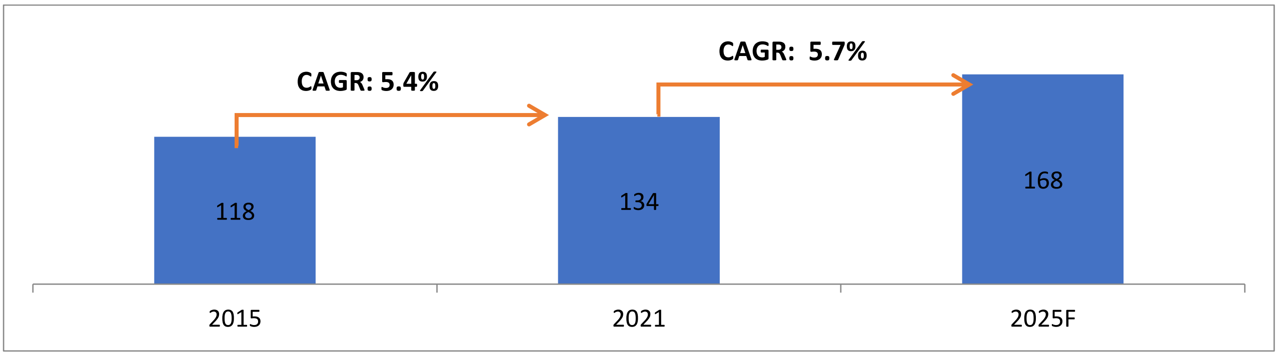
Global Overview

Global agrochemicals sector is seeing an upward demand trend due to crop protection chemicals, being the backbone of agriculture segment across the world. With the growing population and shrinking arable land, crop yield has gained enormous importance in the current time. World population is already approaching whopping 8 bn people in numbers, which needs 16 bn meals per day, the least. In order to accommodate these many meals, crop protection chemicals play vital role in safeguarding the crops for fulfilling human food security needs.

Crop protection chemicals are primary classified into insecticides, herbicides & fungicides followed by nematicides, rodenticides, etc. This classification is based on the fact that a crop needs protection from insects, herbs, fungus, nematodes or rodents, etc.

The global agrochemicals market was valued at USD 134 bn in 2021 and is forecasted to reach USD 168 bn by 2025 growing at a compound annual growth rate (CAGR) of 5.7%. The rising population across the world, accompanied by rising affluence, is seeing a shift in consumption patterns. There is a need to not just increase production to meet demand but also to ensure that the nutritional needs of an increasingly affluent population are met. The Crop Protection Chemicals & Solutions is a fast developing industry globally, which is open to innovation and is considered as one of the major tools to protect crops and increase yields. The judicious use of crop protection chemicals within the confines of a regulatory framework is the need of the hour. The agrochemical market is an important agriculture support industry, which boosts the agriculture output. There is an increasing need to balance the prudent use of the best chemicals and minimizing the potential adverse impact of that use.

Exhibit 5.1: Global agrochemicals market (in USD Bn)



Source: Frost & Sullivan Research & Analysis

Note: Agrochemical section does not include commodity products such as fertilizers. It only covers crop protection products such as pesticides, herbicides, etc.

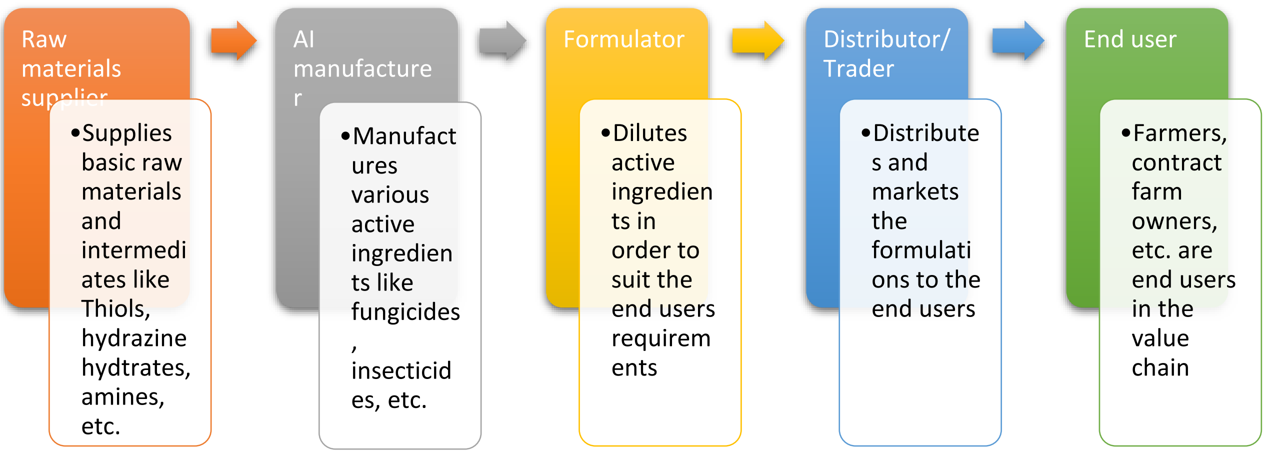
Agrochemicals market value chain

The Global Agrochemical value chain comprises of raw material suppliers (both petrochemical derivatives as well as natural feedstock), Pesticide active ingredient/technical grade manufacturers, and formulators producing the end products, distributors and end use customers.

Raw material supplies to the active ingredient manufacturers constitute of basic chemicals like H2S, Ammonia, etc. which are used for manufacturing intermediates like hydrazine derivatives, thiols, amines, etc. which are consumed as raw material by pesticide manufacturers. Some of the natural feedstock suppliers provide bio-surfactants like castor oil ethoxylates, Alkyl poly-glucosides, etc. Many multinational oil & gas companies which have downstream operations are involved in the raw material supply to the agrochemical technical producers.

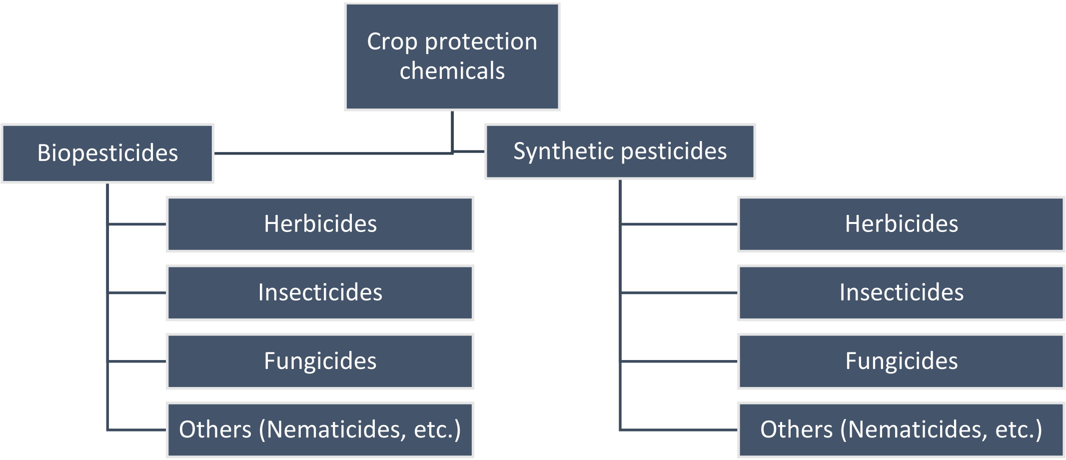
Pesticide manufacturers are involved in active ingredients (AI) synthesis used for formulating various insecticides, rhodenticides, nematicides, fungicides, herbicides, etc. The pesticides (also known as crop protection chemicals) are key technical materials which are used for killing various weeds, fungus, insects, etc. that destroys crop, reducing yield in overall. Pesticide manufacturers have various active ingredients that are either generic or patented. Patented active ingredients can be manufactured by AI producers only with the prior approval or co-operation of the patented molecule provider. Generally, patented molecules come with a validity of patent, which when expires; it can be termed as generic molecule. On the other hand, generic active ingredients are free to manufacture, without any restrictions from the inventor.

Third important entity in the agrochemicals value chain includes formulators. Various formulators of pesticides dilute active ingredients for end-use consumers. Some of the active ingredients manufacturers are also forward integrated in the value chain, formulating pesticides for direct consumption of the customers.



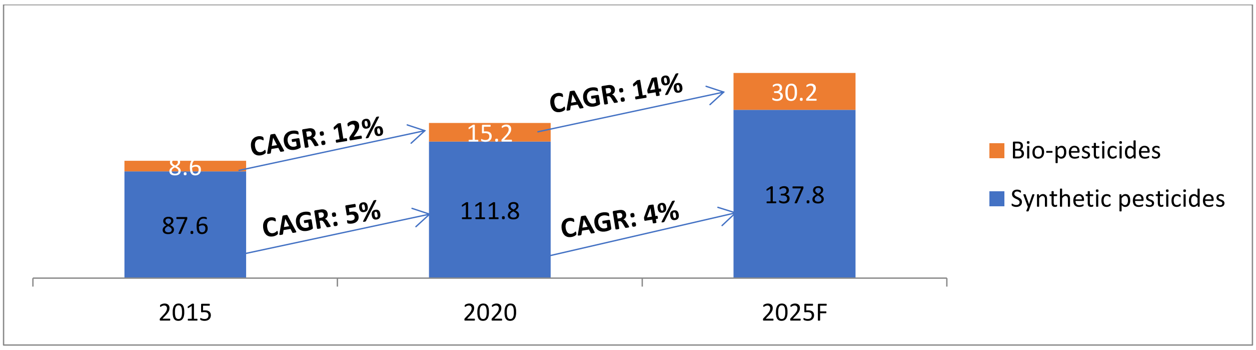
Market Segmentation – by product type

Crop protection chemicals are segmented based on product types like insecticides, herbicides, fungicides, etc. or depending on the biodegradability index associated with the chemicals.



Globally, synthetic pesticides are consumed widely compared to bio-pesticides which are under developmental phase. The segmentation by product type is as follows –

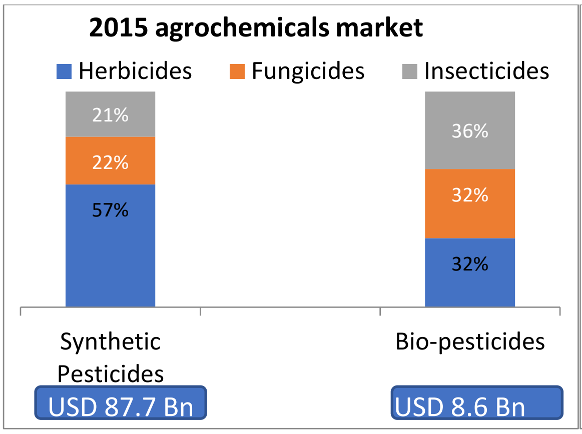
Exhibit 5.2: Global agrochemicals market segmented by nature of pesticide (USD Bn)

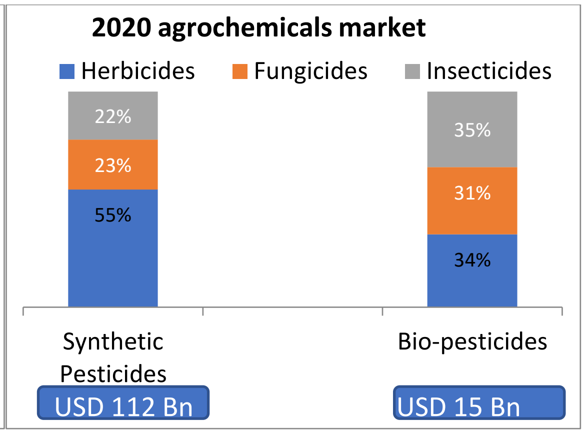


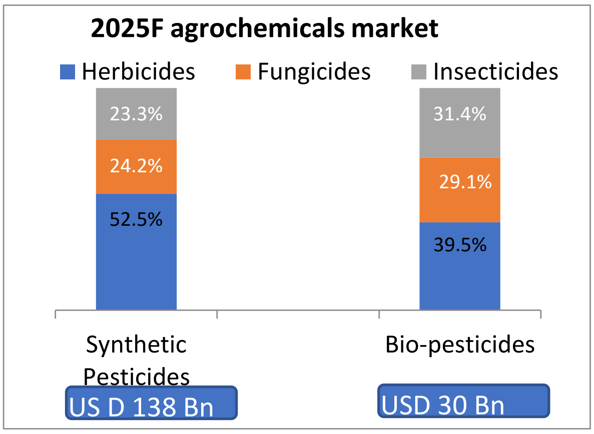
Source: Frost & Sullivan Research & Analysis

Global agrochemicals market is segmented into synthetic pesticides and bio-pesticides. Demand for bio-pesticides is picking sharply due to environmental regulations from the government as well as consumer awareness on the improvising long term soil fertility. Bio-pesticides will be growing with 14% growth rate over the next half decade, compared to 4% growth rate recorded by synthetic fertilizers globally.

Exhibit 5.3: Global agrochemicals market segmented by product type (by value)







Source: Frost & Sullivan Research & Analysis

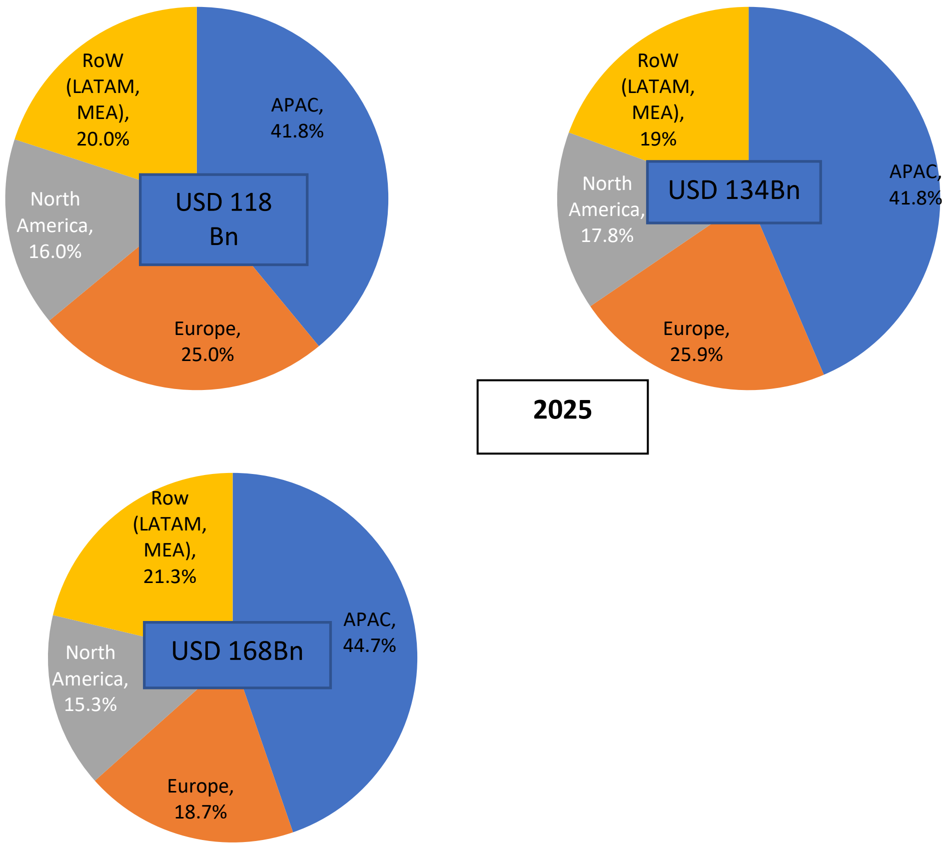
Bio-pesticides market will be growing with double digit growth rate in the next five years (2020-25) owing to the strong demand from end use customers. This demand will further stimulate stronger research & development activities in the bio-pesticides space. Pertaining to the stringent environmental regulations in many countries, bio-pesticides will be the future of crop protection chemicals.

Global agrochemicals market segmentation by geography

Exhibit 5.4: Global agrochemicals market segmentation by geography (Value)

2015

2021



Source: Frost & Sullivan Research & Analysis

APAC dominates the regional demand for agrochemicals due to agriculture consumption needed in order to feed the growing and already higher population. Countries like India, China, Indonesia, Australia, etc. dominate the usage of crop protection chemicals in the APAC region. Europe and North America are also high demand centres for agrochemicals with major imports of active ingredients from China.

Segmentation by Market players

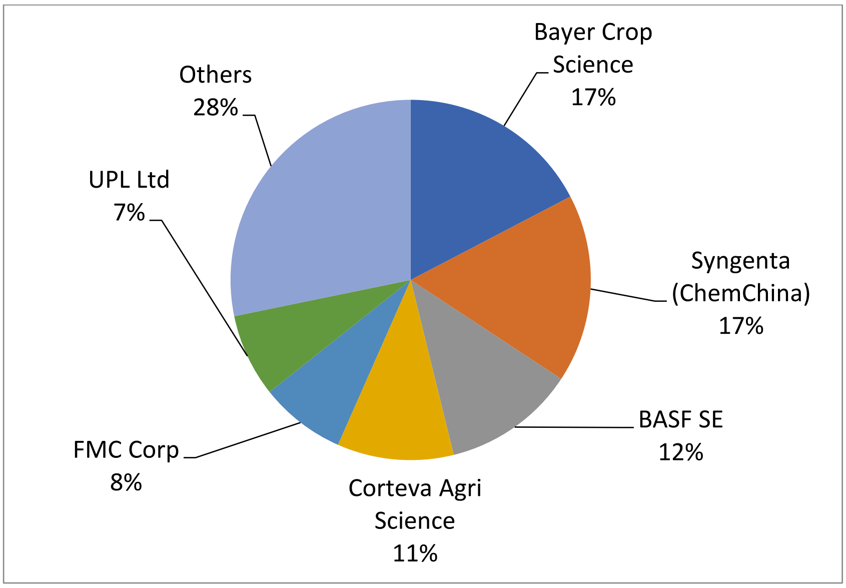
There have been many mergers and acquisitions in the agrochemicals segment in the last 3 years, giving birth to big4 players. The big4 comprise of China National Chemical Corporation Ltd, Corteva Inc., BASF SE and Bayer AG. Other international players having significant global presence include Sumitomo chemicals, AMVAC Chemical Corporation, FMC Corporation, Yara International ASA, etc. The table below showcases major M&A activities materialized globally to form big4 agrochemical firms –

Exhibit 5.5: Key Global agrochemicals M&A activities

Big4 Agrochemical Firms	**Combined Entities**	**M&A**	**Transaction year**
China National Chemical Corporation Ltd	Syngenta AG	Acquisition	2017
Corteva Inc.	The Dow Chemical Company, DuPont de Nemours Inc.	Merger	2017
Bayer AG	The Monsanto Company	Merger	2018
BASF SE	Bayer AG (Vegetable seeds business)	Acquisition	2018

The merger & acquisition activities occurred from 2017 to 2018 and the market share of these bigger firms prior to M&A activities was as follows:

Exhibit 5.6: Global agrochemicals market segmentation by players, 2020

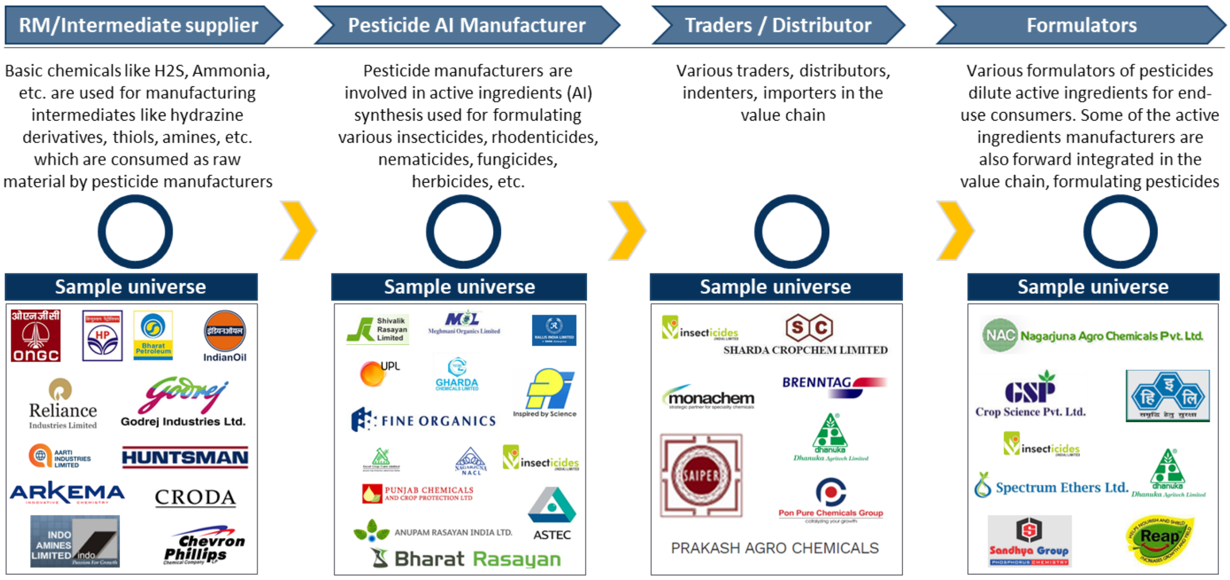


Source: Frost & Sullivan research & analysis

India Overview

India is a net exporter of agrochemicals and the thirteenth-largest exporter of pesticides and disinfectants. The country's exports have increased on the account of low-cost manufacturing, availability of technically trained manpower, seasonal domestic demand, overcapacity, competitive pricing and strong presence in generic pesticide manufacturing. Rise in demand in the agricultural segment is driving growth of agrochemicals in India. In October 2020, the government urged players in the agrochemicals industry to come out with new molecules of global standards for the farmers' benefit, while CropLife India, the industry body, pitched for stable policies and regulatory regimes to boost growth in the sector.

Exhibit 5.7: India Crop protection chemicals value chain



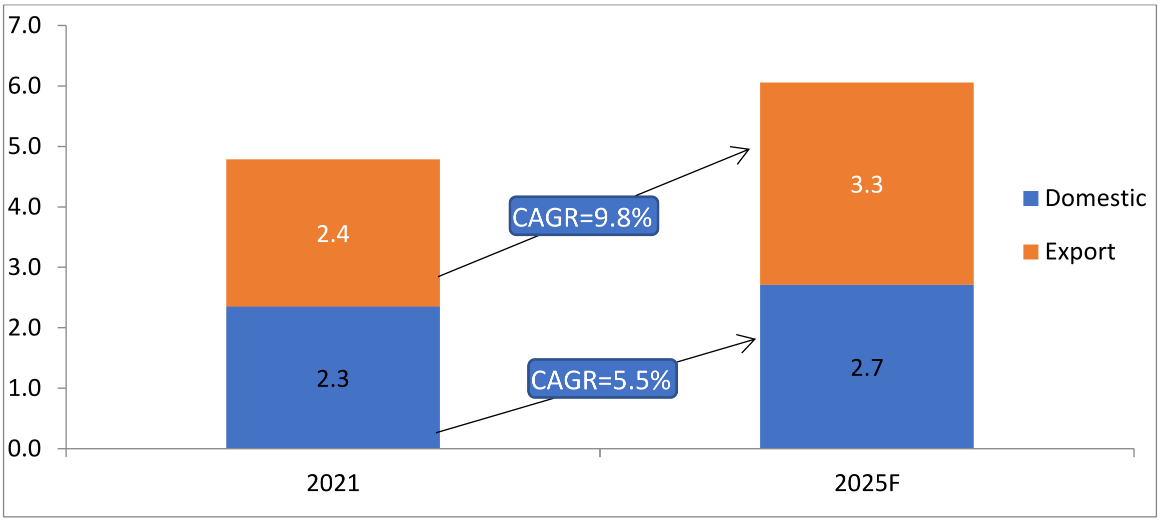
*Source: Frost & Sullivan Research & Analysis*In December 2020, India witnessed unrealized potential for growth in agrochemicals and is focusing on development of new products and judicious use of pesticides.

India Agrochemicals exports have grown with the CAGR of almost 10% during the year 2015-20. The actual export contribution of crop protection chemicals was 50% of total domestic production (by value) in the year 2020. Exports are projected to grow to almost 55% in the year 2025 (by value). This means, USS 2.1 bn was export from India and an equal amount of crop protection chemicals were meeting domestic demand in the year 2020. In the year 2025 exports will grow to USD 2.7 bn contributing 55% of total domestic production which is valued at USD 6 bn.

India ranks 13th in the imports of pesticides globally with Brazil leading the imports of crop protection chemicals having 7% market share in the world imports (2018, by volume). Brazil is followed by France (5%), Canada (5%), US (4%), Germany (4%), Thailand (4%), Australia (3%), Belgium (3%), UK (3%), Nigeria (3%), Spain (3%), Italy (3%) followed by India (2%).

India was world's 3rd largest pesticide exporter by volume in 2018. China leads the exports of pesticides with 27% market share in the world exports followed by Germany (8.3%), India (8%), US, Belgium, France, etc.

Exhibit 5.8: Indian Agrochemical market by exports & domestic consumption (USD Bn)



Source: Frost & Sullivan Research & Analysis

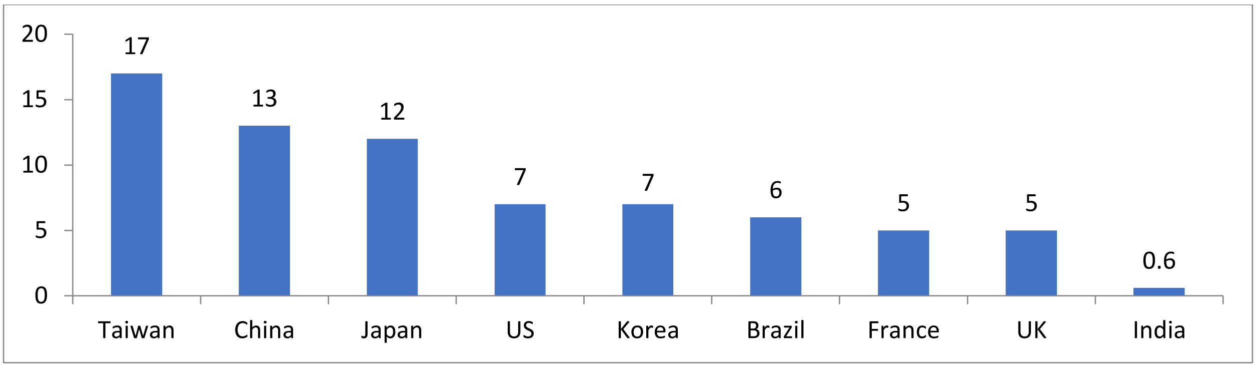
India per capita arable land is decreasing in order to accommodate housing needs for growing population. Although arable land availability is huge compared to some smaller countries like Israel, there have been low crop yield trends seen in India due to low level of mechanisation, erratic climate conditions, huge dependence on monsoon, poor logistics infrastructure, poor post-harvest support, etc.

India has been ranked fourth globally in the production of agrochemicals (crop protection chemicals/ pesticides) after USA, Japan and China. Indian Agrochemicals market is valued at USD 2.1 bn which is anticipated to grow at 4 per cent in the next 5 years to USD 2.6 bn by 2025.

Per hectare crop protection chemicals consumption in India

India has one of the lowest per capita consumption of crop protection chemicals per hectare. This consumption per hectare is way higher in developed nations like United States or Japan. Countries like Taiwan, China, Japan, etc. use double digit kilograms per hectare of crop protection chemicals compared to just 0.6 Kilogram per hectare in India. This suggests, there is tremendous scope of growth for the crop protection chemicals in India, ramping agricultural productivity and compensating the shortage of farm labour by extensive use of herbicides, etc.

Exhibit 5.9: Per hectare crop protection chemicals consumption (in Kg/hectare, 2020)



Source: Care Ratings

India Agrochemicals market by end users

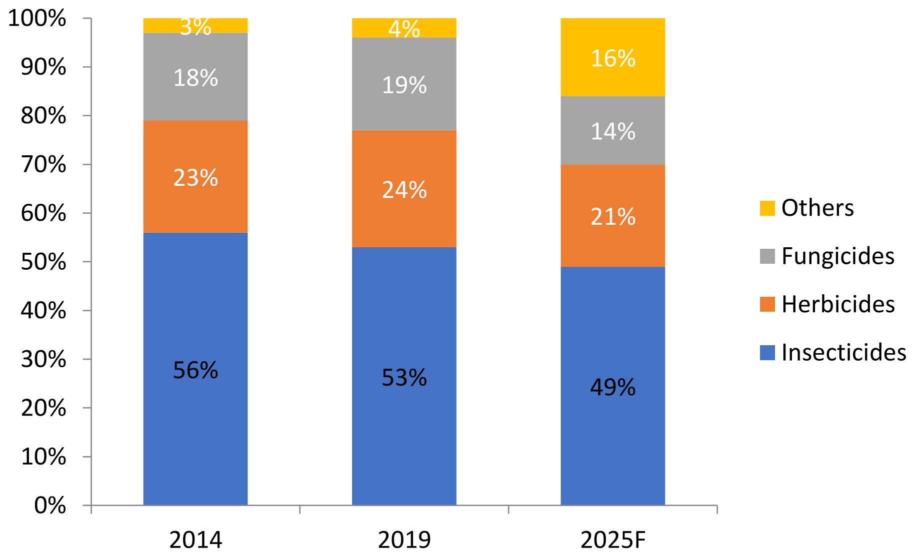
Insecticides contribute highest market share in the Indian crop protection chemicals market accounting slightly more than half of the total market. India has almost 10,000 types plant eating insects. In the agriculture value chain, Agrochemicals are the final external stimulus provided to the plants.

Growth in agricultural formulations

The India agrochemicals market is driven by the rising population within the country, which has led to maintaining sufficiency in agricultural practices, further boosting the use of Indian agrochemical products for farming activities. The industry is positively influenced by the Indianization of the agrochemical industry, which has fuelled the sales of agrochemical products. Other factors affecting the growth of India agrochemical industry include an increase in the population growth, rising need for food production, and economic growth.

As the demand for food products is increasing, the landmass available for agriculture is gradually decreasing due to the heightened effect of urbanisation, which is providing an impetus for the farmers to use different agrochemicals to increase land productivity and maintain soil health. The positive trend and the integrating farming practices in the country are expected to propel the industry growth rate of agrochemicals in India within the forecast period. However, the market may find hindrance due to low awareness of the benefits of agrochemicals among the farming community, and their low acceptance of the modern-day farming practices.

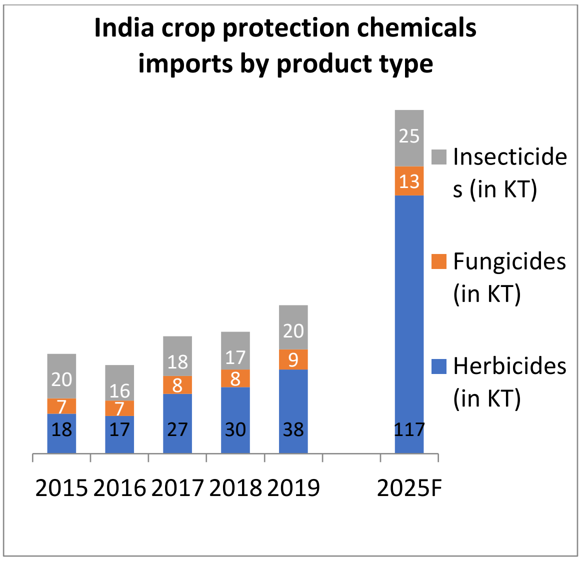
Exhibit 5.10: Indian Agrochemical market segmentation by product type, 2014-25F

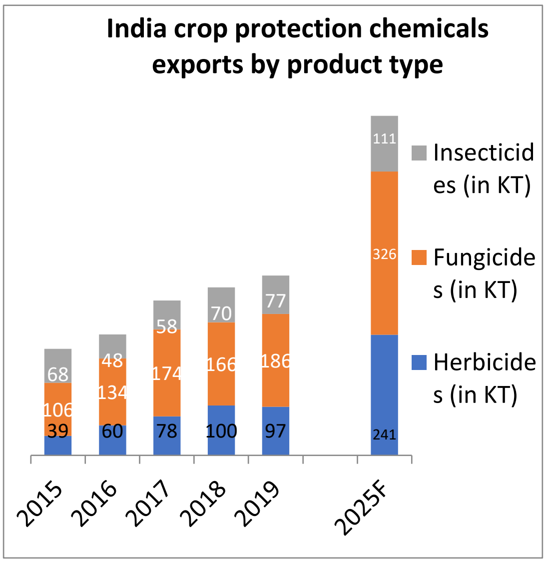


Source: FICCI, Industry research

India crop protection chemicals market in 2024 is expected to have higher market share of 'other' crop protection chemicals like bio-pesticides, nematicides, rodenticides, plant growth regulators, etc. Since bio-pesticides are anticipated to grow at higher CAGR during 2019-24, it will have highest market share in the others category.

Exhibit 5.11: Indian Agrochemical trade - segmented by product type, 2020





Source: ministry of commerce, GOI

Bio-pesticides will be growing with double digit growth rate in the next half decade occupying more than 10% market share in the next half decade. India will see increased usage of herbicides over coming decade due to extreme farm labour shortage in the country. Herbicides will be compensating as cost effective measure to the farm labours in India, recording decent growth rate till 2030. Bio-herbicides will also be gaining traction over the forecast period.

Indian Agrochemicals market trends & drivers

<u>Key factors driving growth</u>

The primary demand drivers for the crop protection chemicals market are increasing demand for food security in order to meet needs of growing population. Due to instances across the world of increased pest attacks, crop protection chemicals are expected see rapid growth.

Demand inhibitors include increased restrictions and government regulations on usage of pesticides. The banned pesticides like Endosulfan had proven adverse effects on the human health due to its excessive usage in the farms. Hence, the once heavily used Endosulfan has negligible market share across the globe.

The effect of coronavirus outbreak throughout the world has hit the production of crop protection chemicals. Since China is a major exporter of agrochemical products, its production plants located in Zhejiang, Jiangsu, Shandong, Hubei, Sichuan, Inner Mongolia, Shaanxi, Guangdong, Guangxi and other belts have witnessed temporary closure. Although the outbreak has disrupted supply of crop protection chemicals (mainly technical materials) from China, the speedy recovery & subsequent plant start-ups have resumed the production of pesticides in the recent past.

A key success factor for the crop protection chemicals in the market is extensive R&D capabilities of a company to develop new molecules satisfying the government norms and stringent environment regulations (possibly having higher pesticide biodegradability index). Emergence of bio-pesticides are making a splash in the existing crop protection market, however product features in these green pesticides are so limited that it has not gained popularity as much as traditional crop protection chemicals. Although it remains a challenge as of now, to introduce (equally effective) 100 per cent sustainable pesticide, transition to hybrid pesticides is seen as future solution for the sustainable agriculture. This essentially ensures a robust growth trajectory for traditional crop protection chemicals in high-volume-high-growth centres like India.

Following are some of the critical success factors for the players involved in crop protection chemicals –

1. **Backward integration of technical active ingredients** – Many formulators' needs to have backward integration of its technical AI's (Active Ingredients) in order to succeed in gaining high profit margins in the market.

2. **Comprehensive product portfolio** – 'One stop solution' for farmers of all the agrochemical needs surely drives the success of one firm over another

3. **Strong distribution network** – Distribution network plays vital role in reaching at the fragmented farmers' base across the world also enabling excellent feedback mechanism & deep customer relations.

India is experiencing a slowdown in terms of economic growth due to on-going issues like Coronavirus outbreak, NBFC/liquidity crisis, etc. Although GDP growth has come down in past couple of years, domestic food demand has soared along with increasing population. 100% foreign direct investment (FDI) is also allowed in agriculture in India. Plus, increase in demand for food grains with high emphasis on food grain self-sufficiency is promoted by the government which will drive crop protection chemicals market in India positively. Few of the demand drivers of crop protection chemicals market are as follows:

Government initiative to double farmer's income

Government of India is proactively looking for measures to significantly improve the farmer's income in coming decade. There have been budgetary provisions announced in the recent budget 2020-21 for farmer's welfare where INR 1,42,762 Crore were allocated to the Ministry of Agriculture & Farmer's Welfare. This allocation is 30% higher than the revised estimate for 2019-20. Crop protection chemicals market will have positive impact of huge government spending to protect the crop from losses. Government has decided to hike MSP (Minimum Support prices) on Rabi crops from 50% to 109%, which are to be marketed in RMS (Rabi Marketing Season) 2020-21.

Rabi crops Commodity (Fair Average Quality)	MSP for RMS 2020-21 (Rs/quintal)	MSP for RMS 2021-22 (Rs/quintal)	Cost of production 2020-21	Increase in MSP (Rs/ quintal)	Return over cost (%)
Wheat	1925	1975	960	50	106
Barley	1525	1600	971	70	65
Gram	4875	5100	2866	225	78

Lentil	4800	5100	2864	300	78
Rapeseed & Mustard	4425	4650	2415	225	93
Safflower	5215	5327	3551	112	50

Source: Ministry of agriculture & farmers welfare

Increase in horticulture & floriculture production

Fruits & vegetables contribute almost 90% of the total horticulture produce in India. Government has been promoting export of horticulture products, which will be boosting farmer's income. In order to avoid horticulture crop losses, crop protection chemicals market will be boosted over coming half decade. Horticulture is a higher margin business and thus will contribute more to the growth of crop protection chemicals. Floriculture is another segment which goes hand in hand with horticulture (in terms of providing growth avenues resulting in increased demand of crop protection chemicals in India).

Increasing shortage of labour

Urban population in India will cross 40% by the year 2030, according to a survey conducted by UN department of population. This percentage will further go up to 50% in India by the year 2050. Increasing urbanization has led to shortage of labour in the rural agriculture sector. This has further led to increase in wages for the labour. Due to this change, herbicidal usage will be boosted in order to improve the soil fertility, as against the traditional usage of labour for herb removal from farms.

Increasing food demand due to increasing population

India population is estimated at 1.35 Bn in the year 2019 which is almost 18% of the world population. This population is growing with the rate of 1.32% per year, according to the World Bank sources. For such an increase in population, food security is important. In order to meet the food demand, usage of crop protection chemicals would be boosted in coming half decade.

Shrinking agriculture land

Due to improved urbanization, agricultural land is shrinking. This shrinkage in agricultural land is demanding the improved crop production per hectare. In order to have improved crop yield in the shrinking agricultural land, crop protection chemicals (herbicides, insecticides, fungicides, etc.) will be used extensively.

Increased usage of bio-pesticides

The current market size of Indian bio-pesticides is less than 4% of the total crop protection market in India. This approximately equals to market size of less than USD 84 mn. The bio-pesticide market will witness double digit growth in India in the next five years (2019-24). The Bio-pesticides are pesticides with biodegradable content in it which avoids crop losses by means of not affecting the soil fertility. These bio-pesticides are witnessing the increase in the usage due to large scale awareness and promotion funded by the government.

Pros of bio-pesticides –

- Bio-pesticides are degradable naturally or are less harmful to the environment. Hence are more eco-friendly compared to synthetic pesticides.
- Bio-pesticides decompose quickly. They are equally effective as that of synthetic pesticides with no harm to the ecosystem. These bio-pesticides can be a combination of 100% natural ingredients & synthetic ingredients to enhance the effect in the field.

Future prospects –

Bio-pesticides are rapidly growing pesticides due to their eco-friendly nature. The bio-pesticides demand is growing at the rate of 16% y-o-y and is the matter of preference in the developed countries. These bio-pesticides will not completely replace the synthetic pesticides fleet in coming decade; however its usage will be significant in even developing countries like India. This is due to awareness among the farmers about bio-pesticides which maintains the soil fertility in longer run.

Indian crop protection chemicals market regulatory framework

India Insecticide Board regulates and controls the usage, export, sales, distribution, quality, transport and manufacture of pesticides in India. The board's approval is needed to introduce new molecules in the market or prior to sales or manufacture of any pesticide in India. There are various changes recently incorporated under the purview of board to regulate the pesticides in the country, one of such bill is tabled in the parliament.

Pesticide Management Bill 2020

Pesticides are regulated in present day by the **Insecticides Act** formulated in **1968** which needed immediate rewriting, according to the government sources. The main objective of the bill is to secure the farmer's interest and propagate safe & effective usage of pesticides in the country. This bill is intended to promote the organic pesticides having stringent environmental regulations and sustainable agriculture effects. This bill has received cabinet approval in February 2020 which is tabled in the parliament. After passage of the bill, even advertisements for the promotion of pesticides will be regulated by the government. And there are hefty penalties proposed in the bill for violator entities.

Insecticides Act, 1968

Usage, export, sales, distribution, quality, transport and manufacture of pesticides in India is currently regulated with age old insecticides act formulated in 1968. According to the act, Central Insecticides Board & Registration Committee (CIBRC) has been found which regulates the pesticide usage in the country. Procedure has been laid by the registration committee to register a pesticide in the country, appeal against the non-registration or cancellation of pesticides license, etc.

Regulations on certain pesticides

The regulation on certain pesticides includes increased restrictions and government regulations on usage of pesticides. Banned pesticides like Endosulfan had proven adverse effects on the human health due to its excessive usage in the farms. Hence once heavily used Endosulfan has negligible market share now, across the country. In the similar way, many other insecticides were banned in the country for their adverse effect on the biodiversity.

Integrated pest management

Integrated Pest Management (IPM) is an eco-friendly approach which aims at keeping pest population at below economic threshold levels by employing all available alternate pest control methods and techniques such as cultural, mechanical and biological with emphasis on use of bio-pesticides and pesticides of plant-origin like Neem formulations. The use of chemical pesticides is advised as a measure of last resort when pest population in the crop crosses economic threshold levels (ETL).[1]

Following are the benefits of integrated pest management –

- Reduced human risk in terms of health & environment/ biodiversity
- Lower health risk to non-target pests/herbs/fungus/rodents/nematodes/etc.
- Less number of pesticides used in the spectrum controlling target pests
- Less pests developing resistance chances from these pesticides
- More organically derived and environmentally sustainable

Ban on 27 pesticides in India 2020

[1] Public Information Bureau, Ministry of Agriculture & Farmers Welfare, Government of India

Department of agriculture, cooperation and farmers welfare (Ministry of agriculture & farmers welfare), Government of India has decided to ban 27 pesticides in India for the import, manufacture, sale, transport, distribution and usage citing that several countries have already imposed a ban on these pesticides. These pesticides include insecticides, fungicides and weedicides: 2,4-D, acephate, atrazine, benfuracarb, butachlor, captan, carbendazin, carbofuran, chlorpyriphos, deltamethrin, dicofol, dimethoate, dinocap, diuron, malathion, mancozeb, methimyl, monocrotophos, oxyfluorfen, pendimethalin, quninalphos, sulfosulfuron, thiodicarb, thiophante methyl, thiram, zineb and ziram.

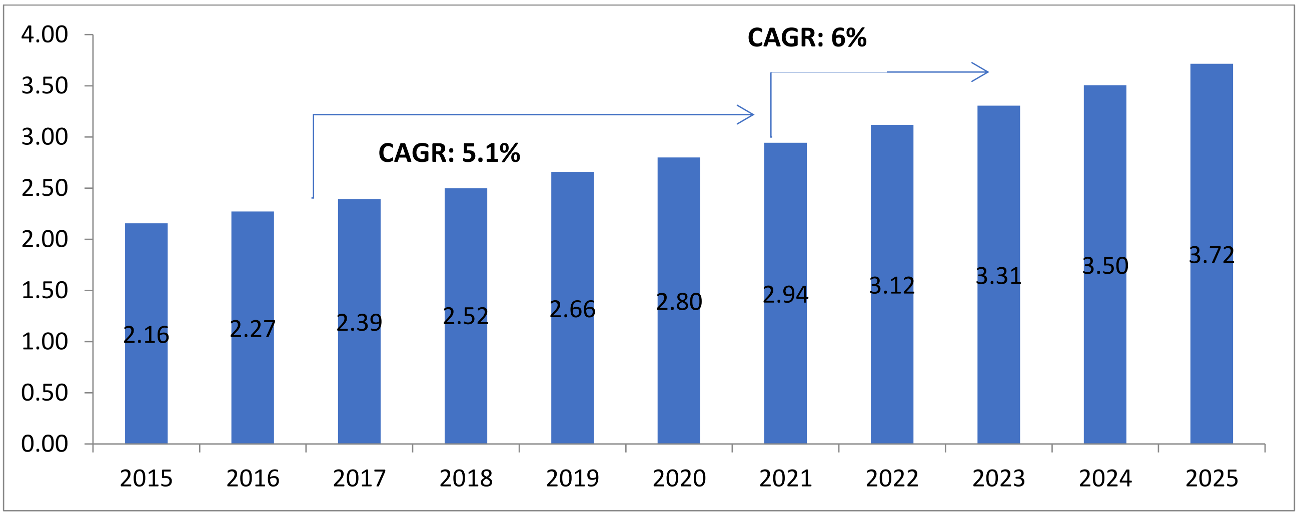
Anupam Verma committee report proposed a list of 66 pesticides that are banned in other countries and 27 of them involves serious risk to human and animal life. These 27 banned pesticides are highly hazardous with potential to cause severe health problems including hormonal changes, carcinogenic, neurotoxic, reproductive and development health effect as well as environmental impacts such as higher toxicity level for bees. Many of these pesticides were already banned in the territorial specific limits in the country like Maharashtra prohibited Monocrotophos & Acephate in 2017, Punjab had sought to review licences and not fresh licences for 2,4-D Amine, Benfuracarb, Dicofl, etc. Many of these pesticides have data deficient for regulatory purposes and better alternatives are available for all of them. Considering ban on these 27 pesticides in developed countries too, exports will not get significantly impacted. Although this market was said to be of INR 12,000 crore domestically, this will get replaced with other alternative pesticides which are less severe to the human/animal/environmental cause.

Section 6: Global and India Leather Chemicals Overview

Global Leather Chemicals Market Overview

The global leather chemicals market size was valued at USD 2.94 Bn in 2021, and is projected to reach USD 3.7 Bn by 2025, growing at a CAGR of 6% from 2021 to 2025.

Exhibit 6.1: Global Leather Chemicals market, 2015 to 2025F (USD Bn)



Source: Frost & Sullivan

The leather chemicals market is being propelled forward by increased use of leather chemicals in end-use industries such as footwear and textiles. As a result of more visually acceptable leather footwear and improved leather footwear production, leather chemicals such as syntans, polymers, coloring auxiliaries, and fat liquor have increased in use. Increased mold resistance, smoothness, and adhesiveness are among the benefits of leather compounds, which are driving up global demand.

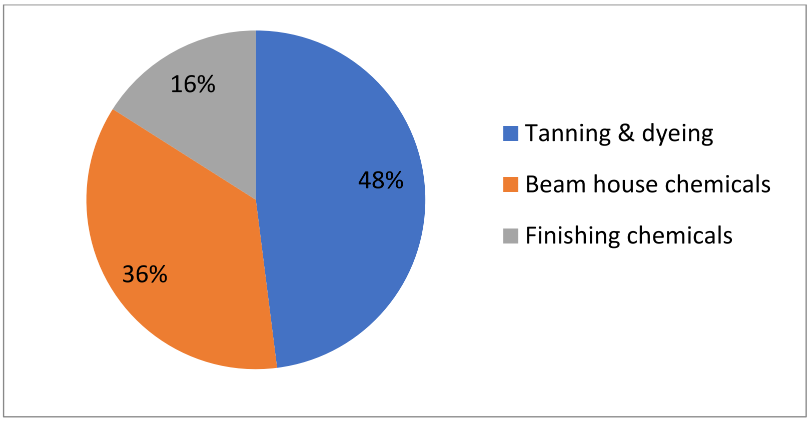
Tanned leather, on the other hand, produces sulfides and chromium-containing effluent that is detrimental to the environment and employees. This is predicted to be the most major impediment to the global leather chemicals market during the forecast period. Improvements in tanning techniques, on the other hand, are expected to decrease chromium and sulfide accumulation in water, resulting in new revenue opportunities over the forecast period.

Global Leather Chemicals Market Segmentation – by Types

Leather chemicals are divided into three categories: tanning and dyeing chemicals, beam house chemicals, and finishing chemicals. Tanning chemicals are chemicals used to transform raw hide into leather. Common tanning agents include vegetable tannin, mineral salts, and animal oil. Depending on the tanning chemicals employed, leather is categorized as vegetable tanned leather, synthetic tanned leather, alum tanned leather, aldehyde tanned leather, and chromium tanned leather. The dyeing chemicals include surfactants, degreasers, sodium formate, sodium bicarbonate, neutralizing syntans, formic acid, and chrome syntans, chromium sulphate.

The tanning and dyeing industry was the largest revenue generator in 2020, and it is expected to grow at a CAGR of 4.6 % during the projection period. The ability of tanning and coloring chemicals to improve the softness and flexibility of leather products was credited with the expansion. Furthermore, because of their structural differences, these dispersion chemicals are becoming increasingly important in the tanning process, helping to improve the appearance of leather products and complementing the market's growth.

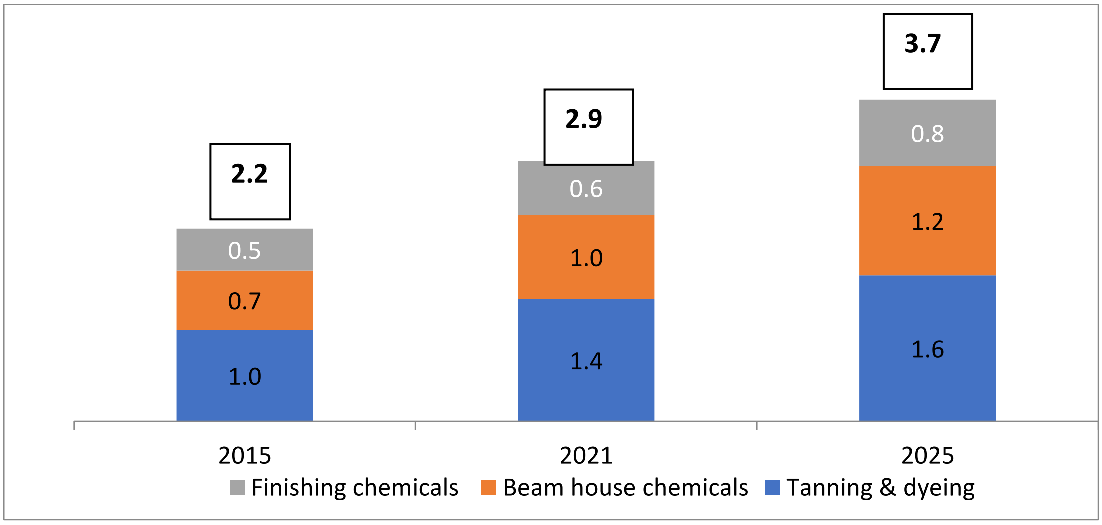
Exhibit 6.2: Global Leather chemicals market segmentation by product type, 2021, USD 2.9 Bn



Source: Frost & Sullivan

In 2021, when industry was rebounding the beam house process was the second-largest category, and it is expected to grow at a CAGR of 6.7 % over the projection period. The beam house process is the first and most important phase in the tanning process, and it uses a lot of leather chemicals for everything from hide and skin preparation to preservation. Hide trimming, soaking, fleshing, and unhairing are all part of the beam house processing. Biocides, surfactants, degreasers, lime, sodium sulfide, formic acid, sulfuric acid, and enzymes are among the chemicals utilized in these processes.

Exhibit 6.3: Global Leather chemicals Industry size by products – forecast - (USD Bn), 2015-2025F



Source: Frost and Sullivan analysis

CAGR	Tanning & dyeing	Beam house chemical	Finishing chemicals
2015-20	4.9%	6.0%	4.4%
2020-25F	4.5%	6.8%	5.1%

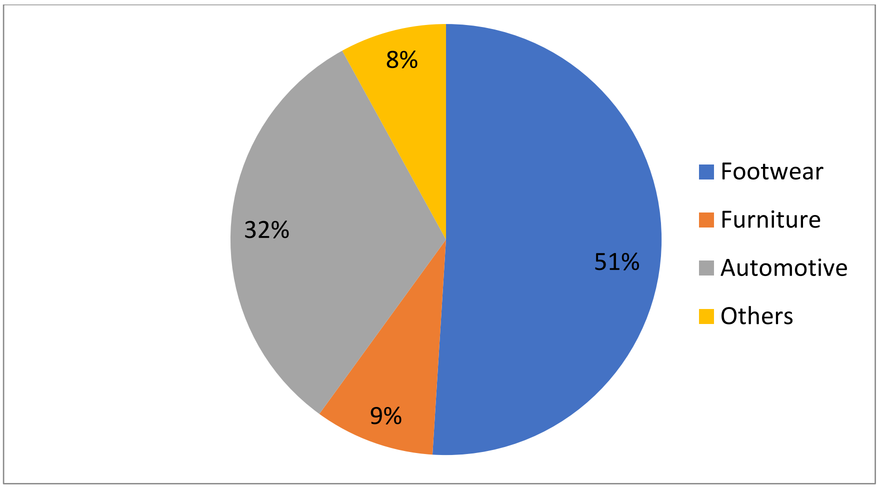
Because dyeing and tanyard operations are the most important stages in the leather-making process, it uses more chemicals for processes spanning from tanning to post-tanning. Over the forecast period, the aforementioned factors are likely to drive demand for tanning and coloring chemicals.

Global Leather Industry by Key End Use Industries

Footwear - The Global leather chemicals market size for footwear segment was valued at USD 1.43 Bn in 2020, and is projected to reach USD 1.81 Bn by 2025, growing at a CAGR of 4.9% from 2020 to 2025**.** Footwear emerged as the most important end-use segment, accounting for approximately 51% of the market in 2020. Leather is one of the most extensively utilized components in the footwear business, as a result of which the product's consumption is significant. Finishing chemicals are widely used in the footwear industry to improve the product's visual appearance. In the long run, rising demand for luxury footwear will undoubtedly drive up need for finishing chemicals.

The use of leather chemicals on leather for footwear use gives dimensional stability and heat and mechanical action tolerance; this leather is largely utilized in shoe manufacturing. Increased sports activities have boosted the global market for leather chemicals dramatically. Athletic apparel sales have climbed by 61 % internationally since 2007. In the coming years, the end-user segment is likely to increase even more. Furthermore, in recent years, top footwear firms have made significant investments in R&D. Such factors are projected to aid in the reinvention of footwear production, which would in turn enhance the market for leather chemicals, which is expected to rise over the forecast period.

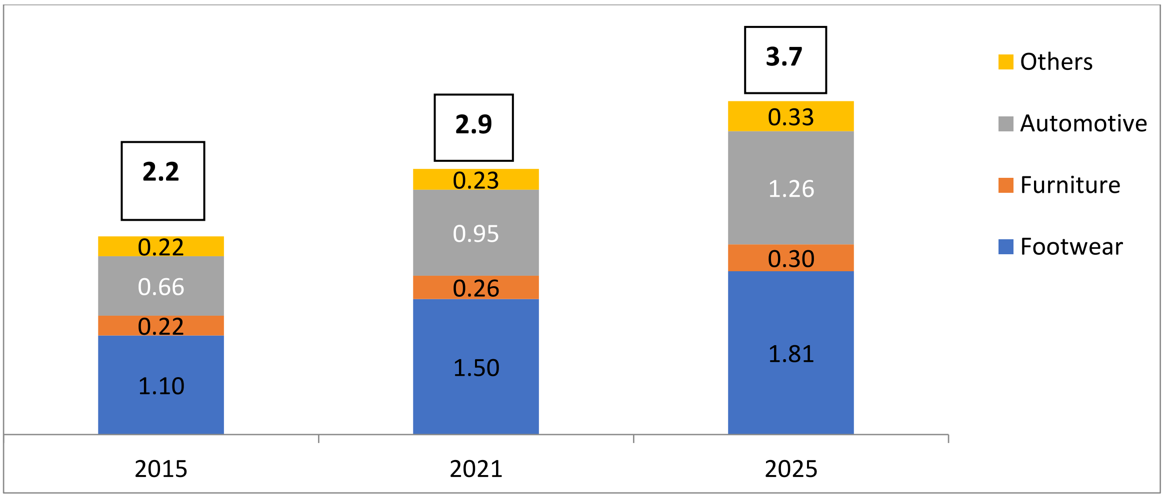
Exhibit 6.4: Global Leather chemicals market segmentation by end industry, 2021, USD 2.9 Bn



Source: Frost & Sullivan

The worldwide leather footwear market was valued at USD 171.2 Bn in 2021, growing with a CAGR of 2.8 % projected from 2021 to 2025. The growing working-class population, rising consumer income, thriving retail e-commerce sector worldwide, and growing fashion trends in business attire are all contributing to the expansion. Leather shoes are popular because they are long-lasting and have an exquisite appearance. The permeable properties of real leather, which can cool the feet and prevent odors, are also propelling the product's expansion in the market.

Exhibit 6.5: Global Leather chemicals market Forecast by end industry, Value (USD Bn), 2015, 2020 and 2025F



Source: Frost & Sullivan

CAGR	Footwear	Furniture	Automotive	Others
2015-20	5.4%	2.8%	6.3%	0.7%
2020-25F	4.9%	3.3%	7.0%	4.3%

Leather wallets, belts, handbags, textiles, and other leather accessories are among the numerous items available. In comparison to other end-use segments, the amount of leather required for such products is quite low. As a result, the leather products segment's manufacturing demand is predicted to expand at a moderate rate. Leather items require a high amount of tanning and dyeing chemicals, followed by finishing chemicals. Over the forecast period, rising consumer inclination toward product aesthetics, combined with rising demand for luxury leather products, is expected to increase demand for leather chemicals in leather goods.

Automotive - The global leather chemicals market size for the automotive category was estimated at USD .9 Bn in 2020, and is expected to increase at a CAGR of 7% from 2020 to 2025, to reach USD 1.26 Bn. Because eco-friendly leather chemicals are used to polish vehicle leather, the automotive segment is expected to grow at the fastest rate over the projection period. Automobile manufacturers are collaborating closely with companies that specialize in leather chemistry.

The global automotive leather upholstery market is expected to grow rapidly over the projected period, owing to an increase in the sale and manufacture of luxury vehicles around the world, which has resulted in a rise in consumer demand for aesthetically beautiful vehicle interiors. This, in turn, is expected to improve leather upholstery output. Artificial leather (PU & PVC faux leather) is becoming more popular, especially in taxi and mid-segment vehicles. Synthetic leather is a type of eco-leather that is also cost-effective, extremely customizable, dirt-resistant, water- and fire-resistant, and temperature-stable.

The increased need for comfort while driving has prompted the use of vehicle seat covers, which improve ride quality. Seat coverings for automobiles give comfort, preserve the interior of the vehicle, and keep filth, ugly stains, and dirt from soiling the upholstery. This is projected to improve the global demand for automobile leather upholstery.

Furniture - The global leather chemicals market for furniture was valued at USD .25 Bn in 2020, and is expected to increase at a CAGR of 3.3 % from 2020 to 2025, to reach USD .30 Bn.

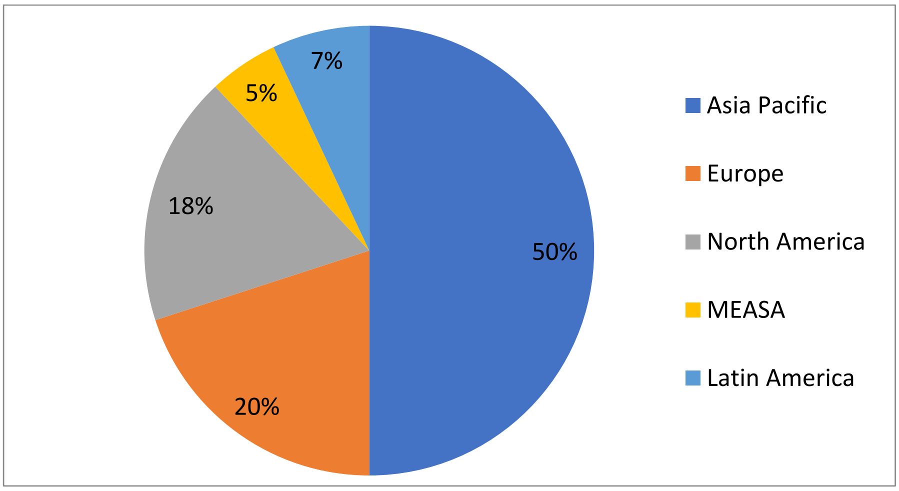
People's increasing disposable income, fast urbanization around the world, the rise of the real estate industry, and changing lifestyles and consumer behavior are all expected to boost the leather furniture market's growth in the projected period of 2020-2025. On the other hand, the expanding number of online retailers, as well as the development of multifunctional furniture, will provide more prospects for the leather furniture market to expand in the coming years.

Global Leather Industry by Geography – Current and Forecast

The global leather chemicals market is analyzed in terms of North America, Asia-Pacific, Latin America, MEASA and Europe. Due to numerous business methods established by key players, such as entering into international business partnerships and forming boutique units that serve to boost creativity and quality leather products, Europe is expected to have the highest CAGR of 7.1 % over the forecast period.

In 2020, Asia-Pacific leather chemicals held a 50% market share, worth USD 1.4 Bn. The leather chemicals industry trend, such as developments in chrome tanning equipment, is a major component contributing to Asia-greatest Pacific's market share of the global market. The market for leather chemicals in Asia-Pacific is valued at USD 1.4 Bn in 2020 and is expected to increase at a CAGR of 4% over the next half-decade, reaching USD 1.7 Bn by 2025.

Exhibit 6.6: Global Leather chemicals market segmentation by geography, 2021, USD 2.9 Bn



Source: Frost & Sullivan

Due to the presence of well-established leather tanneries and a growth in the consumer base for leather footwear, the Asia-Pacific leather chemicals market dominated the market in 2021 and is expected to continue dominating in the forecast future. China is the world's leading producer of pigskin and pigskin leather, a significant raw material for the manufacture of leather goods. In addition, countries such as Korea, Vietnam, Indonesia, and

Taiwan are seeing rapid expansion in the leather sector. Low labor costs and the presence of a significant number of medium- and small-sized tanneries are credited with the increase in demand for leather chemicals in Asia-Pacific.

The market in Asia-Pacific is followed by Europe and North America, owing to rising demand for leather footwear and presence of large number of tanneries.

The leather market in Europe is primarily driven by a rise in the number of working professionals and young millennial. The European countries, mostly driven by the fashion sector, such as Italy and France, are witnessing an extensive reliance on leather goods, from manufacture to commerce, including footwear. In addition, according to a research issued by the European Commission, the leather footwear segment accounts for 41% of total production in the leather industry in Europe hence driving the demand for leather chemicals in the region

Due to increasing consumer spending on leather items, the industry in North America is likely to account for a significant revenue share in the worldwide leather market. North America's leather chemicals market is valued at .5 Bn and is expected to develop at a 6.9 % compound annual growth rate (CAGR) over the next half-decade, reaching USD .8 Bn by 2025. With the region's fashion industry developing, consumers' preferences for diverse leather products are growing. Significant spending capacity and high demand for leather goods such as shoes and bags. The availability of raw materials in huge quantities allows producers to focus on supplying consumers with higher-quality products.

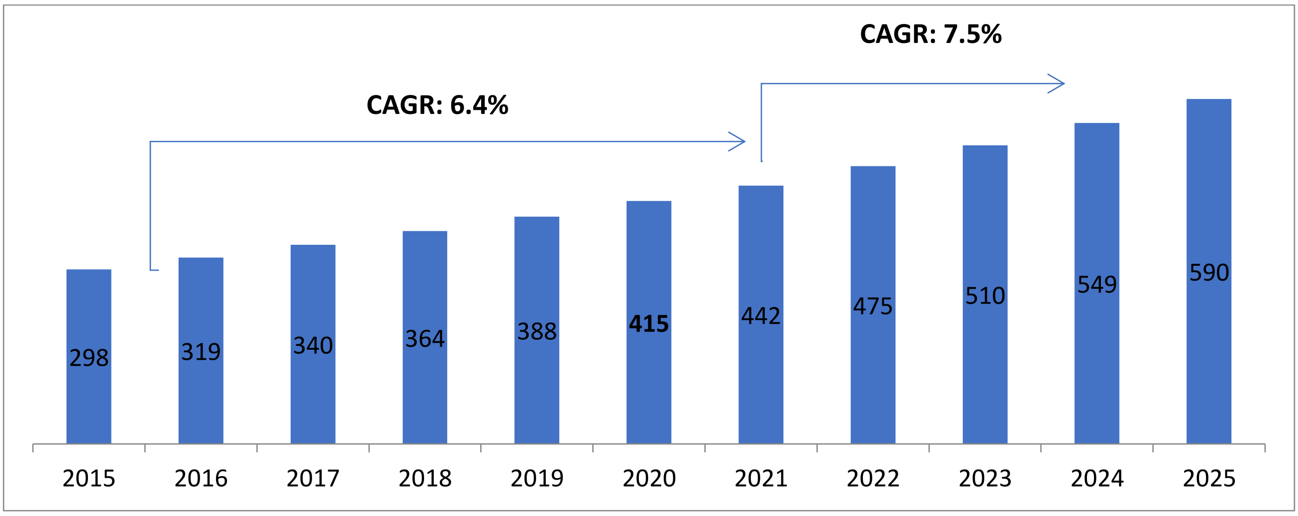
China to Lead the Leather Chemicals Market - China is the largest automotive market in the world. China's automotive sector is mostly driven by domestic demand. China has the world's largest car market. China's automotive sector is mostly driven by domestic demand. China's footwear industry is reaping the benefits of being the world's largest producer and consumer of footwear, thanks in part to the country's enormous market and improving standard of life.

In addition, due to the country's rapid population growth, the textile industry has seen an increase in demand for leather. The textile industry is likely to increase its need for leather. As a result of the aforementioned causes, China's demand for leather chemicals is predicted to rise significantly over the forecast period.

Indian Leather Chemicals Overview

The Indian leather chemicals market size was valued at USD 442 Mn in 2021, and is projected to reach USD 596 Mn by 2025, growing at a CAGR of 7.5% from 2020 to 2025.

Exhibit 6.8: India Leather Chemicals market, 2015 to 2025F (USD Mn)



Source: Frost & Sullivan

Because of rising demand for leather products in the fashion industry, rising leather exports, and a burgeoning footwear industry, India's leather chemicals market is expected to rise at a rapid rate. Other key growth factors for India include a trend toward environmentally friendly leather chemicals and increased knowledge of the advantages of vegetable tanning versus chromium tanning.

During the projected period, the Indian leather chemicals market is expected to be driven by rising use of leather chemicals in tanneries, as well as expected development in demand for specialty leather chemicals in the wet-end and finishing stages of leather products production. Other drivers driving the market include expanding demand for leather items in the fashion industry, a developing footwear industry, and rising leather exports.

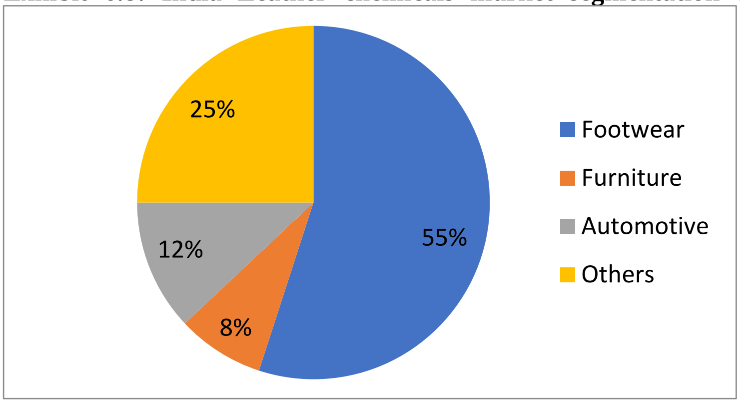
Furthermore, a shift in focus toward the use of environmentally friendly leather chemicals and increased knowledge of the advantages of vegetable tanning over chromium tanning would drive market growth. Additionally, increasing exports of finished leather goods from India is further resulting in growing demand for specialty leather chemicals.

The leather chemicals industry in India is benefiting from rising demand for leather products. Chemicals used in the beam house, tanning, and finishing stages of leather processing are likely to see increased demand over the next five years. However, compliance with international laws such as ISO, REACH, and others will be a crucial determinant of a leather chemical's performance in the Indian market in the coming years. European countries, which account for the majority of Indian leather exports, are well-known for adhering to regulatory requirements. Consequently, Indian leather manufacturers are increasingly using chemicals that comply with the existing European norms, which continue to boost the domestic demand for leather chemicals in the country.

Indian Leather Chemicals Market by End User – Growth Factors

Footwear applications accounted for more than 55 % of the overall leather chemicals market in 2020, and is expected to grow significantly in the years ahead, owing to improved consumer lifestyles, high demand for worker safety in manufacturing industries, and rising consumer purchasing parity. Over the next few years, the rise of the industrial safety footwear market will also accelerate the leather chemicals sector.

Exhibit 6.8: India Leather chemicals market segmentation by end industry, 2021, USD 442 Mn



Source: Frost & Sullivan

The footwear business in India is a very important component; in fact, it is the engine of growth for the entire Indian leather industry. After China, India is the world's second-largest footwear producer, accounting for 11.63 % of worldwide footwear production of 17.7 Bn pairs.

In 2021, the Indian Footwear market generated USD 5,442 Mn in revenue. The market is predicted to expand by 23.22 % every year (CAGR 2021-2025). Leather Footwear is the market's largest sector, with a market volume of USD 2,800 Mn in 2021.

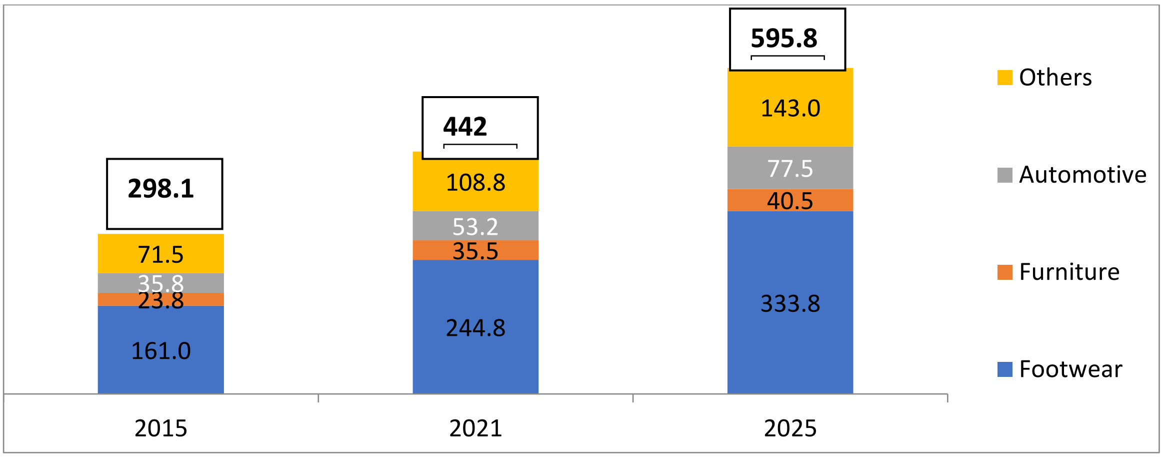
The Indian footwear leather chemicals market size was valued at USD 243 Mn in 2021, and is projected to reach USD 333 Mn by 2025, growing at a CAGR of 7.9% from 2021 to 2025.

India is one of the most important markets for footwear. This can be ascribed to increased demand for formal, casual, sports, and fashion footwear as a result of rising urbanization and industrialization. Aside from that, growing globalization has resulted in the emergence of well-known footwear brands all throughout the country. In addition, the industry is developing due to the increasing adoption of e-commerce retail platforms, which is aided by easy and continuous internet connection. The online shopping experience gives consumers with a wide choice of products to pick from as well as convenient payment alternatives, resulting in a positive market outlook. Furthermore, the rising health awareness, escalating demand for sports and athletic footwear and increasing consumer expenditure capacities are driving the market growth.

The use of leather chemicals on leather for footwear use gives dimensional stability and heat and mechanical action tolerance; this leather is largely utilized in shoe manufacturing. In India, the market for leather chemicals has been bolstered greatly by the rise in sporting activities and athletic apparel sales. In the coming years, the end-user segment is likely to increase even more. Furthermore, in recent years, top footwear firms have made significant investments in R&D. Such factors are expected to aid in the reinvention of footwear production, which would, in turn, enhance the market for leather chemicals, which is expected to rise throughout the forecast period.

Automotive is one of the primary industries where leather chemicals are in high demand. This is due to the fact that these chemicals are required in automobile seat covers, where they are utilized to stabilize the raw hide and prevent further decomposition and foul odor.

Exhibit 6.10: India Leather chemicals market Forecast by end industry, Value (USD Mn), 2015, 2021 and 2025F



CAGR	Footwear	Furniture	Automotive	Others
2015-20	8.7%	8.3%	8.3%	8.7%
2020-25F	8.1%	3.4%	9.8%	7.1%

The automotive sector is currently experiencing a stupendous growth across the APAC region, subject to which leather chemicals market in the Asia Pacific leather chemicals market will witness significant surge over the next decade. With a combined contribution of more than 40% toward APAC leather chemicals industry share, China and India are touted to be the major revenue pockets.

The Indian automotive leather chemicals market size was valued at USD 53.2 Mn in 2021, and is projected to reach USD 77.5 Mn by 2025, growing at a CAGR of 9.8% from 2021 to 2025.

Furniture - Between 2021 and 2025, the Indian furniture industry is predicted to grow at a CAGR of 12.91 %. The global furniture market is projected to be worth USD 1.1 trillion, with India accounting for less than 5% of that. The United States (39.2%), Germany (7.4%), France (6.6%), the United Kingdom (6.3%), the Netherlands (6.0%), and Australia (6.0%) are currently India's main export destinations (2.8 %).

The Indian furniture leather chemicals market size was valued at USD 34.6 Mn in 2021, and is projected to reach USD 40.5 Mn by 2025, growing at a CAGR of 4.1% from 2021 to 2025.

Booming Leather Industry in India

The Leather Chemicals Market is expected to grow at a rapid pace over the next several years, owing to the product's widespread application. Leather chemicals have properties such as weather resistance, smoothness, and aesthetic appearance, and are utilized in the manufacturing process of numerous leather items such as furniture, belts, footwear, furniture, and vehicle interiors, and so on, propelling the leather chemicals market size.

India's leather industry is one of the most important in the world, with Indian leather accounting for up to 13% of worldwide skin production and roughly 10% of global footwear production. Raw hide skins, finished leather, leather items, leather garments (2nd largest), leather footwear component, saddlery & harness are among India's leather exports (3rd largest).

With access to 20% of the world's cattle and buffalo, as well as 11% of the world's goat and sheep population, India has a plethora of raw materials. Added to this are the strengths of skilled manpower, innovative technology, increasing industry compliance to international environmental standards, and the dedicated support of the allied industries.

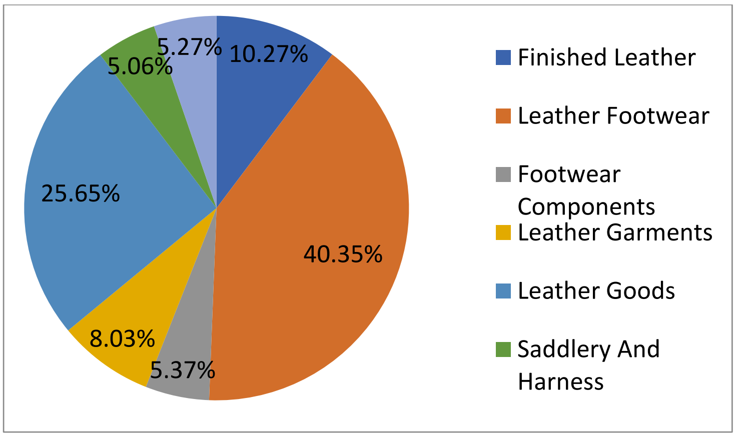
Leather Exports from India

India's leather industry has transformed from a mere provider of raw materials to a value-added product exporter. During the 2020-21 fiscal years, India exported USD 3.68 Bn in footwear, leather, and leather products. India is the world's second-largest exporter of leather goods, third-largest exporter of saddlery and harness, and fourth-largest exporter of leather clothing.

The states of Tamil Nadu — Chennai, Ambur, Ranipet, Vaniyambadi, Vellore, Pernambut, Trichy, Dindigul, and Erode – are the key production centers for footwear, leather, and leather products in India. West Bengal – Kolkata; Uttar Pradesh – Kanpur, Agra, Noida, and Saharanpur; Maharashtra – Mumbai; Punjab – Jalandhar; Karnataka – Bengaluru; Telangana – Hyderabad; Haryana – Ambala, Gurgaon, Panchkula, Karnal, and Faridabad; Delhi; Madhya Pradesh – Dewas; Kerala – Kozhikode and Ernakulam

The Leather and Footwear Sector is one of the 12 Focus Sectors where India may be a Global Supplier, according to the Indian government. With the implementation of various industrial development programs as well as export promotion activities, the Indian leather industry aims to augment its past performance and inherent strengths of skilled manpower, innovative technology, increased industry compliance with international environmental standards, and dedicated support from allied industries.

Exhibit 6.10: India's exports of leather and leather products, 2020, USD 3.68 Bn

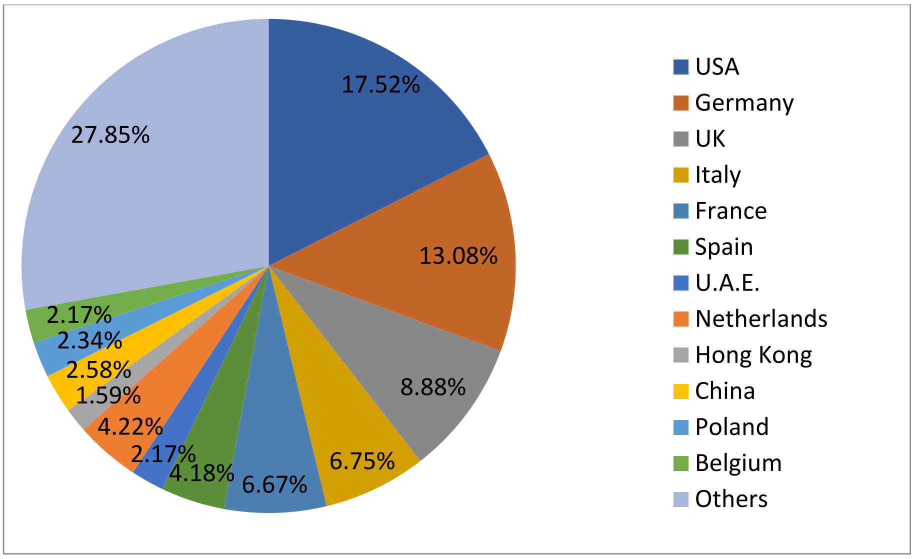


Source: Frost & Sullivan

With a share of 17.52 %, the United States, Germany, 13.08 %, the United Kingdom, 8.88 %, Italy, 6.75 %, France, 6.67 %, Spain, 4.18 %, Netherlands, 4.22 %, United Arab Emirates, 2.17 %, China, 2.58 %, Poland, 2.34 %, Belgium, 2.17 %, and Australia 2.04 % are the major markets for Indian leather and leather products.

Together, the top 12 nations account for almost 72.15 % of India's total leather and leather products exports.

Exhibit 6.11: India's exports of leather and leather products, 2020, USD 3.68 Bn



Source: Frost & Sullivan

Demand drivers and restraints

Favorable government regulations for leather industry in India

- Under the automatic approach, 100 % FDI is already permissible in the sector. With a budget of Rs.2600 crore, the government is implementing the Indian Footwear, Leather, and Accessories Development Programme (IFLADP), which provides financial support for core areas such as capacity expansion and technological upgradation of production units, upgrading of CETPs, HRD, and the establishment of institutional facilities. As a result, India's leather and footwear industry has become an appealing investment destination due to its large market potential, as well as government backing and ease-of-doing-business initiatives.
- The definition of Micro, Small, and Medium Enterprises (MSME) has been changed, with 98 % of units in the leather, leather products, and footwear sector falling under MSME, compared to 92 % previously.
- DGFT Public Notice No. 15-2015/20, dated September 4, 2020, notified the updated finished leather norms. This will assist the export of new types of leathers that are in high demand on the worldwide market, as well as the export of finished leathers.
- The validity of the Duty Free Import Scheme (DFIS) for the 2019-20 fiscal year has been extended until September 30, 2020 (allowing Basic Customs Duty exemption for notified inputs up to 5% of FOB value of exports in the previous year for footwear and other leather products, and 3% for Leather Garments) (facilitating manufacture of export products in the sector)
- In addition to the aforementioned measures, the government has extended the Foreign Trade Policy (FTP) through March 2021, as well as continued interest equalization on rupee export loan until March 31, 2021.

Favorable government laws encouraging the export of leather goods are helping to drive up demand for leather chemicals in India. Increased use of leather chemicals such as syntans, polymers, dyeing auxiliaries, and fat liquor has increased due to increased demand for superior quality leather, large quantities of raw materials, an increase in application of leather chemicals in end-use industries such as footwear and textile industries, visually appealing leather footwear, and improved production of leather footwear.

Government to extend incentive scheme IFLADP for leather, footwear industry till FY26

The government is likely to extend the IFLADP incentive scheme for the leather and footwear industry through 2025-26 with a budget of 1,700 crore to stimulate manufacturing, exports, and job creation.

According to the source, the commerce and industry ministry has filed a proposal for the implementation of the Indian Footwear Leather and Accessories Development Programme (IFLADP) with a budget of Rs. 1,700 crore, which will be spent between 2021-22 and 2025-26.

Increasing Exports of finished leather

India is the world's second-largest consumer of footwear, with a market of around USD 12 Bn in leather items and footwear. In addition, India exports over USD 5 Bn in finished leather, leather products, and footwear each year. With its inherent characteristics of a large raw material base, traditional knowhow, qualified personnel, and current technology application, India has established itself as a high-quality goods provider.

Growth in Textile sector in India

The Indian textile sector is estimated to reach USD 230 Bn by 2020, according to IBEF. The government of India is taking a lot of measures because the textile sector is booming in the country.

Furthermore, according to an Indian footwear industry report, the country's footwear manufacturing is approaching 22 Bn pairs each year, accounting for nearly 9.6% of worldwide footwear output. After China and the United States, India is the world's third-largest footwear consumer. Approximately 90% of the footwear made in India is used domestically, with the remainder being exported.

The Indian textiles sector is predicted to reach USD 250 Bn in the future, according to IBEF. India's textiles industry contributes 15% to the country's export revenues and is expected to grow in the coming years.

Growth in Automotive sector in India

According to IBEF, India is predicted to become a global leader in the automotive industry by 2030, opening up potential for electric and commercial vehicles. The increase in demand is attributed to a rise in middle-class income and an increase in the number of young people.

Furthermore, India's automobile sector has grown to become the world's fourth largest, with yearly sales increasing by 8%. As the automotive industry grows, the market for leather chemicals for use in interior and exterior parts is likely to grow.

Some of the recent initiatives taken by the Government for the automotive sector of India are -

- The government adopted the voluntary vehicle scrappage policy in the Union Budget 2021-22, which is expected to promote demand for new automobiles by removing old, unfit vehicles currently on Indian roads.
- The Delhi government began the process of establishing 100 car battery charging outlets across the state in February 2021 to encourage the adoption of electric vehicles.
- Under the Department of Heavy Industries' production-linked incentive (PLI) plan, the Union Cabinet allocated Rs. 57,042 crore (US$ 7.81 Bn) to the autos and auto components sector.
- India's government wants to make it a worldwide industrial hub and a research and development (R&D) center. Under NATRiP, the Government of India is planning to set up R&D centers at a total cost of US$ 388.5 Mn to enable the industry to be on par with global standards.
- Under the FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme, the Ministry of Heavy Industries of the Government of India has shortlisted 11 cities across the country for the introduction of EVs into their public transportation networks. The government will also establish an incubation center for EV-related start-ups.
- The Indian government authorized the FAME-II scheme in February 2019, with a fund requirement of Rs 10,000 crore (US$ 1.39 Bn) for FY20-22.

Restraint

Despite India's outstanding performance in the leather industry, the sector faces numerous problems while also providing numerous new prospects.

During the forecast period, factors such as rising operational expenses and tight environmental governing tactics are expected to stifle the leather chemicals market's expansion. Furthermore, tanned leather produces wastewater containing sulfides and chromium, which has a detrimental impact on the environment and employees, and is a major factor that is expected to restrain the global leather chemicals market throughout the forecast period.

Section 7: Global and India Dyes, Pigments and Textile Chemicals Overview

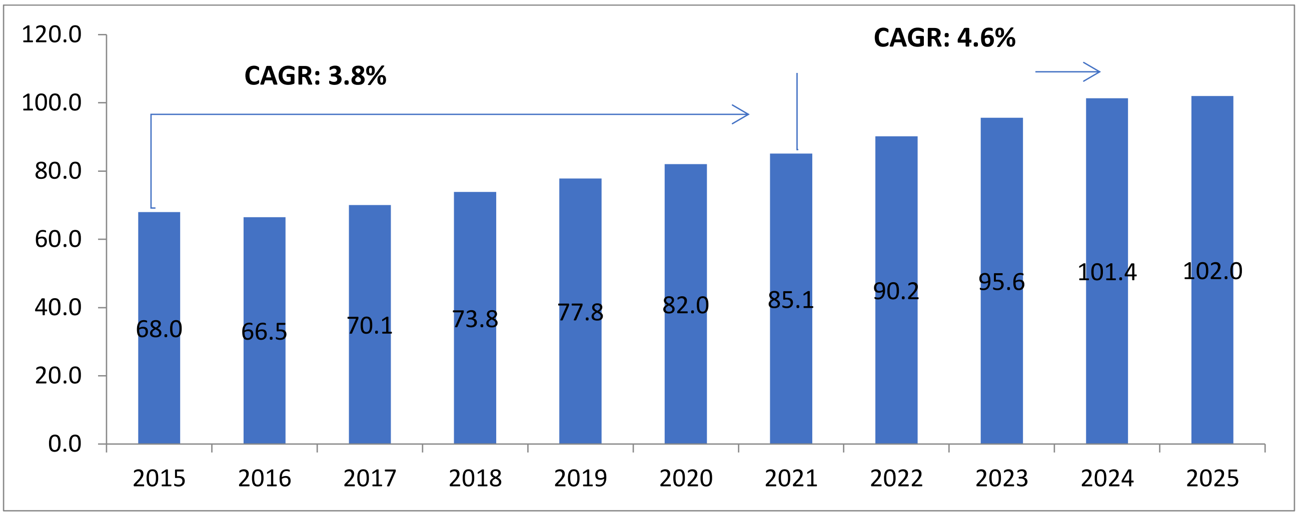
Global Overview Dyes, Pigments and Textile Chemicals Market overview

Dyes and pigments are substances that are used to impart color to a material. The term colorant is often used for both dyes (also called dyestuffs) and pigments. The major difference between dyes and pigments is particle size. Dyes are much finer than pigments. Pigments and dyes are the key raw materials for various end-user industries, including paint and coating, textile, and plastic.

Textile chemicals are compounds used in the processing and manufacturing of textiles. They enhance the manufacturing process of the textiles with specific properties and desirable look. Home furnishings, apparels, and industrial chemicals are some of the applications of the textile chemicals.

The global Dyes, Pigments and Textile Chemicals Market is projected to surpass USD 102.0 bn by the end of 2025, , growing at CAGR of 4.5% during the forecast period (2021 to 2025).

Exhibit 7.1: Global Dyes, Pigments and Textile Chemicals market, 2015 to 2025F (USD Bn)



Source: Frost & Sullivan

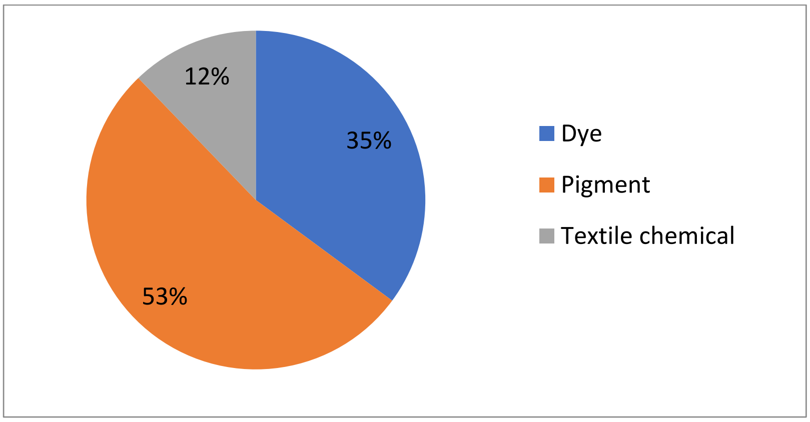
Market Segmentation – by key types

Growth of pigments is primarily driven by the robust demand from end industries along with increasing need for vibrant colors, special effects, and aesthetics across applications

Based on type, the dyes and pigments market is classified into dyes and pigments. Dyes segment is further segmented into reactive, disperse, vat, acid, and others. In terms of demand, reactive sub-segment held the major share of the dyes segment. Reactive dyes are available in a wide range of colors. Vat sub-segment is expected to expand at a rapid pace during the forecast period owing to its wide usage in cellulose fibers. However, vat dyes take an enormous amount of time to dye. Vat dyes are organic compounds that are insoluble and have no cellulose substantively. Disperse dyes are now used for dyeing nylon, cellulose triacetate, and acrylic fibers.

Pigment is further bifurcated into inorganic and organic. Inorganic segment accounted for the primary share of the pigment segment and is likely to expand rapidly. Colors of pigments may be used to paint certain objects by painting them or combining them with the ingredients of the drug. Organic and inorganic pigments are pigment forms which are dependent on their formulation process. Organic pigments appear to come from plants. Inorganic pigment uses chemical formulae for different applications to achieve the desired properties of the material. Inorganic pigments use compounds derived from inorganic metal compounds and salts such as metallic oxides, chromates, sulphates, etc. Organic pigments consist of carbon rings and coal chains. Inorganic pigments are easier to spread compared with organic pigments and are thus used for different applications.

Exhibit 7.2: Global Dyes, Pigments and Textile Chemicals market segmentation by product type, 2020, USD 85 Bn



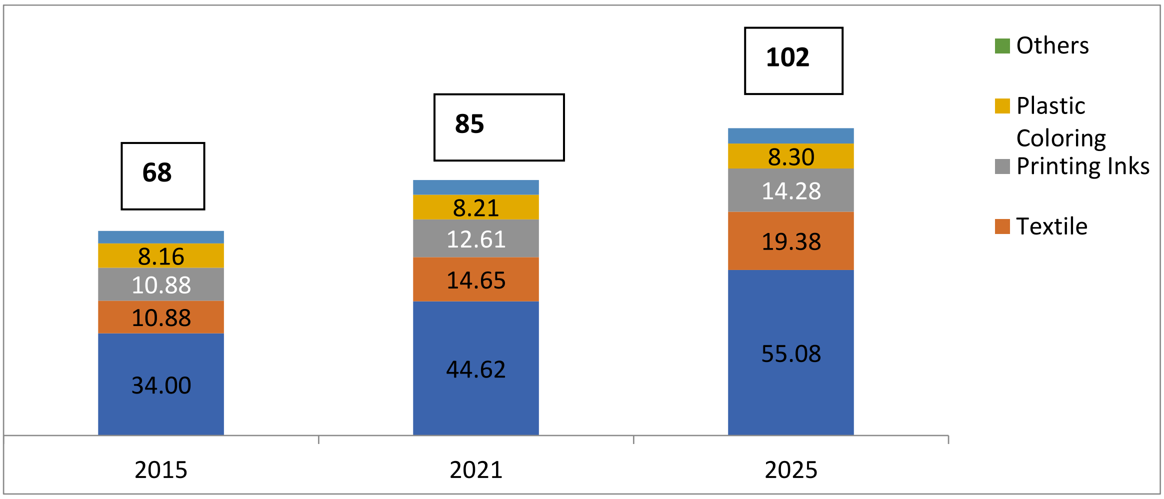
Source: Frost & Sullivan

Global Dyes, Pigments and Textile Chemicals By key industries

Dyes and pigments find multiple applications in paints & coatings, printing inks, textile, construction, and plastics . The paint and coating industry is witnessing major growth due to growing infrastructure . Major driving factors of the pigments and dyes market are increasing demand for high performance pigments (HPP), increasing usage of environment-friendly products, and application in end-user industries.

Demand for pigment and dye products such as printing ink is driven by several factors such as technological development and increasing demand for digital inks. Increase in end-user preference for environment-friendly products is likely to drive growth of the dyes and pigments market in the near future. Some of the factors restraining growth of the pigments and dyes market are environmental concerns, raw material price volatility and it's global over capacity . Some of the recent trends in the pigments and dyes market are shifting of manufacturing facilities from the U.S. and Europe to India, China, and Taiwan, and the rising preferences for eco-friendly products. Since specialty pigments are eco-friendly in nature, they are expected to increase demand for pigments and dyes .

Exhibit 7.3: Global Dyes, Pigments and Textile Chemicals market Forecast by end industry, Value (USD Bn), 2015, 2021 and 2025F



Source: Frost & Sullivan

CAGR	Paints and Coatings	Textile	Printing Inks	Plastic Colouring	Others
2015-20	4.6%	5.1%	2.5%	0.1%	3.2%
2020-25F	5.4%	7.2%	3.2%	0.3%	0.9%

Paints and coatings account for the largest share of the market and are estimated to be the largest and the fastest-growing end-user industry. Architectural and decorative coatings account for the largest consumption of pigments in their production. Thus, rising construction and infrastructure activities in Asia-Pacific act as the major driver for the dye and pigment market.

In addition, the public-private partnership (PPP) projects have also been increasing in the domestic construction sector. In India, the smart cities mission is a major project undertaken by the government, which will construct more than 100 smart cities all over the country to achieve rapid urbanization in the country. In the 2021-22 budget, the smart cities mission has been given INR 6,450 crore as against INR 3,400 crore in the 2020-21 revised estimates.

In Germany, the increasing migration to the country has been stimulating the current demand for new residential construction. About 3.6 million migrants were expected to arrive in Germany by the end of 2020-2021, which will require at least 350,000 new dwellings per year.

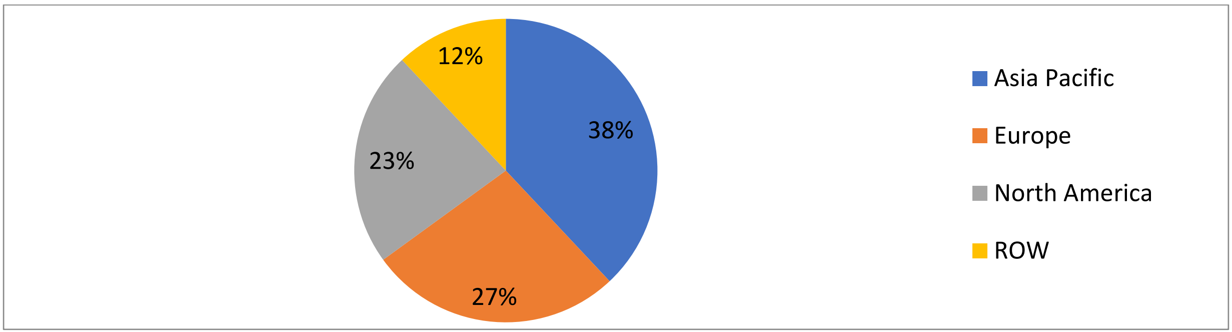
The paints and coatings industry has been expanding vigorously till 2019. However, owing to the pandemic condition, there has been a slump in the production of paints and coatings in 2020 due to the slowdown of the global construction industry. But, the condition is expected to recover in 2021, thereby restoring the growth rate of the market studied. All the aforementioned factors are expected to drive the global market during the forecast period.

Global Dyes, Pigments and Textile Chemicals by Geography – Current and Forecast

With its emerging economies and quickly growing manufacturing bases, Asia Pacific accounts for the largest market and is likely to remain as the highest growing region in the years to come . Also due to the emerging trend such as shifting of manufacturing facilities from U.S. and Europe to India, China and Taiwan and increasing preference towards eco-friendly products . Asia Pacific is further followed by North America and Europe.

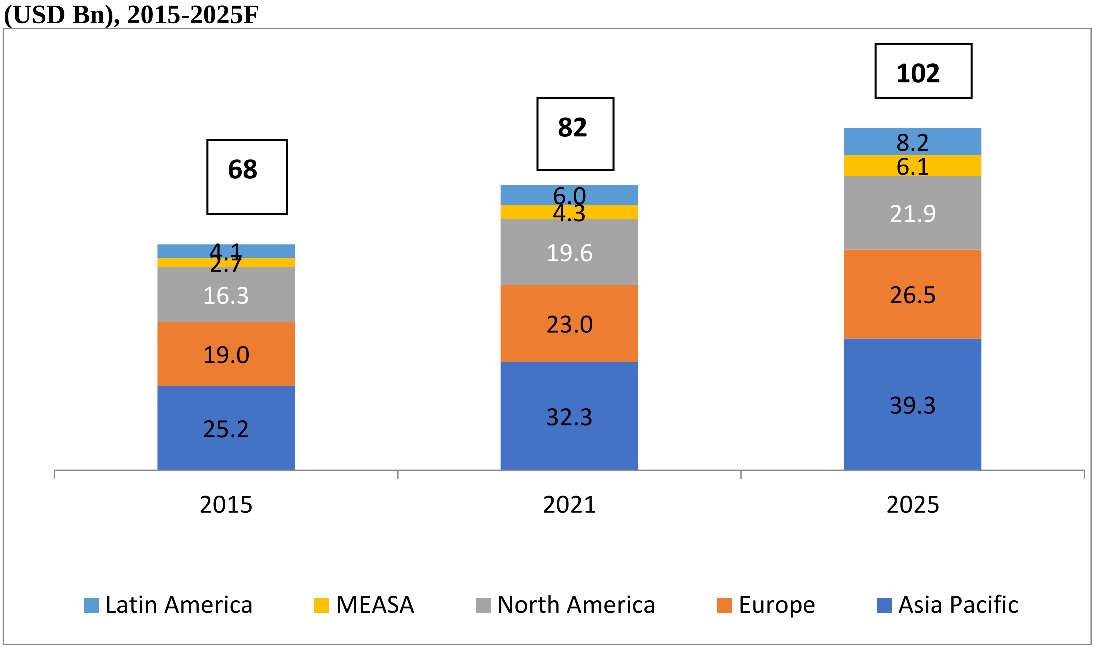
Asia-Pacific was the largest region in the synthetic dyes and pigments market 2020, accounting for 38% of the total. It was followed by Western Europe, North America, and then the other regions. Going forward, the fastest-growing regions in the synthetic dyes and pigments market will be Africa and the Middle East, where growth will be at CAGRs of 9.0%.. These will be followed by South America, and Eastern Europe where the markets are expected to grow at CAGRs of 7.5 and 5.3% respectively, during 2020-2025.

Exhibit 7.4: Global Dyes, Pigments and Textile Chemicals market segmentation by geography, 2021, USD 85 Bn



Source: Frost & Sullivan

Exhibit 7.5: Global Dyes, Pigments and Textile Chemicals market size by geography – forecast - (USD Bn), 2015-2025F



Source: Frost and Sullivan analysis

Region	Asia Pacific	Europe	North America	MEASA	Latin America
2015-2! CAGR	4.4%	3.1%	2.9%	8.6%	7.1%
2021-25 CAGR	4.7%	3.7%	3.1%	8.3%	7.3%

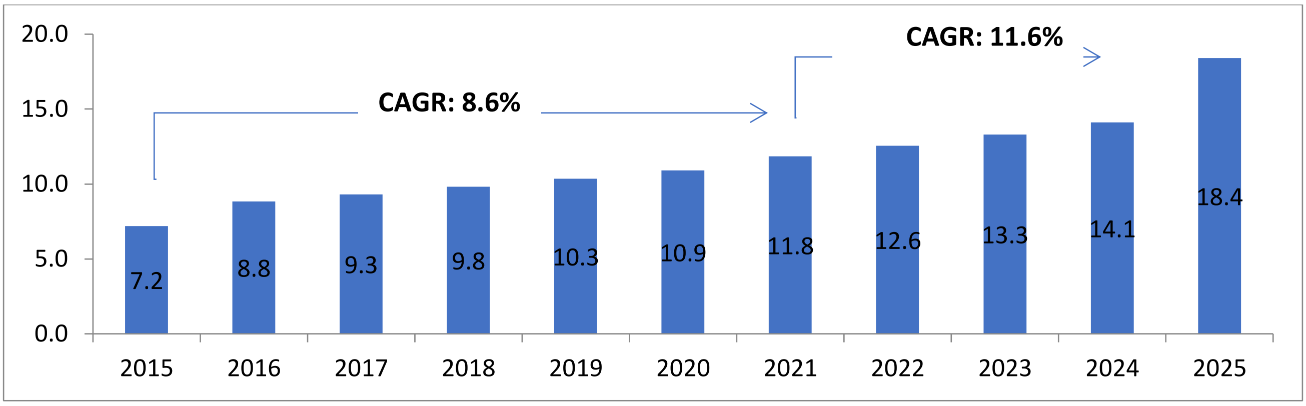
India Overview

Textile chemicals are compounds used in the processing and manufacturing of textiles. They enhance the manufacturing process of the textiles with specific properties and desirable look. Home furnishings, apparels, and industrial chemicals are some of the applications of the textile chemicals.

Textile chemicals are added during fabric processing to impart specific features such as sweat absorbency, antimicrobial properties, wrinkle resistance, stain resistance, desired texture, and finish to the fabrics. However, emission of harmful substances during the manufacturing process may pose a risk to the environment and human health. Contamination and water shortage caused by a rapidly growing textile industry is expected to result in the imposition of stern regulations on the usage of these chemicals.

The India dyes and pigments market is being driven by the growth of the India pigments market. The production value of the pigments industry in India reached a volume of nearly 133.52 million tons. The India dyes and pigments market accounts for almost a quarter of the global market and is expected to grow at a CAGR of 11% between 2020 and 2025.

Exhibit 7.6: India Dyes, Pigments and Textile Chemicals market, 2015 to 2025F (USD Bn)

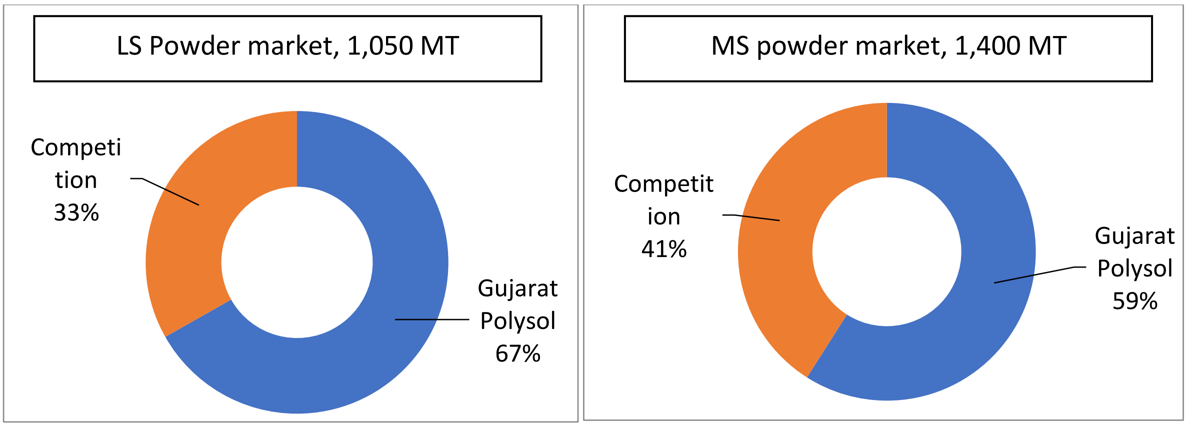


Source: Frost & Sullivan

India market size of key products

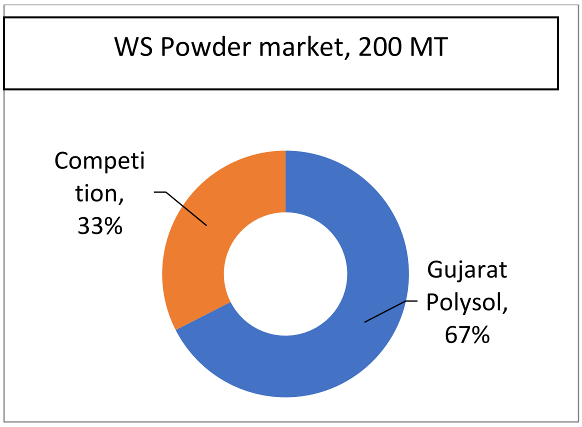
Dispersing and wetting agent, when added to a liquid, reduces its surface tension and increase particle portability thereby increasing its spreading and wetting properties. In the dyeing of textiles, surfactants help the dye penetrate the fabric evenly. They are used to disperse aqueous suspensions of insoluble dyes and perfumes. Dispersants assists in the process of particle size reduction of dye. It enables the dye to be formed in powder form and increase the solubility of disperses dyes in water.

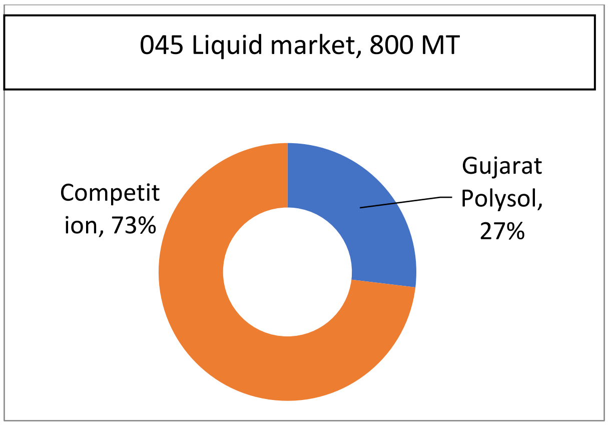
Exhibit 7.7: India LS Powder & Liquid and India MS Powder & Liquid Market size MT, FY21



Source: Frost & Sullivan research & analysis

Exhibit 7.8: India WS Powder & 045 Liquid Market size MT, FY21





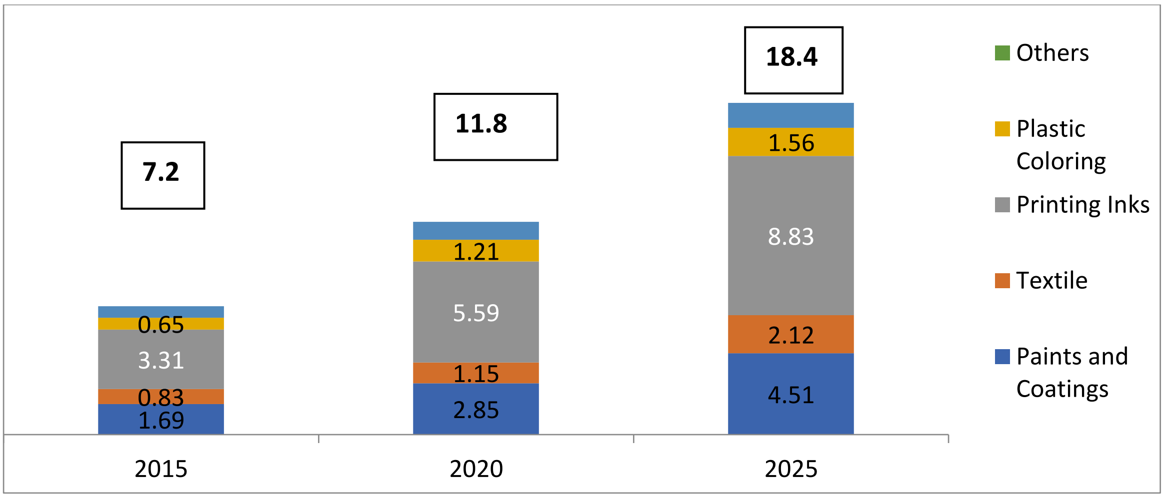
Source: Frost & Sullivan research & analysis

India Key end users

Due to the rising demand for organic pigments, they are the dominant type of pigments being produced in India, accounting for 58% of the total pigment production in India. The growth of the pigment market is aided by the cosmetic industry growth in the country. Due to improving living standards and evolving lifestyles, the demand for cosmetic products such as skincare, haircare, and perfume is growing rapidly, giving the Indian cosmetics industry a high boost. The cosmetic industry is a major application sector for the pigments market.

The dyes industry in India is expected to witness a steady growth in the coming years due to environmental crackdowns in China, resulting in a shutdown of several domestic dye companies. India is better placed due to the availability of the ecosystem, feedstock, technology, and compliance required for the industry. Thus, the consumer base of China is likely to shift to India due to these reasons in the coming years

Exhibit 7.9: India Dyes, Pigments and Textile Chemicals market Forecast by end industry, Value (USD Bn), 2015, 2021 and 2025F



Source: Frost & Sullivan

CAGR	Paints and Coatings	Textile	Printing Inks	Plastic Colouring	Others
2015-20	9.1%	5.7%	9.1%	11.0%	7.5%
2020-25F	12.1%	16.4%	12.1%	6.6%	8.4%

Printing inks and coatings account for over 70% of consumption of pigments in India. Titanium dioxide is a major raw material used in the manufacture of paints. The paints industry is growing at 13.5% p.a. which has been a major demand driver for pigments.

There are also niche markets in India for special effect pigments such as metallic and pearlescent. These pigments are usually imported into the Indian market, with Sudarshan chemicals being the only domestic manufacturer. Though the volume for these pigments would be very small as compared to other pigment segments, they usually command a premium for the design appeal that they provide to the final product such as automotive coatings and packaging goods.

India has grown significantly as a producer and exporter of organic pigments, particularly phthalocyanine blue, green and some high performance pigments. India is amongst the largest sources of coloured organic pigments, competing with China for a dominant share of the export market.

Demand drivers and restraints

Growth in end user industries

The construction, automotive, and printing sectors remain the largest end markets for pigments. The aforementioned end-user industries are experiencing robust growth, accelerating the demand for pigments in India. Pigments remain a key component of paints and coatings used in construction and automotive, and the growing interest towards color shades and increased aesthetics are expected to accelerate the market for pigments. Automotive production is witnessing robust growth in India fueling the demand for pigments in coating applications

Growth of printing sector

Printing is another key application segment where the demand for pigments is continuously increasing. India has resulted in tremendous growth of labelling and packaging applications. Manufacturers' focus towards marketing activities and enhancing brand value has resulted in increased need for pigments in these segments. Despite the slump in growth across the publishing landscape for publications such as magazines, tutorials, and newspapers owing to the digital boom, this end-user segment is likely to be steered by the demand in packaging applications. Robust growth in end-user markets is, therefore, steering the key applications for pigments such as paints, coatings, and packaging, and, in turn, boosting pigment volumes.

High Performance and Specialty Pigments Demand is Growing

Metallic pigments and dyes are becoming increasingly popular owing to the enhanced visual effect that they offer, especially in plastics, paints, coatings, and inks used in the automotive, construction, and printing markets.

Superior hiding power, brilliant luster along with the ability to offer a wide range of vibrant colors have accelerated the adoption of these specialty pigments, especially in coatings, plastics, and packaging applications. Changing customer preferences across the globe towards attractive color shades and improved aesthetics is likely to boost the demand for these pigments during the forecast period.

The increasing demand for personal care products

The increasing demand for personal care products like cosmetics is driving the India dyes and pigments market. The rising demand for cosmetics and other personal care products is supporting the growth of the pigment industry. The increasing demand for unique effect pigments in personal care products is expected to drive the Indian market. The Indian beauty industry is growing rapidly due to globalisation and the introduction of multiple new brands in India, which is further driving the growth of the dyes and pigments market in India.

The increasing demand from the paints and coatings industries

The major factors driving the industry studied are the increasing demand from the paints and coatings industries. Paints and coatings account for a significant share of the market and are estimated to be one of the fastest-growing application sectors. Architectural and decorative coatings account for a major consumption of pigments. Thus, the rising construction and infrastructure activities in the country act as a significant driver for the market.

Increasing purchasing power of the consumers

Another factor driving the industry is the increasing purchasing power of the consumers and their changing lifestyle. Their interest in innovative and quality products is pushing the industry growth. With urbanization, the competition among the major players is also growing. This has resulted in the availability of a variety of products in the market.

GPCL is amongst the leading chemicals manufacturers for the Infra-tech (Construction), agro, dyes, and leather industries in India. The company is a top supplier of dispersing agents in the construction, leather, dye and pigments, and textile industries and a leading supplier of powder surfactants in India.

Import Substitution

Import substitution is the concept of replacement or substitution of imports of chemicals/ products by domestically produced chemicals/ products.

Indian government is promoting indigenisation of various chemicals to have self-sufficiency in this field. From a long-term point of view, import substitution should be seen along with the incentive called Production Linked Incentive (PLI) Scheme.

In order to promote investment in the chemical and petrochemicals sector, and make India an important hub for both domestic and international markets, the Government had launched the Petroleum, Chemicals and Petrochemical Investment Regions (PCPIRs) policy in April 2007. Now the concept of PCPIR is being redrawn to attract a combined investment of over USD 420 billion through the proposed new PCPIR policy that is set to be implemented between 2020–35.

Domestically produced chemicals are preferred as sources since it reduces the transit time, low cost of logistics, ability to address customised packaging, recover GST incurred on input costs as tax credits and more visibility of supplies.

Construction Chemicals

India’s construction chemicals market has been experiencing significant growth; however, it is still at a growing phase for at least next 10 to 15 years, when compared to other international markets.

Government regulations formulated for promoting the concept of ‘Green Revolution’, increase in foreign investment, urbanization and growing preference for utilization of ready-mix concrete (RMC) are some of the prominent factors driving growth in the construction chemicals market in India. Infrastructure sector is likely to grow at a faster speed and overall India’s construction chemical market with a steady Y-o-Y growth of 25-30%. India is expanding its infrastructure by introducing Metro rail in all major cities, First Bullet Train route is already inaugurated and many more to come, India border road projects, Highway corridor is already approved and work started to join metro cities. GPCL products are approved in all these through its customers and there is huge potential of exponential growth of this business in coming years.

Construction chemicals are added with construction materials in order to improve its workability, enhance performance, add functionality, improve chemical resistance or enhance durability of civil structures. Over past few years, increasing infrastructure development activities, investment in commercial and residential housing and renovation activities of historical monuments, water retention structure, bridges and other civil structures have led to significant consumption of construction chemicals across India.

In the recently concluded Union Budget, several infrastructure spending initiatives (national highway expansion by 25,000 kms) and the incremental capex spending declared. A good boost is given to low-cost housing as a priority development area. All these should aid niche speciality chemical sectors. Construction chemicals & allied areas of coatings, adhesives and sealants should do better in 2022. In parallel it is expected that the coatings industry to do better which would in turn aid several chemicals companies which supply to the coatings industry (solvents, pigments, surfactants).

GPCL is amongst the leading manufacturer of Construction chemical dispersing agents in the Indian market.

GPCL holds its stand in the Indian construction market as an import substitute with more than 50% in SNF and more than 35% in PCE.

The company has customised products manufacturing and superior quality and supportive service, which is visible in long term relationship with customers and 400+ repeated customers. Also the company enjoys long term relationship with suppliers and beneficial support from them in terms of pricing, timely delivery and consistent quality of raw materials.

CNF/ SNF (Naphthalene Sulphonate Polymer)

GPCL manufactures special grade of CNF liquid which is unique and having purity level of more than 99% and its only kind of super plasticizer available in market. Similarly their SNF liquid has many varieties and is tailor made to customise the individual requirement. They also have a sizable manufacturing facility of more than 35,000 MT per annum.

PCE

GPCL has most advanced version of super plasticizer i.e. PCE, today available in market for Construction Chemical Industry. GPCL has spent two years of research to develop this product and probably amongst few company to successfully develop varieties of grades and customize PCE range. The company has 24,000 MT capacity for this product annually and have potential to double this business in couple of years, looking at India’s Infrastructure growth. It produces the product in liquid as well as powder form.

GPCL is amongst the leading manufacturers of PCE liquid in India and only manufacturer of PCE powder in India. GPCL is amongst the few powder manufacturers globally.

SMF (Melamine Sulphonate polymer)

GPCL manufactures this product for special requirements for Wall putty and precast. This product is also used in tile binders and Paint industry. The manufacturing capacity for SMF is 2000 MT per annum.

Aluminium Sulphate

The company has been manufacturing this product for long. GPCL is focused on selling this product as an accelerator for construction chemical Industry as a specialty chemical and mainly used in application for Road projects, tunnels and underground tanks. The company makes special grade of Alum with finest particle size and hence the customers prefer this product for their use. This product is also used in detergents, water treatment plants, softening and other applications. Manufacturing capacity for this product is 24,000 MT per annum.

Acrylic Polymers

Acrylic Polymers are key ingredients to make construction chemicals used in repairs, water proofing and maintenance industry post construction. GPCL manufactures 3,600 MT of Acrylic Polymers per annum and plan to double the production in coming few years.

SNF C1 – C4 / D1 – D4

GPCL makes full range of SNF, of salt content from 0% - 27% to cover demand of customers from all Industry segment such as Construction, Agro, Textile, tiles and Gypsum, etc. Since, the anti-dumping duty is imposed on imports on some relative products, this product gives GPCL an advantage in gaining the market share.

Admixture

This is a finished product for ready to use by customers at construction site. GPCL manufactures Admixture for key construction chemical suppliers in Industry under their brand name. This product gives GPCL captive market to sell their PCE / CNF / SNF raw material in-house and guarantee the sales volume and business stability in this segment. GPCL makes 20,000 MT of this product annually and the volume will increase faster due to infrastructure growth in India.

Agrochemical Additives

GPCL is amongst the leading manufacturers of Agrochemicals additive like wetting agent, dispersing agents and adjuvant. GPCL supplies its Agrochemical Additives to large pesticide manufacturers.

This is growing business and due to innovation of eco-friendly and biodegradable new pesticides the new range of Surfactants business is growing consistently. GPCL is confident to achieve stable and larger business in this segment in coming years.

GPCL manufactures, the specialty dispersing agents for Agrochemical Industry, which are adsorbed onto the surface of the particles leading to wetting of the particles and coverage of the surface. By adsorbing on newly created surfaces during milling, they reduce interactions and re-agglomeration of the particles. This increases milling efficiency. The resulting small particle size enables a better pesticide intake and since products are finely dispersed, the particles lead to a long term stability of the formulations.

The benefits are a higher biological efficacy and enhanced storage stability of the formulations, even under extreme conditions. GPCL products can be applied in SC (suspension concentrate) and OD (oil dispersion) formulations. They promote stable dispersions without settling in the dispersing medium. GPCL, products are multi-functional additives often providing also emulsification properties useful in OD formulations.

Range Of Special Grade Dispersant

GPCL manufactures premium range of high-end wetting and dispersing agents and is used by leading Pesticide manufacturers of India in their formulation. GPCL manufactures modified grades of following products:

- Alkyl Naphthalene Sulphonates
- Alkyl Aryl Sulphonates polymers
- Phenol Sulphonates polymers
- Ester base polymers

New products

GPCL is developing new generation wetting and dispersing agents for global top dispersing agent manufacturers. Recently, they have also introduced a new product - CABS (Calcium Alkyl Benzene Sulphonate), which will take GPCL into a new business segment of agrochemicals of Liquid emulsifier. GPCL is the top supplier for powder surfactants and in near future, GPCL aim to supply full range of surfactants for the Agrochemical Industry including liquid emulsifiers.

Strength

With a reputed clientele of 600+ customers and enormous manufacturing capacity, Gujarat Polysol stands strong on the path of consistent growth with a turnover of more than INR 350 Crores in FY21, achieved through sheer perseverance, rich knowledge capital, dedication for innovation, sustainable development and customer centric services. GPCL exports its various products to countries like Indonesia, Hong Kong, Singapore, South Korea, Germany, China, UAE, Bangladesh, Vietnam & Australia expanding its footprint globally.

GPCL is situated in GIDC, Vapi, the industrial belt of Gujarat (India) and is logistically well connected by road and rail. Gujarat Polysol Chemicals Private Limited, an ISO (9001 / 14001) Certified Company in the field of manufacturing and supply of construction Chemicals, Leather Chemicals, Agro-Chemicals, Textile Chemicals and Dispersing Agents for dyes.

GPCL is amongst the leading chemical manufacturers for Construction, Leather, Agro & Dyes Industries with finished products going mainly the intermediates that work as a raw material for further admixture industries. GPCL is certified company for ISO standards of 9001, 14001, 18001 & 31010.

GPCL has received certification for 'Sulphonated Naphthalene Formaldehyde condensate, sodium salt (Gujmol - earlier knows as Polymol, SNF/LS/MS/NKS/HS/HSP/HM/FBP1, Gujtan - earlier known as Polytan, WS/GTM/HSP & Dadamol NKS)' from the European Chemicals Agency under Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation (EU REACH Regulation), a regulation of the European Union. Customers in the EU or seeking to sell chemical based products in the EU may only use chemicals from entities that are certified under EU REACH Regulation and, therefore, effectively, every manufacturer of chemical products seeking to sell its products in the EU must obtain such certification. GPCL is into the business since last 31 years and continuously growing at the good pace with stable growth. GPCL is equipped with updated machineries, equipment, technology, research & development and customer centric services with its product quality well approved and accepted across the industries.

With continuous innovation and research & development GPCL manufactures some of the high-end items such as Poly Carboxilate Ether (PCE) which is one of the product being manufactured in India. Majority of the PCE is imported from South Korea & China in Indian chemical industries. GPCL has penetrated the market with best quality and comparative pricing. GPCL manufactures PCE in liquid as well as powder form. GPCL is one of the few manufacturers of PCE powder worldwide and one of the top manufacturers of PCE powder in India. GPCL has captured majority of the market in Western India for PCE. There is a huge market and potential in Southern India and North Eastern India, but due to higher logistics cost they are not able to penetrate the market in Eastern and Southern India. Major requirement of raw materials in those areas are fulfilled by imported products or limited based on other manufacturers. To spread the footprint pan India, GPCL has future planning to set up new manufacturing units in Southern or North Eastern region.

GPCL already exports their products to Indonesia, Hong Kong, Singapore, South Korea, Germany, China, UAE, Bangladesh, Vietnam & Australia.

The products require thorough research and development with heavy investment in terms of plant and machinery and require stringent approval procedure. GPCL already has proven best R&D in this field. GPCL has the required infrastructure in place and expanding continuously ever since entered this business since past 5 years. At present many of the products are under trials/testing and approvals. This pipeline will give a stable and long term business for many years with best margin.

Dispersing Agents for Textile, Dyes and Pigments

GPCL is amongst leading supplier in this field and they have full range of dispersing agents for Dyes & Pigments. Also, GPCL's product goes into Textile processing as auxiliaries chemicals which is very stable and consistently growing business.

Leather Syntan, Fat Liquor Business

GPCL is already into the business of the same chemistry which also goes for processing raw Leather into finished Leather; GPCL has developed full range of Leather chemical business to increase its business.

Ever since, GPCL has developed these chemicals, it increased their business significantly into this segment also and now serving top Leather chemical suppliers of the world.

Oil Field Chemicals

Oil Field Chemicals is a specialty chemicals segment into which GPCL has started its business segment in FY21. The product has been successfully approved and commercialised for world's largest Oil & Gas servicing company. GPCL has started exporting the product and expecting more business in future.

Raw Material Basket Sell

GPCL, is already enjoying very big customer network. GPCL also has a business segment with raw material utilization into many businesses. Hence, many products go into formulation along with its products to the customer. Therefore management decided to enter into the business of basket raw material offering along with the manufactured products. This gives GPCL huge advantage and sizable business with customers.

Customer Base

Company has a strong customer base of more than 600 customers spread across the globe. Some of the key customers are as follows: BASF India Limited, Sika India Private Limite, Fosroc Chemicals (India) Private Limited, Chryso India Private Limited, MYK Schomburg India Private Limited, Kunal Conchem Private Limited, Ado Additives Technologies Limited, Fairmate Chemicals Private Limited, Cico Technologies Limited, Sulphur Crop Care Private Limited, Sigma Polychem Private Limited, Lonsen Kiri Chemical Industries Limited, Bestech Techno Engineering Services Private Limited, Ecmas Construction Chemicals Private Limited, Akzo Nobel India Limited, Sulphur Mills Limited, Molecules Conchem Private Limited, Atul Limited, Coromandel Agrico Private Limited, Clariant Bohai Pigment Preparation (T) Limited, Indofil Industries Limited, Meghmani Industries Limited.

Installed Capacity & Utilization for year 2021

Major Categories	Installed Capacity Metric Tons Per Annum	Utilized Capacity Metric Tons Per Annum	%
Dispersing Agent (Naphthalene & Phenol based)	62,000	42,309	68
PCE Liquid & Powder	24,000	12,352	51
Leather Chemical Syntan	6,000	3,395	57
Water Proofing Polymer & Wetting Agents	3,600	1,394	39
Other Dispersing Agents	10,800	2,741	25
Alumina Sulphate	24,000	14,015	58
TOTAL	**1,30,400**	**76,206**	**58.44**

Financials of Listed Competitors

While there are no directly comparable listed peers which are engaged in all product segments in which GPCL operates, the entities set out below, though, deal with certain select product segments in which GPCL operates.

All Values in Indian Rupee Crores

Himadri Speciality Chemicals Ltd. (consolidated)	**Mar-21**	**Mar-20**	**Mar-19**
Revenue From Operations [Net]	1,679.46	1,805.80	2,422.38
Profit/Loss Before Tax	64.56	194.14	462.13
Consolidated Profit/Loss	47.26	205.35	324.23

BASF India (Standalone)	**Mar-21**	**Mar-20**	**Mar-19**
Revenue From Operations [Net]	9,558.34	7,594.56	6,025.67
Profit/Loss Before Tax	839.96	9.90	71.86
Consolidated Profit/Loss	552.61	22.87	81.72

OUR BUSINESS

Unless otherwise stated, all financial information of our Company used in this section has been derived from our Restated Financial Information. Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section entitled 'Forward-Looking Statements' beginning on page 23 for a discussion of the risks and uncertainties related to those statements, and the section entitled 'Risk Factors' beginning on page 33 for a discussion of certain risks that may affect our business, financial condition, or results of operations. We have, in this Draft Red Herring Prospectus, also included various operational and financial performance indicators, some of which may not be derived from our Restated Financial Statements and may not have been subjected to an audit or review by our Statutory Auditor. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates underlying, and used in such calculation, may vary from that used by other similarly placed companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and are cautioned that they should consult their own advisors and evaluate such information in the context of the Restated Financial Statements and other information relating to our business and operations included in this Draft Red Herring Prospectus.

*Unless otherwise indicated, industry and market data used in this section has been derived from a report entitled 'Independent Market Report - India Chemicals and Specialty Chemicals' dated March 15, 2022, by Frost & Sullivan (India) Private Limited (**F&S Report**) commissioned and paid for by our Company. Unless otherwise indicated, all 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.*

SUMMARY

We are amongst the leading chemicals manufacturers for the Infra-tech (Construction), agro, dyes and leather industries in India. We are also amongst the leading supplier of dispersing agents in the Infra-tech, dye and pigments, and textile and leather industries and a leading supplier of powder surfactants in India. *(Source: F&S Report)* Dispersing agents are, typically, surfactants / wetting agents, that are added to a suspension of solid or liquid particles in a liquid (such as a colloid or emulsion) to improve the separation of the particles. They are adsorbed onto the surface of the particles leading to a thin film covering the surface. By adsorbing on newly created surfaces, they reduce interactions and re-agglomeration (clumping) of the particles.

We are amongst the leading manufacturers of poly carboxylate ether (**PCE**) liquid in India. We are one of the few manufacturers of PCE powder globally and the only manufacturer of PCE powder in India. *(Source: F&S Report)* The vast majority of products that we manufacture use the aromatic organic compounds viz., naphthalene, phenol (carbolic acid), acrylic acid and PEG as the base chemical.

The wide range of chemicals and intermediates that we manufacture can be classified, based on the end use industry (**Application Industries** and each an application industry), as follows:

1. Infra-tech (construction) chemicals;
2. Agro-chemicals (pesticide formulations);
3. Dyes, pigments and textile chemicals; and
4. Leather chemicals.

During the 6 month period ended September 30, 2021, we manufactured an aggregate of 130 products (in liquid and powder forms) including sulphonated naphthalene formaldehyde, sulphonated melamine formaldehyde, sulphonated acetone formaldehyde, cellulose nanofibers, alkyl aryl sulphonate and acrylic syntans.

We manufacture customised products that are tailored to the requirements of our customers. Our Company has 3 Manufacturing Facilities, located in Vapi and Sarigam in the State of Gujarat and a unit located in the Union Territory of Dadra & Nagar Haveli and Daman and Diu.

We have an aggregate manufacturing capacity of 130,400 MT *per* annum across our 3 Manufacturing Facilities. Set out below are the installed capacity, permissible and capacity utilisation details of our Manufacturing

Facilities in the immediately preceding 3 financial years and during the 6 month period ended September 30, 2021.

Financial Period	**Particulars*** ***(per annum)***	**Manufacturing Facilities**		
		Vapi	**Sarigam****	**Dadra Nagar Haveli and Daman and Diu#**
For the 6 month period ended September 30, 2021	*Installed capacity (MT)*	52,800	12,000	400
	Permissible capacity (MT)	52,800	12,000	400
	Actual capacity utilised (MT)	22,311	8,452	344
	Capacity Utilisation (%)	42.26	70.33	86.00
Fiscal 2021	*Installed capacity (MT)*	1,05,600	24,000	800
	Permissible capacity (MT)	71,860@	24,000	800
	Actual capacity utilised (MT)	61,411	14,015	780
	Capacity Utilisation (%)	58.15	58.40	97.50
Fiscal 2020	*Installed capacity (MT)*	47,760	24,000	800
	Permissible capacity (MT)	47,760	24,000	800
	Actual capacity utilised (MT)	38,158	12,364	765
	Capacity Utilisation (%)	79.90	51.52	95.63
Fiscal 2019	*Installed capacity (MT)*	47,760	24,000	800
	Permissible capacity (MT)	47,760	24,000	800
	Actual capacity utilised (MT)	38,433	9,215	760
	Capacity Utilisation (%)	80.47	38.40	95.00

** As certified by the Chartered Engineer vide certificate dated February 19, 2022.*
***We manufacture only aluminium sulphate at this facility.*
@The GPCB consent for the increase in capacity up to 105,600 MT was received in November 2020.
 # We manufacture only dispersing agents (liquid and powder form) at this facility. Further, production was halted at this facility after a fire at the facility on May 14, 2021.

The primary raw materials viz., naphthalene and phenol, for the production of our products are sourced domestically and are often sourced from markets which are locations that are in geographic proximity to our Manufacturing Facilities. In addition, naphthalene is also sourced from overseas. Since neither naphthalene nor phenol is a long-lead item, orders are generally placed on proximate suppliers and, generally, with a lead time of less than 4 weeks. In addition, we also procure the other key raw materials *viz.*, VPEG from South Korea and China, for which we place purchase orders on a quarterly basis.

In addition to revenue from manufacturing products, we also engage in trading of chemical raw materials and edible oil including crude palm oil and soyabean oil. In the 6 month period ended September 30, 2021, and Fiscals 2021, 2020 and 2019 our revenue from trading of goods was ₹99.54 million, ₹562.50 million, ₹1,137.35 million and ₹1,340.14 million, respectively.

India has been, and we expect will remain for the foreseeable future, our largest market. As of September 30, 2021, about 97.32% of our total income derived from sales within India.

Our restated total income on for the 6 month period ended September 30, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019, was ₹1,832.17 million, ₹3,804.32 million, ₹4,409.38 million, and ₹4,397.98 million, respectively. Our restated profit for the 6 month period ended September 30, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019, was ₹155.20 million, ₹398.39 million, ₹201.85 million, and ₹128.00 million, respectively. Our restated profit for the year, grew at a CAGR of 76.42% between the Fiscals 2019 and 2021. Further, our EBITDA for the 6 month period ended September 30, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019, was ₹263.57 million, ₹642.99 million, ₹386.81 million and ₹318.61 million, respectively, and our EBITDA grew at a CAGR of 43.12% between Fiscal 2019 and Fiscal 2021.

COMPETITIVE STRENGTHS

Strong and diversified customer base

Our customers are operating primarily in the Application Industries. We believe that one of the key factors differentiating us from our competitors is customer centric approach. This approach has helped to not only grow our business, over the years, but has helped establish ourselves in the industry in which we operate. Our customer centric approach has paid borne fruit and is reflected in our customer accretion and customer retention rate. In the immediately 3 preceding Fiscals and the 6 month period ended September 30, 2021, we catered to between 596 and 721 customers and in the 11 months ended February 28, 2022, we have catered to 829 customers, of which around 400 customers were repeat customers.

We have established long term relationships with various Swiss, US and German multinational and domestic companies including Ado Additive Technologies Limited, Agrosyn Impex, Master Builders Solutions India Private Limited, Molecules Conchem Private Limited, Normet India Private Limited, South India Cashew Corporation, Sulphur Mills Limited, Chryso India Private Limited, Ecmas Construction Chemicals Private Limited, Lonsen Kiri Chemical Industries Limited, Shivani Detergents Private Limited, Technochem Construction Chemicals Limited, and Sanghavi Industries Private Limited. Further, in the 6 month period ended September 30, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019, our top 10 customers across our business segments in the manufacturing space have contributed 49.18%, 47.73%, 53.29% and 56.82%, respectively, to our revenue from manufacturing operations. Set out below is a break-up of the revenue generated from our top 10 customers in the manufacturing space in the aforementioned periods.

(Revenue in ₹ million)

Top 10 customers	**6 month period ended September 30, 2021**		**Fiscal 2021**		**Fiscal 2020**		**Fiscal 2019**	
	Revenue from manufacturing operation	**% of revenue from manufacturing operations***	**Revenue from manufacturing operation**	**% of revenue from manufacturing operations***	**Revenue from manufacturing operation**	**% of revenue from manufacturing operations***	**Revenue from manufacturing operation**	**% of revenue from manufacturing operations***
1.	197.83	11.55	337.55	10.51	694.39	21.47	678.89	22.50
2.	135.64	7.92	230.17	7.17	252.98	7.82	288.81	9.57
3.	107.56	6.28	207.04	6.45	166.13	5.14	157.93	5.23
4.	88.46	5.16	195.36	6.08	113.57	3.51	120.85	4.01
5.	75.08	4.38	102.37	3.19	94.82	2.93	100.43	3.33
6.	52.62	3.07	100.55	3.13	85.23	2.64	80.51	2.67
7.	49.87	2.91	99.53	3.10	84.20	2.60	76.52	2.54
8.	49.71	2.90	95.86	2.98	78.16	2.42	74.53	2.47
9.	46.61	2.72	86.70	2.70	77.88	2.41	69.92	2.32
10.	39.10	2.28	77.97	2.43	76.24	2.36	66.15	2.19
Total	**842.48**	**49.18**	**1,533.11**	**47.73**	**1,723.60**	**53.29**	**1,714.53**	**56.82**

***** *Revenue from manufacturing operations = (Revenue from operations) – (Revenue from traded goods + Revenue from sale of services + other operating revenues)*

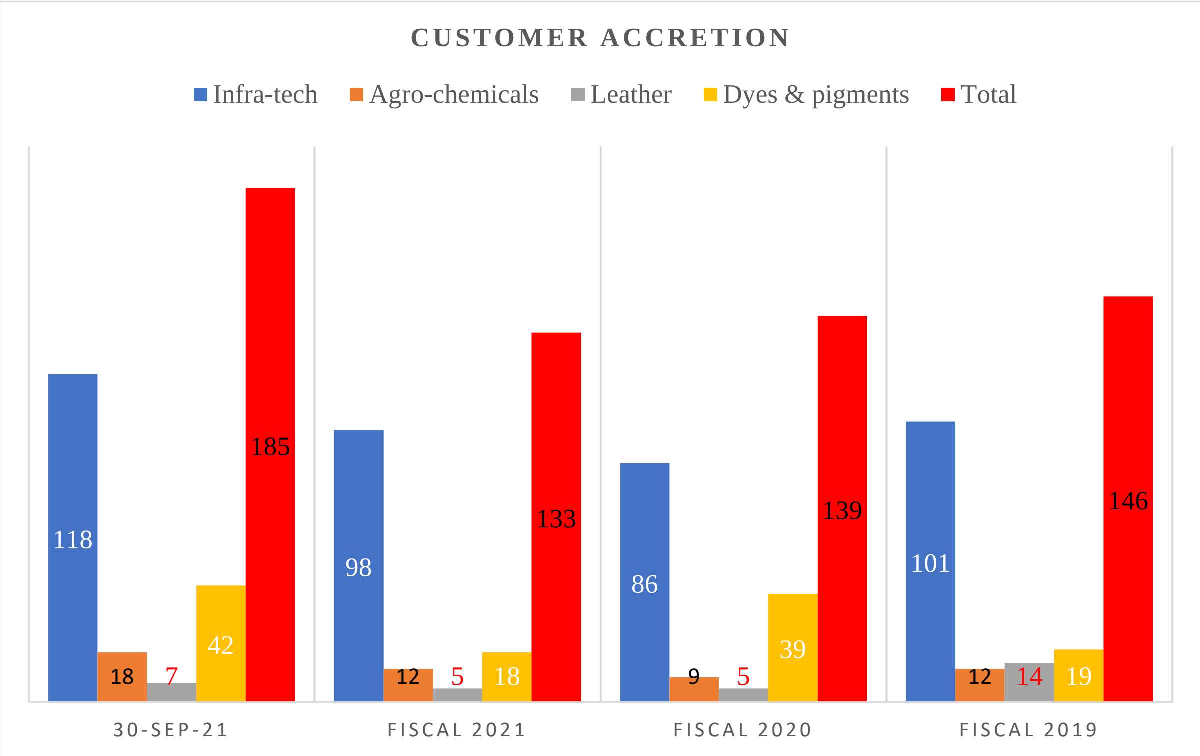
In addition, we believe that our diversified bouquet of product offerings has enabled us to broaden our customer base across application industries, which, in turn, helps us to reduce our dependence on a specific industry or sector. We also cater to customers who have their operations across India.

Set out below is a break-down of the number of customers we have catered to, during the 6 month period ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, across the Application Industries and the revenue generated from each Application Industry during the relevant periods.

(Revenue in ₹ million)

Application industry	6 month period ended September 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	No. of customers	**Revenue from the manufacturing operations**	**No. of customers**	**Revenue from the manufacturing operations**	**No. of customers**	**Revenue from the manufacturing operations**	**No. of customers**	**Revenue from the manufacturing operations**
Infra-tech	409	1,137.57	518	2,157.17	441	2,335.45	388	2,121.04
Agro (pesticide formulation)	50	312.18	47	536.01	35	443.44	36	468.07
Dyes, pigments and textile	115	175.15	121	370.26	131	267.44	129	221.1
Leather	39	88.24	35	148.85	39	188.07	43	207.21
Total	613	1,713.15	721	3,212.29	646	3,234.40	596	3,017.42

Further, the graph below indicates our customer accretion in the 6 month period ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019.



Leading chemical manufacturer of large and diverse bouquet of products

We are amongst the leading chemical manufacturers for the Infra-tech, agro-chemical, dyes and leather industries in India. In addition, we are amongst the leading manufacturer of PCE liquid in India. We are amongst the few manufacturers of PCE powder globally and the only manufacturer of PCE powder in India. *(Source: F&S Report)*

We have been in the business of manufacturing diverse chemical products for over 3 decades. We believe that one of our strengths is that we have constantly augmented our product offerings. During the immediately 3 preceding Fiscals and during the 6 month period ended September 30, 2021, we have manufactured different chemical formulations resulting in a product array ranging between 130 products to 202 products and, we continue to be able to manufacture any and all of these products.

Further, set out in the table below is the number of products that we manufactured during the 6 month period ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019.

(Revenue in ₹ million)

Nature of product	6 month period ended September 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	No. of products	Revenue from manufacturing operations	No. of products	Revenue from manufacturing operations	No. of products	Revenue from manufacturing operations	No. of products	Revenue from manufacturing operations
Naphthalene based	40	609.27	40	949.49	45	1,116.06	50	972.00
Polyethylene glycol (PEG)	24	766.70	24	1,607.69	16	1605.97	14	1,460.17
Phenol based	10	207.58	13	468.86	14	445.37	18	488.23
Others*	56	131.16	103	186.26	112	67.01	120	97.03
Total	**130**	**1,713.15**	**180**	**3,212.30**	**195**	**3,234.40**	**202**	**3,017.42**

** includes acrylic based syntan, melamine/acetone/sulphites based superplasticizer.*

As seen above, we have the ability to consistently augment our product offerings. The large array of products that have demonstrated our capability of manufacturing, increases the confidence that our customers have in us for manufacturing new or custom-made products.

Strong focus on R&D

We rely on constant R&D for developing or innovating new formulations or products. Our R&D department plays an integral role in the life cycle of a product. In line with our philosophy of being an environmentally conscious and responsible business, our R&D team focuses on creating efficient, sustainable, and eco-friendly products. While, generally, our efforts to customized products are driven by customer requirements, we do also innovate and develop products. We embark upon attempting innovations only after our internal team undertakes a market survey and products are developed based on extensive feedback from our customers and other relevant industry participants.

With a view to augment our focus on R&D we have developed a dedicated in-house R&D facility located at our Manufacturing Facility in Vapi. Our laboratory is equipped with modern equipment and instrumentation which enables us to undertake pharmaceutical gas chromatography and high performance liquid chromatograph. We are also equipped to conduct various chemistries/ technologies. Our R&D facilities are equipped with *inter alia* with 'gas chromatography-mass spectrometer' (**GC-Mass Spec**) and ultra-violet spectrometer, etc. We also have a highly qualified and experienced team that is dedicated to R&D. The team comprises of 19 employees with doctorates and post-graduation degrees. Our R&D team is well-equipped to conduct complex multi-step synthesis at our laboratory in a volume range of 0.5 kg to 100 kg and temperature range of -20 degree Celsius to 300 degrees Celsius. We have also constantly upgraded our resources, and equipments, deployed towards R&D and we have, in the 6 month period ended September 30, 2021, and for Fiscal 2021, Fiscal 2020,and Fiscal 2019, our R&D expenditure including capital expenditure towards research and development was ₹5.70 million, ₹13.09 million, ₹7.25 million and ₹6.86 million, respectively. This has resulted in us developing 17 new products since 2018. Set out below are the new products we have developed since 2018.

Product	Chemical Nature	Year
Infra-tech chemicals		
Gujplast PCF-400	Superplasticizer based on polycarboxylate ether	2018
Gujplast PCT-125	Superplasticizer based on polycarboxylate ether	2018
Gujmol CNF Liquid	Super plasticizer based on sulphonated naphthalene formaldehyde condensate	2019
Gujplast PCT-850	Superplasticizer based on polycarboxylate ether	2019
Gujplast PCT-163C	Superplasticizer based on polycarboxylate ether	2020
Gujmol SAF	Super plasticizer based on sulphonated acetone formaldehyde condensate	2021
Agro-chemicals		
Gujmol PDN	Dispersing agent based on phenol condensate sulphonate	2018
Gujmol SD	Wetting agent based on sulphonated aliphatic alcohols	2019
Gujmol CABS	Surfactant based on calcium salt of alkyl aryl sulphonate	2020
Gujmol OT Paste	Powerful wetting agent based on alkyl ester sulphonate	2020
Gujmol IBX	Wetting agent based on sulphonated alkyl naphthalene	2021
Dyes & Pigments		
Gujmol SNF-D1 to D4	Powerful dispersing agent based on sulphonated naphthalene formaldehyde condensate	2019
Gujmol DAN	Powerful dispersing agent based on sulphonated alkyl aryl formaldehyde condensate	2020
Leather Chemicals		
Baykanol licker EA-01	Combination of natural phospholipids with synthetic softeners	2018
Gujlix A	Degreasing agent	2019
Gujliq GWG	Lanoline based synthetic fat liquor	2020
Gujtan MAP	Acrylic-maleic copolymer	2021

In the 6 month period ended September 30, 2021, and for Fiscals 2021, 2020 and 2019, we generated revenues aggregating ₹155.00 million, ₹216.98 million, ₹187.23 million and ₹131.73 million, respectively, from the aforementioned newly developed products. We have also developed different variants of low salt naphthalene products which have a lower pH level which are capable of being manufactured on a lower cost base compared to PCE products.

Further, we are currently in the process of developing 12 products across all our Application Industries. We are also in process of expanding and upgrading our R&D facilities.

Extensive manufacturing capabilities of products with stringent quality norms and procedures

Our Company has 3 Manufacturing Facilities, located in Vapi and Sarigam in the State of Gujarat and a unit located in the Union Territory of Dadra & Nagar Haveli and Daman and Diu. We have an aggregate manufacturing capacity of 130,400 MT per annum across our 3 Manufacturing Facilities. Additionally, we are proposing to acquire the assets of M/s. Bhavisha Industries including the manufacturing facility located at Plot No.1705, Phase - III, GIDC Vapi, Taluka Vapi, District Valsad – 396 195, Gujarat, India and have executed an MoU dated March 2, 2022. On completion of the said acquisition and on receipt of certificate to operate from GPCB in respect of 157,200 MT per annum, our total capacity is expected to increase from the current 130,400 MT per annum to 287,600 MT per annum.

Our Manufacturing Facilities are equipped with advanced equipment and modern technology and systems. We are continuously looking to adopt newer technology to improve and increase productivity, efficiency, and economies of scale at our Manufacturing Facilities. Further, to cater to our growing needs we have consistently increased our manufacturing capacities, in particular, at our largest manufacturing facility at Vapi – we have more than doubled our installed manufacturing capacity from 47,760 MT per annum in Fiscal 2019 to 105,600 MT per annum in Fiscal 2021. Further, we have executed an MoU to acquire the assets of M/s. Bhavisha Industries which should increase our manufacturing capacity by a further 157,200 MT per annum. Our manufacturing infrastructure is complemented by our stringent quality and safety standards and processes. The quality of our Manufacturing Facilities is evidenced by the certifications and accreditations such as the ISO standards (9001, 14001, 18001, and 31010) that our facilities have obtained. In addition, we have received certification for 'Sulphonated Naphthalene Formaldehyde condensate, sodium salt' from the European Chemicals Agency under Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation (**EU REACH Regulation**), a regulation of the European Union. Customers in the EU or seeking to sell chemical based products in the EU may only use chemicals from entities that are certified under EU REACH Regulation and, therefore, effectively, every manufacturer of chemical products seeking to sell its products in the EU must obtain such certification. To maintain the exacting standards that our customers expect, we have well-defined and documented procedures which begins at sourcing of our ingredients and raw materials and extends to safety standards. To meet the exacting quality standards expected by our customers, we strive to maintain independent checks at each step of our manufacturing cycle and have a set process for evaluating quality of the product at each stage, and unscheduled spot quality checking at our Manufacturing Facilities.

Our stringent quality and safety procedures help us in maintaining our brand which also results in customer retention and repeat orders. Our quality control processes are also subject to external audits conducted by our domestic and international customers and some of our long standing customers conduct an annual audit of our Manufacturing Facilities which is a testimony to our stringent quality norms and procedures.

Our manufacturing strength is also augmented by the quality of raw materials that we use in our production. We have established relationship with several raw material suppliers in India and overseas. Illustratively, our top 10 Indian raw material suppliers by value in the 6 month period ended September 30, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019, have been associated with our Company for an average period of 10 years. Further, our top 5 overseas raw material suppliers by value in the 6 month period ended September 30, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019, have been associated with our Company for an average period of 6 years.

Strong promoters and experienced management team

Our Company has grown under the leadership of our Promoters. Our Promoters have significant experience in the chemical industry. Shaileshkumar Balvantrai Desai and Umang Shailesh Desai have an experience of approximately 30 years and 10 years, respectively, in the chemicals industry. Our Promoters are involved in day-to-day functioning and operations of our Company. Umang Shailesh Desai, one of our Promoters, and Bhavisha Shaileshbhai Desai, a member of our Promoter Group, who are also our whole time directors, continue the legacy of their father, Shaileshkumar Balvantrai Desai, and have over the years worked in the industry to hone their skills. Their industry experience enables us to anticipate and innovate, manage, and grow our operations, maintain, and leverage supplier relationships and respond to changes in customer preferences. Under the leadership of our Promoters, our revenue, EBITDA and our profit for the year have grown at a CAGR of 11.21%, 29.49% and 34.84%, respectively, in the 10 financial years between Fiscal 2012 and Fiscal 2021. Further, during the same 10 year period we have developed 70 new products. We will continue to leverage on the experience of our management.

In addition, we are supported by our committed employee base who we have nurtured over the years. Our Chief Executive Officer, Dr. Rajesh Shyambadan Singh, has more than 25 years of experience in the chemical industry and has been associated with our Company since 2014 – prior to joining our Company he was the Associate Director of SICC Specialty Chemicals, Goa for a period of 12 years. He heads our business development initiatives. Our operations are headed by Mr. Khushru Dali Petigara, Chief Operating Officer of our Company. Dr. Zubair Shaikh has been in-charge of our R&D division. We have also benefitted a loyal employee base which is reflected in an average attrition rate of 0.59% in the immediately 3 preceding years.

Strong and consistent financial performance

While our business and our overall revenue from operations have been adversely affected by the COVID-19 pandemic, in particular, pursuant to the first and second waves which affected our operations in the first financial quarter of Fiscal 2021 and in the second financial quarter of Fiscal 2022, respectively, our revenue from manufacturing operations was relatively stable. Our revenue from manufacturing operations during the 6 month period ended September 30, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019 was ₹1,713.15 million, ₹3,212.30 million, ₹3,234.40 million and ₹3,017.42 million, respectively. Further, our profit for the year increased from ₹128.00 million in Fiscal 2019 to ₹398.39 million in 2021 at a CAGR of 76.42%, and during the same period our EBITDA and EBITDA from manufacturing operations grew at a CAGR of 43.12% and 46.05%, respectively.

Further, set out below are certain data of our financial performance during the 6 month period ended September 30, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019.

Particulars	6 month period ended September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Revenue from operations *(₹ million)*	1,818.49	3,796.06	4,404.56	4,387.58
Revenue from manufacturing operations *(₹ million)*	1,713.15	3,212.30	3,234.40	3,017.42
EBITDA(1) (₹ million)	263.57	642.99	386.82	318.61
EBITDA Margin (%)(2)	14.49%	16.94%	8.78%	7.26%
EBITDA from manufacturing operations(3)	236.53	614.86	347.79	272.91
EBITDA Margin (%) from manufacturing operations(4)	13.81%	19.14%	10.75%	9.04%
Profit after tax *(₹ million)*	155.20	398.39	201.85	128.00
PAT Margin (%) of revenue from operations(5)	8.53%	10.49%	4.58%	2.92%
ROE(6)	9.87%	28.08%	21.57%	17.46%
ROCE(7)	9.83%	27.95%	22.19%	19.69%
RoNW(8)	11.11%	32.02%	26.53%	22.92%

(1) EBITDA = PAT+ Finance Cost + Taxes + Depreciation and Amortisation-Other Income.
*(2) EBITDA Margin(%) = (EBITDA / revenue from operations)*100*
(3) EBITDA from manufacturing operations = Earnings before Finance Cost , Taxes, Depreciation and Amortization less other Income, which is calculated by reducing the employee benefit expenses and other expenses from Manufacturing Gross Profit.
*(4) EBITDA Margin (%) from manufacturing operations = (EBITDA from manufacturing operations / revenue from manufacturing operations)*100*
*(5) PAT Margin (%) = (PAT / revenue from operation)*100*
(6) ROE = PAT / total equity
(7) ROCE = EBIT / capital employed where capital employed refers to total shareholder's equity, non-current borrowing and short term borrowing.
EBIT = earnings before finance cost and taxes less other income
(8) RoNW = PAT / net worth

Therefore, despite our revenues from operations being adversely affected due to the COVID-19, we have been able to grow the profit margins of our products, without any external equity funding from strategic investors or private equity funds and without any high leverage from lenders. Our ability to fund our capital expenditure from our internal accruals, has led to efficient working capital management.

STRATEGY

Augmenting production capacity and broadening the footprint of manufacturing operations

Our Manufacturing Facilities are all located in the western part of India. While we have been delivering manufactured products to all parts of India, we intend to augment and diversify our manufacturing operations through organic and inorganic growth. We have over the years augmented our manufacturing capabilities through acquisition. In furtherance of the said strategy, we have also entered into a memorandum of understanding dated March 2, 2022 to acquire the assets of M/s. Bhavisha Industries including the manufacturing facility located at Plot No.1705, Phase-III, GIDC Vapi, Taluka Vapi, District Valsad – 396 195, Gujarat, India, whose proprietor is one of the members of our Promoter Group and the whole-time director of our Company.

Further, we are contemplating establishing manufacturing operations close to or along, either in the north-east or the southern coast, of India. We believe that establishing a presence in either the north-east or the south of India by setting up or acquiring a new manufacturing facility will, in addition to augmenting our manufacturing capacity, also enable us, to ensure speedier delivery of products to different part of India and be more cost efficient in terms of logistics on a pan-India basis. Further, setting up manufacturing operations in either the north-east or in the south of India will also provide us access to the ports on India's eastern and southern coast. Moreover, chemical manufacturing facilities in the north-east and south of India, including those which have been established by our customers who are based in western India, rely on imported products. We believe that setting up manufacturing operations in either of these regions will allow us to establish, and scale up, our presence in these regions. This would also enable us to cater to the demand in these regions by making available domestic products which are likely to cost competitive in comparison to imported products.

Expanding range of operations to include, and thereafter, slowly increase, our Company's bouquet of finished products

We intend to continue our focus on providing tailor made solutions for our customers. Our R&D team is focused on developing sustainable, environment friendly and customer centric products. We are focussed on expanding our expertise and adding new verticals. Between Fiscal 2012 and Fiscal 2021, we developed 87 products of which 17 were developed since 2018. In particular, we propose to broaden and deepen our engagement with our existing customers by offering them with products addressing different aspects of their industry. For instance, we intend to introduce a basket of products for agro-chemicals industry such as adjuvants i.e., auxiliaries that are added to pesticides for enhancing performance of new generation polymeric dispersing agents, eco-friendly wetting agents, etc. Similarly, we intend to cater to the Infra-tech industry by introducing high strength polymers for complex structures such as tunnels, bridges and additives for different stages of concreting. In addition, we also expect to introduce a full bouquet of products catering to our existing range of oil field chemicals.

Augmenting focus on overseas markets

We intend to augment our sales in the geographic markets where we sell our products as well as expand into new geographic markets. Currently, we have customers in over 18 countries. We have a small percentage of revenue coming from the exports. In the 6 month period ended September 30, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019, our revenues from exports were ₹45.88 million, ₹59.40 million, ₹52.39 million, and ₹37.72 million constituting 2.68%, 1.85%, 1.62% and 1.25%, respectively, of our revenue from manufacturing operation. Therefore, going forward we intend to augment our focus on sales from overseas markets. In Fiscal 2021, we have exported products to different countries, primarily in Asia and Europe, such as China, Egypt, France, Germany, Indonesia, Kuwait, Philippines, Singapore, South Korea, Sri Lanka, Thailand and the United Arab Emirates. Further, in the past we have catered to demand from, and exported our products to, countries such as Australia, Bangladesh, Columbia, Qatar, Saudi Arabia, and Vietnam.

We will continue to focus our efforts in developing and establishing our presence in select geographies such as Europe, South Africa and, will also seek to enter the US market, in particular, in the oil field chemicals industry where we anticipate greater demand. We expect that the overseas markets will provide us a wider range of opportunity and higher margins. Our strategy will be to focus on *inter alia* demonstrating the consistent quality, and the range, of our products, and our ability to customize products in accordance with the specific requirements of customers.

Cost efficiency

Increased competition and stringent regulations have encouraged the players in chemicals industry to find innovative ways to reduce cost and increase the overall efficiency. We intend to focus on keeping our operating costs low, which we believe is critical for remaining profitable, by implementing measures to reduce our operating costs and improve our operational efficiencies. Our focus is to continue to develop sustainable technologies and eco-friendly practices, increase usage of alternative raw material and fuels, and waste utilization technologies, to further improve the quality of our products and optimize our production costs. We intend to continue further integration of our Manufacturing Facilities and carry out most of the processes in-house to maximize our efficiencies. We believe our focus on developing cost-reduction strategies and implementing more sustainable methods in our operations will enable us to maintain our competitive pricing and margins.

A. Business Operations

Description of Products

Our products find application in a cross-section of industries and sectors. Therefore, while some of the products that we manufacture may have application in other various industries and sectors, we classify our products on the basis of the Application Industries to which we cater.

The essential ingredient or chemical component of our products is naphthalene, phenol & PEG. Naphthalene based products find use in all our Application Industries, whereas phenol-based products find greater application in the agro-chemical and leather industries. PEG based products are mainly used in infrastructure as a cement dispersant.

During the immediately preceding 3 Fiscals and during the 6 month period ended September 30, 2021, we have manufactured different chemical formulations resulting in a product array ranging 130 products to 202 products and, we continue to be able to manufacture any and all of these products. Based on this aforementioned broad classification parameters, set out below are some of the more prominent products that we manufacture. Under each of the sub-heads below, in respect of each Application Industry, we manufacture multiple products which vary from each other in certain ways including in terms of the physical states i.e., liquid or solid form, in which they are manufactured but depending on the tensile nature.

Infra-tech

Dispersing agents with a naphthalene base

These are products that are specifically designed as an admixture for the manufacture of white cement/concrete tiles. They are designed to improve fluid loss control and provide a slight slurry retardation. Therefore, it serves as a 'cement friction reducer'. It is used to reduce the apparent viscosity of cement slurry and to improve its rheological properties (i.e., rheological properties are, in essence, the manner in which 'materials' deform or respond to applied stresses or forces). These products are used to augment the strength of cement, and to specifically counter the deleterious effects of an 'alkali-silica reaction' a chemical reaction which exerts an expansive pressure resulting in reduction in strength and structural failure of concrete.

Polyethylene glycol based polycarboxylate superplasticizer – A slump retention type of polycarboxylate super plasticizer with high water reduction rate

Polycarboxylates are linear polymers with a high molecular mass. These products are high range water reducers often referred to as 'super plasticizers' which help in slump retention in concrete. These water reducing admixtures aim to reduce the water-to-cement ratio in concrete. These products are designed to reduce the water content in concrete significantly. These products are designed to impart early strength to concrete. It can also be used as a slump retention modifying agent in water reducing formulation to increase the workability and slump retention ability and a high range water reducer in micro concrete, grouts and dry mortar.

Waterproofing Polymers – aqueous water proofing emulsions

These are aqueous polymer emulsions specially designed for cementitious compositions i.e., products that have cement like nature. These are used in quick setting concrete and have water proofing capability. These products are widely used for water proofing of floors, rooftops, basements and in the maintenance of seepage and leakage.

Non-Ferric Alum – Aluminium sulphate powder

Non-ferric alum is the purer form of ammonium sulphate. It has no ferric ions in its chemical composition. These are colourless opaque products. Non-ferric alum is widely use in the concrete technology as an accelerating agent. It also finds use as a flocculating agent (which assist in aggregating suspension particles) in the purification of drinking water and waste-water treatment plants, and also in paper manufacturing.

Our major products:

Chemical nature	Product
Superplasticizer based on sulphonated naphthalene formaldehyde condensate	SNF Powder, SNF Liquid, SNF C1-C2-C3-C4 Powder, CNF Powder, CNF Liquid
Superplasticizer based on sulphonated melamine formaldehyde condensate	SMF Powder, SMF Liquid
Superplasticizer based on sulphonated acetone formaldehyde condensate	SAF Powder, SAF Liquid
Superplasticizer based on polycarboxylate ether	PCF-400-700-750-800-855-1529-3714, PCT-125-135-151-155-165, PCA-510
Sulphuric Acis, Aluminium Salt (3:2)	Aluminium Sulphate Powder, Aluminium Sulphate Liquid

Agro-chemicals industry

Dispersing agents with a phenol base

These products are designed to give wetting and dispersing powder (**WDP**) formulations functional properties in pesticide spreading system. These products have low foam and low critical micelle concentration (**c.m.c,** a physical value that characterizes surface-active properties of compounds – surface tension is another physical value that characterizes the surface-active property of compounds) value of products that leads to low dosages in order to get desired wettability (wettability is a measurement of a liquid's ability to interact with other fluids and/or a solid surface) and suspensibility. These products provide workability for a broader range of pesticide water dispersible powder formulations such as soproturon, sulphur, carbendezim, atrazin, lindane, DDT, malathion, acephate, metribuzin, metalaxyl, mencozeb etc.

Dispersing agents with a naphthalene base

These products are designed to give the WDP formulations functional properties in pesticide spreading system. These are characterized by low foam and low c.m.c value. This enables the product to attain the desired level of wettability and suspensibility despite being used in low dosages.

Dispersing agents with an alkyl naphthalene base

These are anionic surfactants (a surfactant is a chemical agent which when added to a liquid, reduces its surface tension which increases its wetting and spreading properties) that are used in combination with non-ionic surfactants for many pesticide emulsifiable concentrate formulations. These products are designed to have excellent penetration, wetting and emulsification, proliferation, and foaming properties. These are widely used in agro-chemistry. These products are used as emulsifiers for polymerization, surface active dispersing agent for aqueous and non-aqueous systems.

Our major products:

Chemical nature	Product
Dispersing agent based on Phenol and naphthalene condensate	DN Powder, DN Liquid
Dispersing agent based on Phenol condensate	PDN Powder, 045 Liquid
Dispersing and wetting agent based on Naphthalene and Sulphonated Alkyl Naphthalene formaldehyde condensate	NKS Powder, FBP-1 Powder, BX Powder
Surfactant based on Calcium salt	CABS

Dyes-pigments and textiles industry

Dispersing agents with a naphthalene base

These products are low salt and low molecular weight dispersing agents used for dyes, pigment, and textile. These are high performance-dispersing agents which find wide application in the styrene-butadiene rubber latex and rubber industry, and for high temperature and high-pressure polyester dyeing as a dispersing agent, due to their ability to improve bond strength and chemical resistance. Further, the non-staining character of these products adds value in the case polyester textiles.

Dispersing agents with an alkyl naphthalene base

These products provide excellent wetting, dispersing, hydrotroping and medium to low foaming. They also offer acid and base stability, hard-water tolerance and high temperature stability. They are synthetic auxiliary dispersing-cum-wetting agents that find application in the textile, dyeing, leather, and paper industries. In addition, these products also find use in the pesticide, herbicides, paint and ink industries. These products are also used as emulsifiers in the synthetic rubber industry. These are also powerful detergents and promote uniform bleaching.

Our major products:

Chemical nature	Product
Dispersing agent based on Naphthalene condensate	LS Powder, MS Powder, WS Powder
Dispersing agent based Sulphonated Naphthalene formaldehyde condensate	SNF D1-D2-D3-D4 Powder
Dispersing cum wetting agent based on sulphonated alkyl naphthalene condensate	BX Powder
Wetting agent based on sulphonated alkyl aryl condensate	P-10 Powder, DAN Powder, DAN Liquid, BX Paste

Leather Chemicals

Syntan (synthetic tanning agents)

Syntans are specially designed for vegetable tanned leather due to their efficient grain tightness and filling properties. Syntans can be used along with other tanning materials due its good filling and tightness. These products have good buffing and dispersing character and is suitable for wet white and automotive upholsteries as it imparts and enhances the 'achromatic' nature of white products. Further, a low astringent makes grain flat and reduces drawn grain. It is best suitable for milled, suede, nubuck and softy uppers.

Fatliquor

Fatliquor is a light weight highly penetrative emulsion or agent that is used to treat leather. It is ideally suitable for soft and garment leathers, in particular, milled and upper leathers.

Our major products:

Chemical nature	Product
Varied Syntans	Pre Tanning Syntan, Bleaching Syntan, Neutralizing Syntans, Acrylic Syntans, Amphoteric Syntans, Whitening Syntans, Replacement Syntans, Filling Syntans, Speciality Syntans
Varied Fat liquors	Natural Oil base fatliquor, Lechithine base fatliquor, Lanolin base fatliquor,,Natural Synthetic base fatliquor, Polymeric and Amide base fatliquor

Raw Materials

We purchase our raw materials from multiple suppliers on a purchase order basis as and when the need arises and do not enter into long term contracts for raw materials. However, we source our imported raw materials from disparate suppliers and ensure that we have at least 2 suppliers in different countries to ensure continuity of supply. The key raw materials used in production of our chemicals are VPEG, acid slurry 96%, naphthalene, acrylic acid, phenol, and formaldehyde. While we source these raw materials from India, a majority of our raw materials are sourced from offshore locations, in particular, South Korea and China. The pricing and production volumes are negotiated for each purchase order.

The aggregate cost of raw materials purchased in the 6 month period ended September 30, 2021, and Fiscals 2021, 2020 and 2019 was ₹1,369.76 million, ₹2,295.37 million, ₹2,546.28 million, and ₹2,345.23 million, respectively. The aggregate cost of materials consumed in Fiscals 2021, 2020 and 2019, was ₹2,233.19 million, ₹2,461.94 million, and ₹2,411.91 million, respectively.

We source raw materials such as naphthalene, phenol, acid slurry 96%, alumina hydrate, formaldehyde, caustic soda lye, normal butanol, triethanolamine, oleum 23% and sulphuric acid from India.

In addition, certain raw materials are procured from the international markets. A break-up of raw materials sourced from the international markets is set out below.

Raw Material	Country
VPEG, SPEG and MPEG (PEG)	South Korea and China
Naphthalene	Indonesia UAE, Russia, Ukraine, South Korea and Spain
Acid Slurry 96%	South Korea
Acrylic Acid	UAE, China, and South Korea
Sodium Gluconate	China and Hong Kong
2 Hydroxy Ethyl Acrylate	China and Japan
Sodium Ligno Sulphonate	South Africa and Saudi Arabia

Manufacturing facilities

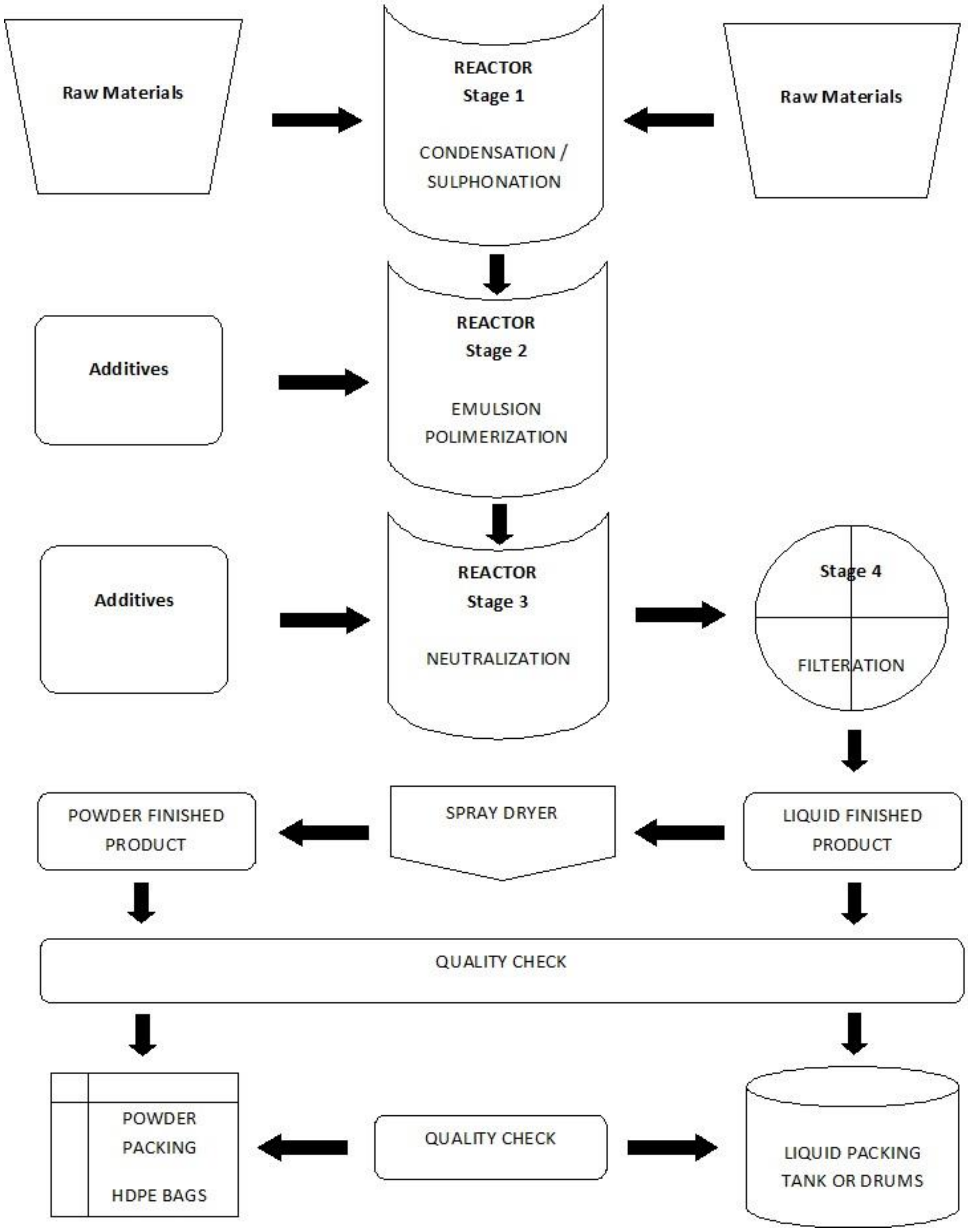
Our Company has 3 Manufacturing Facilities, located in Vapi and Sarigam in the State of Gujarat and a unit located in the Union Territory of Dadra & Nagar Haveli and Daman and Diu. Set out below are details of our manufacturing capacity across product segments:

(*in MT per annum*)

Product	**6-month period ended September 30, 2021**	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2019**
	Utilised	**Utilised**	**Utilised**	**Utilised**
Construction chemicals (Infra-tech)	24,610	59,441	42,194	40,228
Agro-chemicals	3237	8,411	5,363	5,093
Dispersing agents (dyes/pigment)	2217	6,370	1,952	1,588
Leather chemicals	1,043	1,984	1,778	1,499
Total utilised capacity	*31,107*	*76,206*	*51,287*	*48,408*
Total permissible capacity	**65,200**	**96,660**	**72,560**	**72,560**
Capacity utilisation	**47.71%**	**78.84%**	**70.68%**	**66.71%**

Manufacturing process

A brief and basic flow chart setting out an overview of our manufacturing process is below.



Quality control, assurance, and monitoring

We believe that maintaining high standard of quality in our R&D and manufacturing operations is critical to our growth and success. We have implemented quality systems across our Manufacturing Facilities that cover the full product lifecycle. All our products from being a raw material to the finished product undergoes 6-8 checks depending on process flow. Raw materials received are sent for the quality analysis, the technical department is responsible for carrying out this procedure. Various samples are drawn by technical person and requisite tests are carried out for specified properties as per the standard procedures, on satisfactory outcome, material is allowed to be stored in the designated area for further processing.

Various tests are also performed during work-in-progress stage of the production. The quality of the product is assessed against the standard specification, in case of the non-conformance with the standards, the affected quality is held up with appropriate tag. Similar process is also carried out for the final finished products. Our quality control and quality assurance teams carry out inspections at different stages of the production process commencing from inspection of raw materials when they are received, through the process of production and at our finished product stores.

Research and development

As a speciality chemical manufacturing company, we rely on constant R&D for developing or innovating new formulations or products. The R&D department plays an integral role in the life cycle of a product. While the department usually is separate from sales/marketing, production, and other divisions but the functions of these areas are related and often require active collaboration.

We have a dedicated in-house R&D facility located at our Manufacturing Facility in Vapi. Our laboratory is equipped with latest equipment such as tanning machinery and wettability/suspensibility test apparatus. Further, our Manufacturing Facilities are equipped with our own concrete application test lab that keeps all the testing equipment's like pan mixture, mortar mixer, curing tank, flow table and compressive strength testing machine. Our laboratory is also fully equipped to conduct various chemistries/ technologies. Additionally, our laboratory is also equipped with facilities such as GC, GC-MS, HPLC, UV Spectrometer, etc. We develop products based on the demand of the customers across Application Industries.

We have a highly qualified and experienced 6 member R&D team comprising employees with Doctorate and Post-Graduate degrees. Our R&D team is well-equipped to conduct complex multi-step synthesis at our laboratory for a volume range of 0.5 kg to 100 kg and temperature range from -20 degree Celsius to 300 degrees Celsius. Our R&D team has developed following products since 2018.

Product	Chemical Nature	Year
Infra-tech chemicals		
Gujplast PCF-400	Superplasticizer based on polycarboxylate ether	2018
Gujplast PCT-125	Superplasticizer based on polycarboxylate ether	2018
Gujmol CNF Liquid	Super plasticizer based on sulphonated naphthalene formaldehyde condensate	2019
Gujplast PCT-850	Superplasticizer based on polycarboxylate ether	2019
Gujplast PCT-163C	Superplasticizer based on polycarboxylate ether	2020
Gujmol SAF	Super plasticizer based on sulphonated acetone formaldehyde condensate	2021
Agro-chemicals		
Gujmol PDN	Dispersing agent based on phenol condensate sulphonate	2018

Product	Chemical Nature	Year
Gujmol SD	Wetting agent based on sulphonated aliphatic alcohols	2019
Gujmol CABS	Surfactant based on calcium salt of alkyl aryl sulphonate	2020
Gujmol OT Paste	Powerful wetting agent based on alkyl ester sulphonate	2020
Gujmol IBX	Wetting agent based on sulphonated alkyl naphthalene	2021
Dyes & Pigments		
Gujmol SNF-D1 to D4	Powerful dispersing agent based on sulphonated naphthalene formaldehyde condensate	2019
Gujmol DAN	Powerful dispersing agent based on sulphonated alkyl aryl formaldehyde condensate	2020
Leather Chemicals		
Baykanol licker EA-01	Combination of natural phospholipids with synthetic softeners	2018
Gujlix A	Degreasing agent	2019
Gujliq GWG	Lanoline based synthetic fat liquor	2020
Gujtan MAP	Acrylic-maleic copolymer	2021

Customers

Our customer base mainly comprises of India and international multinational corporations. We manufacture products for international and domestic customers and export our products to 12 countries. We cater to a large number of Indian and international clients. Our customers include Ado Additive Technologies Limited, Agrosyn Impex, Master Builders Solutions India Private Limited, Molecules Conchem Private Limited, Normet India Private Limited, Solar Chemferts Private Limited, South India Cashew Corporation, Sulphur Mills Limited, Buildtech Products India Private Limited, Cico Technologies Limited, Chryso India Private Limited, Colorband Dyestuff Private Limited, Ecmas Construction Chemicals Private Limited, Lonsen Kiri Chemical Industries Limited, Prozura Construction Chemicals Private Limited, Rite Zone Chemicals India Private Limited, Shivani Detergents Private Limited, Suremix Chemicals Private Limited, Technochem Construction Chemicals Limited, Maruti Infrachem Solutions, Prism Johnson Limited and Sanghavi Industries Private Limited.

Further, we are more focused on maintaining the margins and maintain long term relations with our customers and vendors. This approach also helps us in achieving higher profits with increase in order volumes. Set out below is a break-up of our revenues from out top 5 customers in each Application Industries.

(₹ in million)

Application Industry	**For the 6 month period ended September 30, 2021**		**Fiscal 2021**		**Fiscal 2020**		**Fiscal 2019**	
	Revenue	**% of total income**	**Revenue**	**% of total income**	**Revenue**	**% of total income**	**Revenue**	**% of total income**
Infra-tech chemicals	531.24	31.01	952.14	29.64	1,067.11	32.99	1,146.01	37.98
Agro-chemicals (pesticide formulation)	137.57	8.03	360.22	11.21	132.39	4.09	305.83	10.14
Dyes, pigments, and textile chemicals	164.97	9.63	172.48	5.37	172.88	5.34	107.36	3.56
Leather chemicals	71.12	4.15	111.69	3.48	113.80	3.52	91.09	3.02
Total	**904.9**	**52.82**	**1,596.53**	**49.70**	**1,486.18**	**45.94**	**1,650.29**	**54.70**

Marketing and sales

We operate in a competitive environment and our marketing and sales strategy is designed to be flexible to cope with changes and the developments in the markets in which we operate. The core focus of our marketing and sales function is to deliver a superior value to our customers across the value chain.

We track developments in the markets and the Application Industries in which our customers operate to ensure that we are able to anticipate emerging needs. Further, we consistently try to keep abreast of the product development cycles of our customers and fine-tune our marketing approach accordingly. This enables us to better tailor our products to customer needs. Further, understanding our customers better helps us to deepen our existing relationships and forge long-term and more successful relationships. This approach is followed while seeking to establish new relationships. Consistent interaction with our customers to understand their needs helps us in retaining the connect and collaborating in developing new products in conjunction with the customers.

Employees

Our employees contribute significantly to our business operations. As on February 28, 2022, we had 250 permanent employees. We conduct training workshops for our employees to develop a variety of skill sets and organize modules at regular intervals to promote teamwork and personal growth of our employees. Our employees are not unionized into any labour or workers' union and we have not experienced any major work stoppages due to labour disputes or cessation of work, historically.

Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development, and addressing their grievances, if any, in a timely manner. Our employees, attrition rate has historically been low. For the 6 month period ended September 30, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019 our attrition rate was 1.28%, 0.09%, 1.46% and 0.23%, respectively.

A break-up of our employees, as on February 28, 2022, across our Manufacturing Facilities is set out below.

Department	Head Count
MD, WTDs and KMPs	6
Production and development	116
Engineering services	35
Stores and purchase	13
R&D, quality control and quality assurance	19
Commercial and logistics	4
Environment, health and safety	14
Sales and marketing	7
Finance and accounts	8
Human resources and administration	24
Information technology	2
Legal and liaison	2
Total	**250**

Environment health and safety

Our Company remains focused on environmental sustainability and stewardship of our products, facilities, and the communities we serve. We regularly review the environmental impact of our products and manufacturing processes and evaluate the renewability and sustainability of our resources. This is an effort to protect or improve the environment while providing environmentally affordable solutions. Our Manufacturing Facility at Vapi is certified with the ISO 14001 certification for environmental management system and ISO 9001 for quality management system.

We have devised a detailed procedure for new employees to get accustomed to the health and safety measures within our Company. We have a dedicated department which ensures that the policy and measures instituted by our Company are implemented and duly followed to ensure compliance with the various health and safety measures of our Company, in particular, at our Manufacturing Facilities.

Competition

We operate in highly competitive business both in India and overseas. We remain competitive by seeking to better understand the markets in which we operate in, identify emerging opportunities. We believe that our consistent tracking of markets, developing new products and our consistent interaction with our customers is a key to our competitiveness and these factors *inter alia* enable us to anticipate the needs of the Application Industries and our customers.

Further, the industry in which we operate in is not easy to break-into due to high entry barriers including high capital expenditure, various regulatory approvals including environmental clearances and technical know-how. In addition, our focus on quality and stringent quality control norms and procedures are key factors for our success.

We face competition from various entities (domestic and international) across different Application Industries. Construction chemicals industry in India is fragmented with the presence large Indian companies and multinational players as well as of several small single product local companies. *(Source: F&S Report)*

We face competition from various Indian and international operators across each of our Application Industries.

In the Infra-tech market, we face competition from various entities including Pidilite Industries Ltd, Himadri Speciality Chemical Limited, Gujarat Polybond Pvt. Limited, Sika India Private Limited, BASF India Limited, Fosroc Chemicals (India) Pvt. Limited, Chembond Chemicals Limited and Dow Chemical International Pvt Ltd.

In the Indian agro-chemicals market, we face competition from various entities including China National Corporation, Sumitomo Chemicals Co. Ltd, BASF SE, Bayer AG, UPL Limited, Gharda Chemicals Ltd., Meghamani Organics Limited and Bharat Rasayan Limited.

In the leather chemicals market, we face competition from various entities including Balmer Lawrie & Co. Limited, Haryana Leather Chemicals Limited, Stahl India Private Limited and Lanxess India Private Limited, Tytan Organics Pvt. Limited and Henkel Chemicals (India) Limited.

In the dyes, pigments and textiles chemicals market, we face competition from various entities including Himadri Speciality Chemical Limited, Gujarat Polybond Pvt. Limited, China SunShine Chemicals, Mangalore Chemicals and Fertilizers Limited and LRC Specialty Chemicals Pvt. Limited.

Intellectual Property Rights

Set out below are details of the trade marks of our Company:

Sr. No.	Name applied	Type	Application Date	Application No.	Class	Status on March 23, 2022
1.	GUJARAT POLYSOL CHEMICALS	DEVICE	November 23, 2021	5218960	1	Objected
2.	GUJMOL	WORD	November 23, 2021	5218939	1	Accepted & advertised
3.	GUJPLAST	WORD	November 23, 2021	5218958	1	Accepted & advertised
4.	GUJTAN	WORD	November 23, 2021	5218957	1	Accepted & advertised
5.	GUJLIQ	WORD	November 23, 2021	5218959	1	Accepted & advertised

Insurance

Our operations are subject to various risks in the chemicals manufacturing industry. Accordingly, we have obtained a fire industrial all risk policy for all of our manufacturing facilities. We have obtained a standard fire and special perils insurance policy, public liability (industrial risk) insurance policy, marine cargo open policy, employee compensation policy and a public liability insurance policy. These insurance policies are reviewed periodically to ensure that the coverage is adequate.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurances. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

Information technology

We rely on strong information technology infrastructure in order to maintain consistency in production chain and safeguard our operations. We have implemented SAP based ERP system, pursuant to which various financial, analytical and MIS reports are generated. Further, this system also enables us to track timely procurement of raw materials, tracking of payment to vendors and contract suppliers, and receivables from customers.

ESG and CSR

Environmental, Social and Governance

We are conscious of our social and environmental responsibilities and seeks to implement the best industry practices to ensure that its operations are not simply compliance with applicable law but in consonance with our core belief in sustainable growth.

As part of our environmental and sustainability efforts, we have implemented an integrated management system (IMS). The IMS adopts a four pronged approach:

a. Focusing on ensuring compliance with applicable environmental laws and the approvals that we have received;

b. Ensuring the physical infrastructure for pollution control including electrostatic precipitators, bag filters, air filters, dry/wet scrubbers are installed and maintained;

c. Ensuring that our air and water discharges / effluents are regularly monitored to ensure that we are within prescribed limits; and

d. Ensuring adequate and proper waste management system are in place including for management of hazardous waste – hazardous waste is managed using an online manifest generation system on GPCB XGN.

We have a dedicated EHS team of 14 employees. The main function of our EHS program is to ensure compliance with environmental regulations, monitor our effluent treatment plant and sewage treatment plant operations, handle hazardous waste management and disposal, and provide employee training on environmental management and compliance.

Corporate Social Responsibility initiatives

Our Company and its employees are conscious of their role in society and are keen to participate in social welfare measures. Our Company has constituted a CSR Committee and also formulated a CSR policy to govern such initiatives in compliance with applicable law. In Fiscal 2021, our Company contributed ₹3.72 million towards CSR in compliance with applicable law.

Land and property

The details of the material properties used by our Company for our operations are set forth below:

Sr. No	Particulars	Address	Leased / Owned
1.	Factory Land	Plot No. 1734, Vapi Notified Area, Revenue Survey No. 123/P,125/P,126/P, Village Chhiri, Taluka Pardi, District - Valsad, Gujarat	Leased
2.	Factory Land	Plot No. 1702/B, Vapi Notified Area, Revenue Survey No. 25/P,27/P,106/P,107/P,110/P, Village Chhiri, District - Valsad, Gujarat	Leased
3.	Factory Land	Plot No. 1732, Vapi Notified Area, Revenue Survey No. 110/P,111/P, Village Chhiri, Taluka - Pardi, District - Valsad, Gujarat	Leased
4.	Factory Land	Plot No. 1736, Vapi Notified Area, Revenue Survey No. 110/P GIDC Vapi, Village Chhiri, Taluka - Pardi, District - Valsad, Gujarat	Leased

Sr. No	Particulars	Address	Leased / Owned
5.	Factory Land	Plot No.1714, Revenue Survey No.110/paiki, Vapi Industrial Estate/Area, Phase-III ,GIDC Vapi, Vapi, Valsad, Gujarat, 396195	Leased
6.	Factory land and building	Industrial Plot No. C1B/106/1 to 4 situated in the Sarigam Notified Industrial Estate, consisting Revenue Survey No. 23/P within the Village limits of Sarigam, Taluka Umbargaon, District Valsad.	Leased
7.	Factory land and building	Non agricultural land bearing new survey no. 1063 (Old SRV No 260/71/1/4) along with factory building consisting of ground floor, situated at village Dadra in the Union Territory of Dadra & Nagar Haveli & Daman & Diu.	Owned
8.	Factory Warehouse	Non agricultural land bearing new survey no. 1064 and (Old SRV No 260/71/1/3) along with factory building consisting of ground floor, first floor and second floor situated at village Dadra in the Union Territory of Dadra & Nagar Haveli & Daman & Diu	Owned
9.	Industrial Plot no. 85 – Warehouse*	Plot No. 85/F-1 & 2, Vapi Notified Area, Rev. S. No. 810,814,815,1052,826 & 828, Village Vapi, Taluka - Vapi, District - Valsad, Gujarat	Leased
10.	Warehouse	Plot No. 1705, Phase-III, GIDC Vapi, Village - Chhiri, Taluka - Pardi, District - Valsad, Gujarat.	Leased
11.	Warehouse	Plot No.25, Tejura Industrial Estate, Phase I ,GIDC Vapi, Vapi, Valsad, Gujarat, 396195	Leased
12.	Warehouse	Plot no. 310/1, Phase-II GIDC VAPI, Valsad, Gujarat, 396195	Leased
13.	Warehouse	Industrial Shed No A1/2204, Phase-III, GIDC Vapi, Valsad, Gujarat, 396195	Leased
14.	Warehouse	Industrial Plot No. A - 1/2202, Phase-III GIDC Vapi, Valsad, Gujarat, 396195	Leased

***** *This is proposed to be sold to Shaileshkumar Balvantrai Desai pursuant to assignment agreement dated January 25, 2022. For further details please see the chapter entitled 'Our Promoters and Promoter Group – Interest of our Promoters on page 223.*

Plant and machinery

A summary of the plant & machinery operated by our Company at our different Manufacturing Facilities is set of below.

Manufacturing Facility at Vapi

MAS Plant

Sr. No.	Technical specification	Quantities (nos.)
REACTORS		
1.	MS Reactors	16
2.	SS Reactors	4
3.	GL Reactors	10

Sr. No.	Technical specification	Quantities (nos.)
Reactors total		**30**
4.	Vessel / Mixers	6
STORAGE TANKS		
5.	MS Storage tank	32
6.	SS Storage tank	10
Storage tanks total		**42**
7.	Receivers	16
8.	Filter press	4
9.	Chilling plant	2

SS Plant

Sr. No.	Technical specification	Quantities (nos.)
1.	Reactors	20
2.	Vessel / Mixers	5
3.	Storage tanks	24
4.	Receivers	11
5.	Chilling plant	2
6.	Cooling tower	2
7.	DM plant	2
8.	Lift	1

Mixing plant

Sr. No.	Technical specification	Quantities (nos.)
1.	Vessel / Mixers	20
2.	Receiver	1
3.	Storage tanks	1
4.	Crane	1

HAM plant

Sr. No.	Technical specification	Quantities (nos.)
1.	Reactors	8
2.	Vessel / Mixers	2
3.	Storage tanks	4
4.	Receiver	8
5.	Filter press	3
6.	Cooling tower	1
7.	Material handling lift	1

Spray dryer

Sr. No.	Technical specification	Quantities (nos.)
1.	Spray dryers	4
2.	Vessel / Mixers	11
3.	Storage tanks	6
4.	Receiver	3
5.	Lift	1
6.	HAG	1

In addition, we have 8 SS Ribbon blenders at our Vapi manufacturing unit.

Manufacturing Facility at Dadra & Nagar Haveli and Diu & Daman

Sr. No.	Technical specification	Quantities (nos.)
1.	Reactor	12

2.	Vessel / Mixers	9
3.	Storage tanks	14
4.	Receivers	6
5.	Boilers	2

Manufacturing Facility at Sarigam

Sr. No.	Technical specification	Quantities (nos.)
1.	MS vessel with acid proof brick line	2
2.	Pulverizers	5
3.	Crusher machines	2
4.	Dust collector system	1
5.	MS Storage tank	4
6.	SS Storage tank	2
7.	SS Coated tray	10
8.	Blower with scrubber system	1
9.	Pump set	6

The GIDC industrial area provides basic infrastructure facilities. All resource facilities like gas, electricity, water, steam, waste effluent is made available for smooth running of businesses. Electricity is provided by Dakshin Gujarat Vij Co. Ltd. for running the plant without any disruptions. We also have gas line connection and steam house connection for the working of reactors and vessels. We have the provision of DG sets in case of any sudden disruption or power failure.

Impact of the COVID-19 pandemic

Although India witnessed a significant downturn in 2020, it is expected to rebound to ~9.5% according to IMF (after it had previously suggested India to recover at 12.5%); however, Oxford Economics and RBI suggest the growth rate in the range of 10-11% for India in 2021. *(Source: F&S Report)*

While our revenue from operations was adversely affected during Fiscal 2021, our profit for the year increased from ₹128.00 million in Fiscal 2019 to ₹398.39 million in Fiscal 2021 at a CAGR of 76.42%, and during the same period our EBITDA and EBITDA from manufacturing operations grew at a CAGR of 43.12% and 46.05%, respectively.

KEY REGULATIONS AND POLICIES

The following is an overview of certain sector-specific relevant laws and regulations which are applicable to the operations of our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description of laws and regulations set out below is not exhaustive but indicative and is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice.

A. Business Related Laws

Factories Act, 1948 (Factories Act)

The Factories Act defines a "factory" to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. State Governments have the authority to formulate rules in respect of matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. It provides such safeguards of workers in the factories as well as offers protection to the exploited workers and improve their working conditions. The penalties for contravention of the Factories Act include fine and imprisonment for the 'occupier' or 'manager' as defined under the Factories Act, and enhanced penalties for repeat offences and contravention of certain provisions relating to use of the hazardous materials.

The Indian Boilers Act, 1923 (Boiler Act) read with Indian Boilers Regulations, 1950

Boiler Act consolidates and amends the law relating to steam boilers. The Boiler Act was enacted with the objective of providing for the safety of life and property of persons from the dangers of steam boilers and for achieving uniformity in registration and inspection during the operation and maintenance of boilers in India. The owner of boilers which are not exempted from this Act are required to register their boilers by applying to the Inspector with prescribed documents, following which the Inspector shall fix a date within 30 days of receipt and shall inspect the boiler and documents. If the Inspector is satisfied that the boiler has not suffered any damage during its transit from the place of manufacture to the sire of erection, and with the documents, he may register the boiler and assign a register number thereto and also issue a certificate to the owner authorizing the use of the boiler for a period not exceeding 12 months at a pressure he thinks is fit and in accordance with the regulations made under this Act. The certificate may be renewed upon expiry or if there has been an accident with the boiler. Any contravention to the provisions of this Act shall be punishable with imprisonment, which may extend to 2 years or with fine which may extend to ₹0.1 million or with both.

B. Environmental Legislations

The Environment (Protection) Act, 1986

The Environment (Protection) Act, 1986 **(EPA)** is an umbrella legislation designed to provide a framework for the government to coordinate the activities of various central and state authorities established under various laws, such as the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, etc. The EPA vests with the Government the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of manufacturing processes and materials likely to cause pollution.

The Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 **(Water Act)** aims to prevent and control water pollution by factories and manufacturing units and to maintain and restore the quality and wholesomeness of water. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, using of any new or altered outlet for the discharge of sewage or causing new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

The Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 **(Air Act)** provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. The state pollution control board must decide on the application within a period of 4 months of receipt of such application. The consent may contain certain conditions relating to specifications of pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 **(Hazardous Waste Rules)** define the term 'hazardous waste' and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous waste is classified as an 'occupier'. In terms of the Hazardous Waste Rules, occupiers have been, inter alia, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license / authorization from the respective state pollution control board for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste.

Labour Law Legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972, the Payment of Bonus Act, 1965, Contract Labour (Regulation and Abolition) Act, 1970, the Shops and Establishments Act, 1953, the Maternity Benefit Act, 1961 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

(a) Code on Wages, 2019, which regulates and amalgamates wage and bonus payments and subsumes 4 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.

(b) 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 the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

(c) 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 may suffer, among others.

(d) The Occupational Safety, Health and Working Conditions Code, 2020, consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Contract Labour (Regulation and Abolition) Act, 1970 and received the presidential assent on September 28, 2020.

These provisions of these codes shall become effective on the day that the Government shall notify for this purpose.

Shops and Establishment Legislations

The provisions of shops and establishments legislations, as may be applicable in a state in which establishments are set up, regulate the conditions of work and employment and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. Our Company has its registered office in the State of Gujarat. Accordingly, the provisions of the Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019 are applicable to our Company. The said Act, as amended, regulates the conditions of work in shops, commercial establishments, restaurants, theatres and other establishments in the State of Gujarat and makes provisions for the opening and closing of shops, daily and weekly hours of work, employment of children and young persons, health and safety measures, wages etc.

C. Intellectual Property Laws

The Trade Marks Act, 1999

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading, and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trade Marks Act, 1999, an application for trademark registration may be made with the registry of trade marks by any person or persons claiming to be the proprietor of the trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once a mark is registered, it is valid in India only for a period of 10 years and can be renewed from time to time in perpetuity. The Trade Marks Act also prohibits any registration of deceptively similar trademarks or compounds, among others. It also provides for infringement, falsifying and falsely applying for trademarks. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks.

D. Other relevant 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 enacted by the Centre or relevant State Governments and authorities for our day-to-day business and operations. Our Company is also subject to various central and state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as 'Gujarat Polysol Chemicals Private Limited', a private limited company under the Companies Act, 1956 at Ahmedabad with a certificate of incorporation issued by the RoC on October 18, 1989. Subsequently, the name of our Company was changed to 'Gujarat Polysol Chemicals Limited' upon conversion of our Company into a public limited company pursuant to a special resolution passed by our Shareholders on September 21, 2021. A fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued under the Companies Act, 2013 by the RoC on October 13, 2021.

Changes in the Registered Office: The details of change in the registered office of our Company since incorporation are set forth below.

Date of change	Details of the address of Registered office	Reason for change
May 1, 2011	The address of the registered office of our Company was changed from Block No. 3A, Jawahar Nagar Society, Valsad – 396195, Gujarat, India to Plot No. 1734, Third Phase, GIDC, Vapi, Dist Valsad – 396195, Gujarat, India	The registered office of our Company was changed for greater administrative and operational efficiency.

Main Objects of our Company: The main objects contained in the Memorandum of Association of our Company are as follows:

1. *To manufacture, buy, sell, import, export and deal in chemical, chemical compounds, chemical products, chemical intermediates, chemical derivatives and by-products, concrete admixtures, chemical and industrial epoxy, acids, alkalies, petrochemicals, chemical medicines, chemical capsules, accelerators, chemical adhesives, sealants, drugs, pharmaceuticals, antibiotics, tannin, tannin extracts, essences, solvents, plastic of all types, dyes, dye stuff, intermediate, paints, varnishes, disinfectants, insecticides, fungicides, deodorants, bio-chemicals, agro-chemicals and its intermediates.*

2. *To carry on the business of dealing, trade, import and export of all types of commodities, commodity intermediates, oils and derivatives, crude oil, refined oil, edible oil, perfumed and all other types of oils, other mining products, minerals and mineral extracts, metals, steel fibres and metal ores including zinc, gypsum, rock phosphate.*

3. *To carry on the business of dealing, trade, import and export of paper and paper products including waste paper of all types.*

4. *To carry on the business of property, construction, development of properties and infrastructure facilities of all kinds.*

Amendments to our Memorandum of Association: Set out below are the amendments to our Memorandum of Association in the last 10 years.

Date of Shareholders' Resolution	Particulars
March 31, 2015	Clause III(A) of our MOA was amended to reflect the: (a) insertion of objects 1 to 4; and (b) deletion of Clause III(C).
August 28, 2018	Increase in the authorized share capital of our Company from ₹80,000,000 divided into 800,000 Equity Shares of face value of ₹100 each to ₹82,500,000 divided into 815,000 Equity Shares of face value of ₹100 each, 7,500 10.00% non-cumulative redeemable preference shares of face value of ₹100 each and 2,500 unclassified shares of face value of ₹100 each.
August 9, 2019	Clause III(A) of our MOA was amended to reflect the: (a) insertion of objects 1 to 4; and (b) deletion of Clause III(C).
April 15, 2021	(a) Re-classified of the authorized share capital of our Company from ₹82,500,000 divided into 815,000 Equity Shares of face value of ₹100 each, 7,500 10.00% non-cumulative redeemable preference shares of face value of ₹100 each and 2,500 unclassified shares of face value of ₹100 each to ₹82,500,000 divided into 825,000 Equity Shares of face value of ₹100

	each. (b) Further, 825,000 Equity Shares of face value of ₹100 each were split into 8,250,000 Equity Shares of face value of ₹10 each. Accordingly, the authorized share capital of our Company was revised from ₹82,500,000 divided into 825,000 Equity Shares of face value of ₹100 each to ₹82,500,000 divided into 82,50,000 Equity Shares of face value of ₹10 each. (c) Increase in the authorized share capital of our Company from ₹82,500,000 divided into 82,50,000 Equity Shares of face value of ₹10 each to ₹350,000,000 divided into 35,000,000 Equity Shares of face value of ₹10 each.
September 21, 2021	Amendment of Clause I of our MoA to reflect the change in name of our Company from 'Gujarat Polysol Chemicals Private Limited' to 'Gujarat Polysol Chemicals Limited'.

Major events and milestones of our Company: The table below sets forth the key events in the history of our Company:

Financial Year	Particulars
1990	Commencement of operations at factory at Vapi, Gujarat.
2012	Achieving ₹1,000 million revenue.
2019	Amalgamation of Triwal Board Private Limited with company.
2021	Increase in manufacturing capacity of the Manufacturing Facility situated at Vapi from 47,760 MT per annum to 105,600 MT per annum.
2021	Acquisition of business of M/s. Polysol Industries as a going concern through a business transfer agreement dated May 29, 2020 and commencement of operations in the Manufacturing Facility located at Sarigam, Gujarat.
2021	Acquisition of business of M/s. Urmi Polymer Industries as a going concern through a business transfer agreement dated May 29, 2020 and commencement of operations in the Manufacturing Facility located at Dadra, Gujarat.
2022	Conversion of our Company from Private Limited to Public Limited

Awards and Accreditations:

1. The quality of our Manufacturing Facilities is evidenced by the ISO standards: 14001:2015, 9001:2015, 31010:2009; and 45001:2018. For more details, please see the chapter entitled 'Government and Other Approvals' beginning on page 318.

2. We have received a certification for 'Sulphonated Naphthalene Formaldehyde condensate, sodium salt (Polymol SNF/LS/MS/NKS/HS/HSP/HM/FBP1, Polytan WS/GTM/HSP & Dadamol NKS)' from the European Chemicals Agency under EU REACH Regulation.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants:

The new products our Company has developed since 2018 are as follows:

Product	Chemical Nature	Year
Infra-tech chemicals		
Gujplast PCF-400	Superplasticizer based on polycarboxylate ether	2018
Gujplast PCT-125	Superplasticizer based on polycarboxylate ether	2018
Gujmol CNF Liquid	Super plasticizer based on sulphonated naphthalene formaldehyde condensate	2019
Gujplast PCT-850	Superplasticizer based on polycarboxylate ether	2019
Gujplast PCT-163C	Superplasticizer based on polycarboxylate ether	2020
Gujmol SAF	Super plasticizer based on sulphonated acetone formaldehyde condensate	2021
Agro-chemicals		
Gujmol PDN	Dispersing agent based on phenol condensate sulphonate	2018

Product	Chemical Nature	Year
Gujmol SD	Wetting agent based on sulphonated aliphatic alcohols	2019
Gujmol CABS	Surfactant based on calcium salt of alkyl aryl sulphonate	2020
Gujmol OT Paste	Powerful wetting agent based on alkyl ester sulphonate	2020
Gujmol IBX	Wetting agent based on sulphonated alkyl naphthalene	2021
Dyes & Pigments		
Gujmol SNF-D1 to D4	Powerful dispersing agent based on sulphonated naphthalene formaldehyde condensate	2019
Gujmol DAN	Powerful dispersing agent based on sulphonated alkyl aryl formaldehyde condensate	2020
Leather Chemicals		
Baykanol licker EA-01	Combination of natural phospholipids with synthetic softeners	2018
Gujlix A	Degreasing agent	2019
Gujliq GWG	Lanoline based synthetic fat liquor	2020
Gujtan MAP	Acrylic-maleic copolymer	2021

Our Company has not exited from existing markets. For details of capacity, facility creation or location of plant, please see the chapter entitled '*Our Business'* beginning on page 173.

Time and cost overrun: There have been no time and cost overruns pertaining to our business operations or any projects undertaken by our Company.

Defaults or rescheduling of borrowings from financial institutions/ banks and conversion of loans into equity: There have been no defaults that have been called by any financial institution or bank in relation to borrowings of our Company from financial institutions or banks.

Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets in last 10 years

Except as stated below, our Company has not acquired any business or undertaking, and has not undertaken any merger, amalgamation or revaluation of assets:

Scheme of Amalgamation of Triwal Board Private Limited with our Company

The Regional Director, Ahmedabad *vide* confirmation order dated August 28, 2018, sanctioned a scheme of compromise, arrangement or merger of Triwal Board Private Limited (**Triwal Board**), the then wholly owned subsidiary of our Company, with our Company in accordance with the provisions of Section 233 of the Companies Act, 2013, pursuant to which the Triwal Board was amalgamated into our Company (**Scheme of Amalgamation**). The appointed date and the effective date for the Scheme of Amalgamation was August 28, 2018. The Scheme of Amalgamation was entered into with the aim of achieving increased operational efficiencies, bring economies of scales and result in synergetic integration of business currently carried on, increased business opportunities, cost reduction and efficiencies, productivity gains and logistics advantages of our Company and Triwal Board.

Further, pursuant to the Scheme of Amalgamation, the entire undertaking of Triwal Board including all its assets and properties (both movable and immovable), liabilities, debts, rights and obligations of all kinds, nature and description was transferred to and vested in our Company as a going concern. Further, employees of Triwal Board were deemed to have become employees of our Company without any break or interruption in services and on terms and conditions not less favourable than those on which they were engaged by Triwal Board. No new shares were issued pursuant to such Scheme of Amalgamation.

Acquisition of business of M/s. Polysol Industries on a going concern basis

Our Company, *vide* a business transfer agreement dated May 29, 2020, acquired from M/s. Polysol Industries its manufacturing unit located at Plot No. C1 B 106 1 to 4, Polysol Industries, Sarigam, GIDC Sarigam, Valsad – 396155, Gujarat and other assets and liabilities on a going concern basis. Our Company issued 63,295 Equity Shares with face value of ₹100 each at a premium of ₹2,150.50 to the partners of M/s. Polysol Industries namely Shaileshkumar Balvantrai Desai, Umang Shailesh Desai and Nilima Shailesh Desai, against a total consideration of ₹142.44 million.

Acquisition of business of M/s. Urmi Polymer Industries on a going concern basis

Our Company, *vide* a business transfer agreement dated May 29, 2020, acquired from M/s. Urmi Polymer Industries its manufacturing unit located at SRV. No. 260/71/1/3,4, Demani Road, Dadra, Dadra & Nagar Haveli – 396230, Gujarat and other assets and liabilities on a going concern basis. Our Company issued 75,900 Equity Shares with face value of ₹100 each at a premium of ₹2,150.50 to the partners of M/s. Urmi Polymer Industries namely Shaileskumar Balvantrai Desai and Umang Shailesh Desai, against a total consideration of ₹170.81 million.

Revaluation of Assets

Pursuant to the amalgamation of the Triwal Board, our Company created a revaluation reserve of ₹174.76 million from the appointed date of the Scheme of Amalgamation i.e., August 28, 2018. For further details please see the chapter entitled *'Restated Financial Statements – Note 21: Other Equity'* beginning of page 251.

Any agreement entered into by Key Managerial Personnel or Director/ Promoter/any other employee of our Company, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company

As on date of this Draft Red Herring Prospectus, no such agreement has been entered into by Key Managerial Personnel or Director/ Promoter / any other employee of our Company.

Personal Guarantees given by our Promoters: Other than the guarantees provided by our Promoters in relation to certain of our loans as and when required, our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

Our Holding Company: As on the date of this Draft Red Herring Prospectus, our Company has no holding company.

Our Subsidiaries: As on the date of this Draft Red Herring Prospectus, our Company does not have a subsidiary.

Details of our Joint Venture(s): As on the date of this Draft Red Herring Prospectus, our Company does not have active joint venture.

Details of our Associates: As on the date of this Draft Red Herring Prospectus, our Company does not have any Associates.

Financial and Strategic Partners: Our Company does not have any financial or strategic partners as on the date of this Draft Red Herring Prospectus.

Summary of Key Agreements: Our Company does not have any shareholders or other subsisting agreements. No other agreement (except agreement entered in ordinary course of business) has been entered into by our Company other than the agreements disclosed in the chapter entitled '*Material Contracts and Documents for Inspection*' beginning on page 414.

OUR MANAGEMENT

Our Board of Directors

In terms of the provisions of the Companies Act, 2013 and our Articles of Association, our Company is required to have not less than 3 Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of 6 Directors, including 3 Executive Directors, 3 Independent Directors (including 2 woman Directors) and 3 Non-Executive Directors. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013 and the SEBI Listing Regulations.

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

Name, Date of Birth, Designation, Address, Occupation, Nationality, Term, Period of Directorship and DIN	Age (years)	Other Directorships
Name: Shaileshkumar Balvantrai Desai ***Date of Birth:*** November 22, 1952 ***Designation****:* Chairman and Managing Director ***Address****:* Plot No. 20, Vrajvihar Building, Chharwada Road, Behind Old GIDC Office, GIDC Vapi, Pardi, Valsad, Vapi – 396 195, Gujarat ***Occupation****:* Business ***Nationality****:* Indian ***Current Term****:* 5 years with effect from February 1, 2021 till January 31, 2026* ***Period of Directorship***: Since incorporation of our Company ***DIN****:* 00266938	69	• Menumate India Private Limited • Polysol Specialty Chemicals Private Limited
Name: Umang Shailesh Desai ***Designation****:* Whole-Time Director ***Date of Birth:*** June 10, 1983 ***Address****:* Plot No. 20, Chharwada Road, Behind Grims MBA College, GIDC Vapi, Pardi, Valsad - 396 195, Gujarat ***Occupation****:* Business ***Nationality****:* Indian ***Current Term****:* 5 years with effect from February 1, 2021 till January 31, 2026 ***Period of Directorship***: Director since January 1, 2012 ***DIN****:* 05161181	38	• Menumate India Private Limited • Polysol Specialty Chemicals Private Limited • Arma Tela Opus Private Limited
Name: Bhavisha Shaileshbhai Desai	32	• Polysol Specialty Chemicals Private Limited

Name, Date of Birth, Designation, Address, Occupation, Nationality, Term, Period of Directorship and DIN	Age (years)	Other Directorships
Designation**:* Whole- Time Director ***Date of Birth**:* March 21, 1990 ***Address: Plot No. 20, Chharwada Road, Behind MBA Rofel College, GIDC Vapi, Pardi, Valsad – 396 195, Gujarat. ***Occupation**:* Business ***Nationality**:* Indian ***Current Term**:* 5 years with effect from September 21, 2021 till September 20, 2026 ***Period of Directorship***: Was appointed as an Additional Director on September 13, 2021 and as a Whole- time director with effect from September 21, 2021. ***DIN**:* 08780032		
Name: Jagdish Lalbhai Shah ***Designation**:* Independent Director ***Date of Birth**:* July 19, 1951 ***Address**:* 604, Lightbridge, Gladys Alwares Road, Hiranandani Meadows, Apna Bazar, Thane Maharashtra, India, 400610 ***Occupation**:* Business Consulting ***Nationality**:* Indian ***Current Term**:* 5 years with effect from October 18, 2021 till October 17, 2026 ***Period of Directorship**:* Director since October 18, 2021 ***DIN**:* 00045662	70	*Nil*
Name: Sandhya Mahesh Borase ***Designation**:* Independent Director ***Date of Birth**:* December 2, 1967 ***Address**:* Flat No. 501, Ranjiv, Plot no. 80, Sher – E – Punjab Society, Andheri East – 400093, Maharashtra, India ***Occupation**:* Practising Company Secretary ***Nationality**:* Indian ***Current Term**:* 5 years with effect from September	54	• MEP Infrastructure Developers Limited • MEP Infrastructure Private Limited • MEP Hyderabad Bangalore Toll Road Private Limited

Name, Date of Birth, Designation, Address, Occupation, Nationality, Term, Period of Directorship and DIN	Age (years)	Other Directorships
21, 2021 till September 20, 2026 ***Period of Directorship**:* Director since September 21, 2021 ***DIN**:* 08874647		
***Name:** Vijay Gopi Kishan Agarwal* ***Designation**:* Independent Director ***Date of Birth**:* June 29, 1957 ***Address**:* A-93, Kalapataru Solitaire, NS Road No. 5, JPVD Scheme, Mumbai – 400049, Maharashtra, India ***Occupation**:* Practising Chartered Accountant ***Nationality**:* Indian ***Current Term**:* 5 years with effect from September 21, 2021 till September 20, 2026 ***Period of Directorship**:* Director since September 21, 2021 ***DIN**:* 00058548	64	• Themis Medicare Limited • Gujarat Themis Biosyn Limited • Compuage Infocom Limited • Aditya Birla Money Mart Limited • Aditya Birla Sun Life Pension Management Limited • Aditya Birla Insurance Brokers Limited • Aditya Birla Renewables Energy Limited • Aditya Birla Renewables Solar Limited • Motilal Oswal Trustee Company Limited

** Consent for continuation of the appointment of Shaileshkumar Balvantrai Desai as a Chairman and a Managing Director of our Company until January 31, 2026 after attaining the age of 70 years on November 22, 2022, was accorded pursuant to a special resolution passed by our Shareholders on September 21, 2021.*

Relationship between our Directors or our Directors and our Key Managerial Personnel

Except as stated below, none of our Directors are related to each other or any of the Key Managerial Personnel:

1. Shaileshkumar Balvantrai Desai is the father of Umang Shailesh Desai and Bhavisha Shaileshbhai Desai.

2. Umang Shailesh Desai and Bhavisha Shaileshbhai Desai are siblings

Brief profile for our Directors

Shaileshkumar Balvantrai Desai, aged 69 years, is the Chairman and Managing Director of our Company. He founded our Company in 1989 and has been a member of our Board since incorporation of our Company. He holds a Bachelor of Commerce degree from S.N.H. Commerce & J.P.S. Arts College, South Gujarat University. He has over 30 years of experience in chemical industry and has more than 30 years of experience in different roles within our Company. He is actively involved in the day-to-day operations of our Company and focuses on business operations and project expansion.

Umang Shailesh Desai, aged 38 years, is the Whole-Time Director of our Company. He was appointed on the Board of our Company on January 1, 2012. He has over 10 years of experience in formulating and implementing marketing strategies. He is primarily involved in marketing of our Company in global and domestic markets. He primarily overseas the marketing of our Company along with the factory operations. He also acts as the strategic advisor to the Chairman.

Bhavisha Shaileshbhai Desai, aged 31 years, is the Whole-Time Director of our Company. She was appointed on the Board of our Company on September 13, 2021. She holds a Bachelor of Dental Surgery degree from

Rajiv Gandhi University of Health Sciences, Karnataka. Further, she also has experience in handling factory operations.

Jagdish Lalbhai Shah, aged 70 years, is an Independent Director of our Company. He was appointed on the Board of our Company on October 18, 2021. He holds a Bachelor of Technology degree from Indian Institute of Technology, Bombay. He has also completed the Management Education Programme from the Indian Institute of Management, Ahmedabad. He was an executive director for 9 years on the board of Atul Limited and for 3 years on the board of Pidilite Industries Limited.

Sandhya Mahesh Borase, aged 54 years, is an Independent Director of our Company. She was appointed on the Board of our Company on September 21, 2021. She holds a Bachelor of Commerce degree from the University of Bombay. She is also an associate member of the Institute of Company Secretaries of India and a practicing company secretary since 2002. Presently, she serves as an Independent Director on the board of MEP Infrastructure Developers Limited and its subsidiaries MEP Infrastructure Private Limited and MEP Hyderabad Bangalore Toll Road Private Limited.

Vijay Gopi Kishan Aggarwal, aged 64 years, is an Independent Director of our Company. He was appointed on the Board of our Company on September 21, 2021. He is also a Member of the Institute of Chartered Accountants of India. He has 20 years of experience in holding board position in the different companies.

Details regarding directorships of our Directors in listed companies

None of our Directors during the preceding 5 years from the date of filing of this Draft Red Herring Prospectus, is / was a director in listed companies whose shares have been / were suspended from being traded on the Stock Exchanges, during the term of their directorship in such listed companies.

None of our Directors is / was a director in listed companies which have been / were delisted from the Stock Exchanges during the tenure of their directorship in such companies.

Arrangement or understanding with major Shareholders, customers, suppliers or others

There is no arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed as a director or a member of senior management of our Company.

Service Contracts

No service contracts have been entered into by our Directors with our Company providing for benefits upon termination of their employment.

Borrowing Powers of our Board

Pursuant to a resolution passed by our Board at their meeting held on September 26, 2021, and by the Shareholders at their meeting held on October 18, 2021 in terms of Section 180(1)(c) of the Companies Act, our Board has been authorized to borrow sums of money for the purpose of our Company with or without security upon such terms and conditions as the Board may think fit, which together with the money already borrowed by our Company (apart from the temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) shall not at any time exceed ₹5,000.00 million.

Terms of appointment of our Managing Director

Shaileshkumar Balvantrai Desai was appointed as the Chairman and Managing Director of our Company with effect from February 1, 2021 until January 31, 2026 pursuant to a board resolution dated February 1, 2021. He is entitled to the following remuneration and perquisites with effect from February 1, 2021, for a period of 5 years:

Remuneration	₹6.00 million per annum
Increment	Any increment in remuneration, perquisites and allowances shall be on net profits or by way of incentive / bonus / performance linked incentive payable, as may be determined by the Board, shall be in addition to the remuneration.
Reimbursement of	Expenses incurred for travelling, board and lodging during business trips and

Expenses	provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actual and not considered as perquisites.
Other Terms and Conditions	1. The Managing Director will perform his duties as such with regard to all work of our Company and will manage and attend to such business and carry out the orders and directions given by our Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by our Board. 2. The Managing Director shall act in accordance with the Articles of Association of our Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of directors. 3. The Managing Director shall adhere to our Company's Code of Conduct.

Other than the total remuneration of ₹5.00 million, no compensation (including contingent or deferred compensation accrued but payable at a later date) was paid or benefits in kind granted on an individual basis to our Chairman and Managing Director in Fiscal 2021 by our Company for services in all capacities to our Company.

Terms of appointment of our Whole-time Directors

Umang Shailesh Desai

Umang Shailesh Desai was appointed as the Whole-Time Director of our Company with effect from February 1, 2021 until January 31, 2026 pursuant to a board resolution dated February 1, 2021. He is entitled to the following remuneration and perquisites with effect from February 1, 2021, for a period of 5 years:

Remuneration	₹3.60 million per annum
Increment	Any increment in remuneration, perquisites and allowances shall be net profits or by way of incentive / bonus / performance linked incentive payable, as may be determined by the Board, shall be in addition to the remuneration.
Reimbursement of expenses	Expenses incurred for travelling, board and lodging during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actual and not considered as perquisites.
Other Conditions	1. The Whole-Time Director will perform his duties as such with regard to all work of our Company and will manage and attend to such business and carry out the orders and directions given by our Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by our Board. 2. The Whole-Time Director shall act in accordance with the Articles of Association of our Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of directors. 3. The Whole-Time Director shall adhere to our Company's Code of Conduct.

Other than the total remuneration of ₹2.60 million, no compensation (including contingent or deferred compensation accrued but payable at a later date) was paid or benefits in kind granted on an individual basis to our Whole-Time Director in Fiscal 2021 by our Company for services in all capacities to our Company.

Bhavisha Shaileshbhai Desai

Bhavisha Shaileshbhai Desai was appointed as the Whole-Time Director of our Company with effect from September 21, 2021 until September 20, 2026 pursuant to a board resolution dated September 13, 2021, and shareholders' resolution dated September 21, 2021. She is entitled to the following remuneration and perquisites with effect from September 21, 2021, for a period of 5 years:

Remuneration	₹3.60 million per annum
Increment	Any increment in remuneration, perquisites and allowances shall be on net profits or by way of incentive / bonus / performance linked incentive payable, as may be determined by the Board, shall be in addition to the remuneration.
Reimbursement of expenses	Expenses incurred for travelling, board and lodging during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actual and not considered as perquisites.

Other Conditions	1. The Whole-Time Director will perform his duties as such with regard to all work of our Company and will manage and attend to such business and carry out the orders and directions given by our Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by our Board. 2. The Whole-Time Director shall act in accordance with the Articles of Association of our Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of directors. 3. The Whole-Time Director shall adhere to our Company's Code of Conduct.

Other than the salary of ₹0.36 million, no compensation (including contingent or deferred compensation accrued but payable at a later date) was paid or benefits in kind granted on an individual basis to our Whole-time Director in Fiscal 2021 by our Company for services in all capacities to our Company.

Remuneration details of our Non-Executive Directors

Our non-executive independent directors were appointed only in Fiscal 2022. Therefore, no compensation was paid to them in Fiscal 2021.

Remuneration paid or payable by our subsidiaries

Our Company does not have any subsidiary.

Shareholding of Directors in our Company

The Articles of Association of our Company does not require our Directors to hold any qualification shares of our Company.

The shareholding of our Directors in our Company as on the date of this Draft Red Herring Prospectus is set forth below.

Sr. No.	Name of Director	Number of Equity Shares	Percentage shareholding (%)
1.	Shaileshkumar Balvantrai Desai	13,479,550	66.88
2.	Umang Shailesh Desai	3,326,700	16.51
3.	Bhavisha Shaileshbhai Desai	1,000,000	4.96
Total		**17,806,250**	**88.35**

Shareholding of Directors in our subsidiaries

Our Company does not have any subsidiary.

Appointment of relatives of our Directors to any office or place of profit

Mrs. Nilima Shailesh Desai, wife of our Managing Director and mother of our Whole Time Directors, has been appointed as the president of administration department of our Company with effect from July 22, 2021.

Interest of our Directors

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them, as well as the sitting fees and commission, if any, payable to them for attending meetings of our Board and / or committees thereof as approved by our Board / Shareholders, the reimbursement of expenses payable to them, as approved by our Board.

Further, except as disclosed under *'Shareholding of Directors in our Company'* above, none of our Directors hold any Equity Shares or any other form of securities in our Company. Our Directors may also be interested to the extent of the Equity Shares, if any, held by their relatives or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer. Further, our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them in our Company.

Our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company in the normal course of business with any company in which they hold directorships or any partnership firm in which they are partners. For further details, please see the chapter entitled *'Restated Financial Statements – Note 48: Related Party Disclosures'* on page 265.

Interest in the promotion/formation of our Company

Except for Shaileshkumar Balvantrai Desai and Umang Shailesh Desai, who are our Promoters, none of our Directors have any interest in the promotion or formation of our Company.

Interest in property

Except as disclosed below, none of our Directors are interested in any property acquired or proposed to be acquired of our Company or by our Company or in the promotion or formation of our Company:

a. Our Company, *vide* a business transfer agreement dated May 29, 2020, acquired from M/s. Polysol Industries its manufacturing unit located at Plot No. C1 B 106 1 to 4, Polysol Industries, Sarigam, GIDC Sarigam, Valsad – 396155, Gujarat and other assets and liabilities on a going concern basis. Our Company issued 63,295 Equity Shares with face value of ₹100 each at a premium of ₹2,150.50 to the partners of M/s. Polysol Industries namely Shaileshkumar Balvantrai Desai, Umang Shailesh Desai and Nilima Shailesh Desai, against a total consideration of ₹142.44 million.

b. Our Company, *vide* a business transfer agreement dated May 29, 2020, acquired from M/s. Urmi Polymer Industries its manufacturing unit located at SRV. No. 260/71/1/3,4, Demani Road, Dadra, Dadra & Nagar Haveli – 396230, Gujarat and other assets and liabilities on a going concern basis. Our Company issued 75,900 Equity Shares with face value of ₹100 each at a premium of ₹2,150.50 to the partners of M/s. Urmi Polymer Industries namely Shaileskumar Balvantrai Desai and Umang Shilesh Desai, against a total consideration of ₹170.81 million.

c. Shaileshkumar Balvantrai Desai, the Chairman, Managing Director and Promoter of our Company, has entered into an agreement of assignment dated January 25, 2022 with our Company wherein our Company has agreed to assign the rights of exclusive use of property bearing industrial plot no. 85/F/1 admeasuring 10,696.00 sq. mts. and industrial plot no.85/F/2 admeasuring 10,007.00 sq. mts. consisting of R.S. No.810, 814, 815, 1052, 826 and 828 within Vapi Notified Industrial Area, GIDC, Vapi, Tal Vapi, Dist. Valsad to Shaileshkumar Balvantrai Desai for a total consideration of ₹200.70 million.

d. Shaileshkumar Balvantrai Desai, the Chairman, Managing Director and Promoter of our Company, has entered into an agreement of assignment dated January 25, 2022 with our Company wherein he has agreed to assign the rights of exclusive use of the office premises on the 3rd Floor admeasuring 1,026.03 sq. of the building known as Express House situated at Vapi notified Industrial Estate, GIDC, Vapi to our Company for a total consideration of ₹38.65 million.

e. Our Company has entered into a memorandum of understanding dated March 2, 2022 with M/s. Bhavisha Industries, a proprietorship firm owned by Bhavisha Shaileshbhai Desai, our Whole-Time Director and member of our Promoter Group, for acquisition of the assets of M/s. Bhavisha Industries including the manufacturing facility located at Plot No.1705, Phase-III, GIDC Vapi, Taluka Vapi, District Valsad – 396 195, Gujarat, India, for a total consideration of ₹197.43 million.

Loans from Directors

No loans have been availed by our Directors from our Company.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as, a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

Bonus or profit-sharing plan for the Directors

None of the Directors is party to any bonus or profit-sharing plan of our Company.

Changes in our Board in the last 3 years

Sr. No.	Name	Date of Appointment/ Change/Cessation	Reasons
1.	Shaileshkumar Balvantrai Desai	February 1, 2021	Appointment as Managing Director
2.	Umang Shailesh Desai	February 1, 2021	Appointment as Whole- time Director
3.	Nilima Shailesh Desai	July 21, 2021	Resignation from Directorship
4.	Bhavisha Shaileshbhai Desai	September 13, 2021	Appointed as an Additional Director
5.	Bhavisha Shaileshbhai Desai	September 21, 2021	Appointed as a Whole-time Director
6.	Sandhya Mahesh Borase	September 21, 2021	Appointed as an Independent Director
7.	Vijay Gopi Kishan Aggarwal	September 21, 2021	Appointed as an Independent Director
8.	Jagdish Lalbhai Shah	October 18, 2021	Appointed as an Independent Director
9.	Bhavisha Shaileshbhai Desai	February 16, 2022	Regularization of appointment as a Whole-Time Director

Other Confirmations

None of our Directors have been / are declared as fugitive economic offenders as on the date of filing of this Draft Red Herring Prospectus.

None of our Directors have been or are identified as a Wilful Defaulter or Fraudulent Borrower.

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations and the Companies Act in respect of corporate governance including constitution of our Board and committees thereof and formulation of policies.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas.

Our Chairman and Managing Director is also a Promoter of our Company. Accordingly, as on the date of this Draft Red Herring Prospectus, our Board has 6 Directors comprising 3 Executive Directors and 3 Independent Directors (of whom 2 are woman Directors).

Committees of our Board

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

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee; and
5. Risk Management Committee

In addition to the above, our Board may, from time to time, constitute committees to delegate certain powers for various functions, in accordance with applicable laws.

Audit Committee

The Audit Committee of our Board was re-constituted by a resolution of our Board at their meeting held on February 14, 2022. The constitution of the Audit Committee is as follows:

Sr. No.	Name of the Director	Position in the Committee
1.	Sandhya Mahesh Borase	Chairperson

Sr. No.	Name of the Director	Position in the Committee
2.	Vijay Gopi Kishan Agarwal	Member
3.	Shaileshkumar Balvantrai Desai	Member

The Company Secretary and Compliance Officer of our Company will act as the Secretary of the Committee.

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

Terms of Reference of the Audit Committee

1. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

(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;

(4) management discussion and analysis of financial condition and results of operations;

(5) to secure attendance of outsiders with relevant expertise, if it considers necessary; and

(6) such other powers as may be prescribed under the Companies Act and the SEBI Listing Regulations.

2. Role of Audit Committee

The role of the Audit Committee shall include the following:

(1) oversight of financial reporting process and the disclosure of financial information relating to our 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 our 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 or any subsequent modification of transactions of our Company with related parties and omnibus approval for related party transactions proposed to be entered into by our 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) laying down the criteria for granting omnibus approval in line with our Company's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;

(12) scrutiny of inter-corporate loans and investments;

(13) valuation of undertakings or assets of our Company, wherever it is necessary;

(14) evaluation of internal financial controls and risk management systems;

(15) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(16) 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;

(17) discussion with internal auditors of any significant findings and follow up there on;

(18) 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;

(19) 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;

(20) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(21) 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;

(22) reviewing the functioning of the whistle blower mechanism;

(23) monitoring the end use of funds raised through public offers and related matters;

(24) 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;

(25) 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;

(26) 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;

(27) to consider and comment on the rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc. of our Company and provide comments to our Company's shareholders;

(28) to review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively; and

(29) 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 shall mandatorily review the following information:

1) Management discussion and analysis of financial condition and results of operations;

2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

3) Management letters / letters of internal control weaknesses issued by the statutory auditors;

4) Internal audit reports relating to internal control weaknesses;

5) The appointment, removal and terms of remuneration of the chief internal auditor;

6) 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.

7) Review the financial statements, in particular, the investments made by any unlisted subsidiary.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of our Board was re-constituted by a resolution of our Board at their meeting held on February 14, 2022. The constitution of the Nomination and Remuneration Committee is as follows:

Sr. No.	Name of the Director	Position in the Committee
1.	Sandhya Mahesh Borase	Chairperson
2.	Vijay Gopi Kishan Agarwal	Member
3.	Jagdish Lalbhai Shah	Member

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

Terms of Reference for the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees (**Remuneration Policy**);

   The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

   a. 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;

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

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

(2) formulation of criteria for evaluation of performance 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 shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(5) reviewing and recommending to the Board, manpower plan/ budget and sanction of new senior management positions from time to time in the future;

(6) for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the committee may:

a. use the services of an external agencies, if required;

b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. consider the time commitments of the candidates,

(7) extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(8) evaluation and recommendation of termination of appointment of directors in accordance with the Board's governance principles for cause or for other appropriate reasons;

(9) making recommendations to the Board in relation to the appointment, promotion and removal of the senior management personnel;

(10) recommending to the board, all remuneration, in whatever form, payable to senior management, including revisions thereto;

(11) administering, monitoring and formulating detailed terms and conditions of the Employees Stock Option Scheme of our Company;

(12) framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:

a. the SEBI Insider Trading Regulations; and

b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.

(13) carrying out any other function as is mandated by the Board from time to time and / or enforced/mandated by any statutory notification, amendment or modification, as may be applicable;

(14) performing such other functions as may be necessary or appropriate for the performance of its duties;

(15) periodically reviewing and re-examining the terms of reference and making recommendations to our Board for any proposed changes;

(16) authorization to obtain advice, reports or opinions from internal or external counsel and expert advisors;

(17) ensuring proper induction program for new directors, key managerial personnel and senior management and reviewing its effectiveness along-with ensuring that on appointment, they receive a formal letter of appointment in accordance with guidelines provided under the Companies Act, 2013;

(18) developing a succession plan for our Board and senior management and regularly reviewing the plan;

(19) ensuring that it proactively maintains a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of our Company;

(20) consideration and determination of the nomination and remuneration policy based on performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate;

(21) 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; and

(22) Analysing, monitoring and reviewing various human resource and compensation matters.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of our Board was re-constituted by a resolution of our Board at their meeting held on February 14, 2022. The constitution of the Stakeholders' Relationship Committee is as follows:

Sr. No.	Name of the Director	Position in the Committee
1.	Jagdish Lalbhai Shah	Chairperson
2.	Shaileshkumar Balvantrai Desai	Member
3.	Umang Shailesh Desai	Member

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

Terms of Reference for the Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by the under applicable law, the following:

(1) considering and specifically looking into various aspects of interests of shareholders, debenture holders and other security holders;

(2) resolving the grievances of the security holders of the listed entity including complaints related to allotment of shares, 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, depository receipt, non-receipt of annual report , balance sheet or profit and loss account, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

(3) review of measures taken for effective exercise of voting rights by shareholders;

(4) investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(5) 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;

(6) 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;

(7) 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

(8) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or the SEBI Listing Regulations, or by any other regulatory authority.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of our Board was re-constituted by a resolution of our Board at their meeting held on February 14, 2022. The constitution of the Corporate Social Responsibility Committee is as follows:

Sr. No.	Name of the Director	Position in the Committee
1.	Shaileshkumar Balvantrai Desai	Chairperson
2.	Jagdish Lalbhai Shah	Member
3.	Umang Shailesh Desai	Member

The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act and its terms of reference are as follows:

Terms of Reference of the Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee be and is hereby authorized to perform the following functions:

1) 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;

2) Identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

3) Review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by our Company;

4) Delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

5) Review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

6) Assistance to the Board to ensure that our Company spends towards the corporate social responsibility activities in every Fiscal, such percentage of average net profit/ amount as may be prescribed in the Companies Act, 2013 and/ or rules made thereunder;

7) Providing explanation to the Board if our Company fails to spend the prescribed amount within the financial year;

8) Providing updates to our Board at regular intervals of 6 months on the corporate social responsibility activities;

9) 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

10) Exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

Risk Management Committee

The Risk Management Committee of our Board was re-constituted by a resolution of our Board at their meeting held on February 14, 2022. The constitution of the Risk Management Committee is as follows:

Sr. No.	Name of the Director	Position in the Committee
1.	Shaileshkumar Balvantrai Desai	Chairperson
2.	Jagdish Lalbhai Shah	Member
3.	Umang Shailesh Desai	Member

Sr. No.	Name of the Director	Position in the Committee
4.	Dr. Rajesh Shyambadan Singh	Member
5.	Uzair Zahidbhai Shaikh	Member

The scope and functions of the Risk Management Committee are in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference are as follows:

Terms of reference of the Risk Management Committee

The Risk Management Committee shall have the following terms of reference:

1) To review and assess the risk management system and policy of our Company from time to time and recommend for amendment or modification thereof. The risk management policy shall include the following:

    a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;

    b. Measures for risk mitigation including systems and processes for internal control of identified risks; and

    c. Business continuity plan.

2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of our Company;

3) To periodically review the risk management policy, at least once in 2 years, including by considering the changing industry dynamics and evolving complexity;

4) To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;

5) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

6) To implement and monitor policies and/or processes for ensuring cyber security;

7) To frame, devise and monitor risk management plan and policy of our Company, including evaluating the adequacy of risk management systems;

8) To review and recommend potential risk involved in any new business plans and processes;

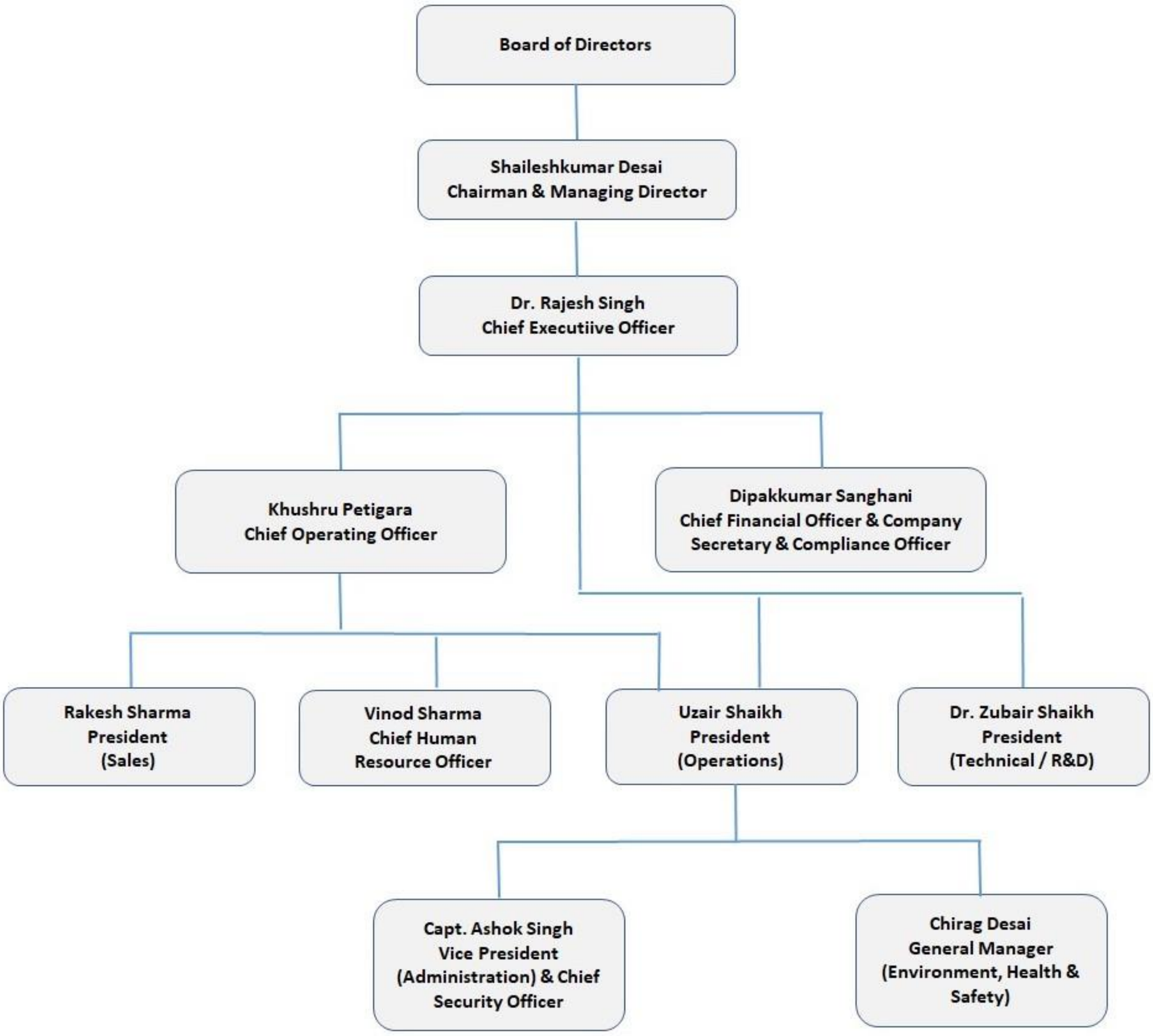
9) To review our Company's risk-reward performance to align with our Company's overall policy objectives;

10) Monitor and review regular updates on business continuity;

11) Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and

12) Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

Management Organisation Structure



Key Managerial Personnel

In addition to Shaileshkumar Balvantrai Desai, Managing Director, Umang Shailesh Desai, Whole-Time Director, and Bhavisha Shaileshbhai Desai, Whole-Time Director whose details have been provided under the paragraph '*Brief profile of our Directors'* on page 205, the details of our other Key Managerial Personnel as on the date of the Draft Red Herring Prospectus, are as follows:

Dr. Rajesh Shyambadan Singh, aged 52, is the Chief Executive Officer of our Company. He was appointed as a Chief Executive Officer of our Company with effect from April 1, 2021 pursuant to a board resolution dated April 1, 2021. He holds a doctoral degree in Philosophy (Science) in the subject of Chemistry from Department of Chemical Technology, University of Bombay. He has also completed a certificate course in 'Dyeing and Finishing of Wool' organised by Maharashtra State Board of Vocational Examinations. Previously, he was associated with South India Cashew Corporation, Goa as Director (Technical), Amorphos Chemicals Private Limited as chief executive officer, Tytan Organics Private Limited as Manager (R&D) and India Glycols Limited as assistant manager (R&D). Other than the total remuneration of ₹0.19 million, no compensation (including contingent or deferred compensation accrued but payable at a later date) was paid or benefits in kind granted on an individual basis to our Chief Executive Officer in Fiscal 2021 by our Company for services in all capacities to our Company.

Khushru Dali Petigara, aged 45, is the Chief Operating Officer of our Company. He was appointed as a Chief Operating Officer of our Company with effect from February 17, 2022 pursuant to a board resolution dated

February 14, 2022. He holds a bachelor's degree of commerce from S.P.B English Medium College of Commerce and masters degree in business administration, with a specialization in finance from the University Department of Business and Industrial Management, Veer Narmad South Gujarat University (formerly known as South Gujarat University). Previously, he was employed with Mitsu Limited. He was also associated with Minix Holdings Pvt. Ltd. as a Manager in the finance and treasury department. Since he has been appointed in February 2022, no remuneration was paid to him as an employee in the previous Fiscal.

Dipakkumar Mohanlal Sanghani, aged 33 years, is the Chief Financial Officer and Company Secretary of our Company. He has been associated with our Company as a Manager Finance and Accounts and with effect from February 1, 2021, he was appointed as the Chief Financial Officer and Company Secretary of our Company. He holds a bachelor's degree in commerce from P.D. Malaviya Commerce College, Rajkot, Saurashtra University. He is a qualified company secretary from the Institute of Company Secretaries of India and a qualified Cost Accountant from Institute of Cost Accountants of India. He is an associate member of the Institute of Company Secretaries of India and Institute of Cost Accountants of India. Other than the total remuneration of ₹0.23 million and consultancy fee of ₹0.86 million, no compensation (including contingent or deferred compensation accrued but payable at a later date) was paid or benefits in kind granted on an individual basis to our Chief Financial Officer and Company Secretary in Fiscal 2021 by our Company.

Relationship between Key Managerial Persons

Except for Shaileshkumar Balvantrai Desai, Umang Shailesh Desai and Bhavisha Shaileshbhai Desai, who are related to each other as disclosed at '*Relationship between our Directors or our Directors and our Key Managerial Persons*' on page 205, none of our Key Managerial Persons are related to each other.

Arrangements and Understanding with Major Shareholders

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any Shareholders, customers or suppliers or others.

Bonus or Profit-Sharing Plans

None of the Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company.

Status of Key Managerial Personnel

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

Shareholding of Key Managerial Personnel

Except as set forth below, none of our Key Managerial Personnel hold any Equity Shares as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Pre-Offer		Post-Offer	
		No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)	No. of Equity Shares	Percentage of the post-Offer equity share capital (%)
1.	Shaileshkumar Balvantrai Desai	13,479,550	66.88	[●]	[●]
2.	Umang Shailesh Desai	3,326,700	16.51	[●]	[●]
3.	Bhavisha Shaileshbhai Desai	1,000,000	4.96	[●]	[●]
Total		**17,806,250**	**88.35**	[●]	[●]

Changes in the Key Managerial Personnel

The changes in our Key Managerial Personnel during the 3 years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

Sr. No.	Name of the Key Managerial Personnel	Date of Appointment / Change / Cessation	Reasons
1.	Shaileshkumar Balvantrai Desai	February 1, 2021	Appointed as Managing Director
2.	Umang Shailesh Desai	February 1, 2021	Appointed as Whole-time Director
3.	Dipakkumar Mohanlal Sanghani	February 1, 2021	Appointed as Chief Financial Officer and Company Secretary
4.	Dr. Rajesh Shyambadan Singh	February 1, 2021	Appointed as Chief Executive Officer
5.	Dr. Rajesh Shyambadan Singh	February 5, 2021	Cessation as Chief Executive Officer
6.	Dr. Rajesh Shyambadan Singh	April 1, 2021	Appointed as Chief Executive Officer
7.	Bhavisha Shaileshbhai Desai	September 13, 2021	Appointed as Whole-time Director
8.	Bhavisha Shaileshbhai Desai	February 16, 2022	Regularised as a Whole-time Director
9.	Khushru Dali Petigara	February 17, 2022	Appointed as the Chief Operating Officer

The attrition of the Key Managerial Personnel of our Company is not high as compared to the industry.

Interests of Key Managerial Personnel

Except as stated below, no Key Managerial Personnel has any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business and in the course of performance of their duties:

1. Khushru Dali Petigara

a. *M/s. Kshnaum Capital (a proprietorship firm of Khushru Dali Petigara)*

(in ₹ million)

Particulars	6 month period ended September 30, 2021	Fiscal 2021	Fiscal 2020
Consultancy fee	1.39	2.07	1.50

b. *Innopak Infra Chem LLP (a partnership firm in which Khushru Dali Petigara is a designated partner)*

(in ₹ million)

Particulars	6 month period ended September 30, 2021	Fiscal 2021	Fiscal 2020
Sales	Nil	51.97	250.27
Purchase	Nil	95.88	188.16
Advance Given for Purchase	0.07	Nil	Nil
Advance Received Against Sales	Nil	Nil	Nil
Rent Income	Nil	Nil	Nil

2. Dipakkumar Mohanlal Sanghani

a. M/s. D M Sanghani & Co. (a proprietorship firm of Dipakkumar Mohanlal Sanghani)

(in ₹ million)

Particulars	6 month period ended September 30, 2021	Fiscal 2021	Fiscal 2020
Consultancy fee	Nil	0.86	1.06

3. Bhavisha Shaileshbhai Desai

(in ₹ million)

Particulars	6 month period ended September 30, 2021	Fiscal 2021	Fiscal 2020
Rent Income	8.15	16.30	16.30
Salary	0.17	0.36	0.36

Loans to Key Managerial Personnel

Except as disclosed in the chapter entitled '*Restated Financial Statements – Note 48: Related Party Disclosures*' on page 265, no loans have been availed by our Key Managerial Personnel from our Company as on the date of this Draft Red Herring Prospectus.

Senior Management Personnel

The details of our Senior Management Personnel as on the date of this Draft Red Herring Prospectus are as follows:

Uzair Zahidbhai Shaikh, aged 48 years, is the President - Operations of our Company. He has been associated with our Company since 2006. He holds a bachelor's degree in science from the M.J.P.R.U, Bareilly.

Dr. Zubair Shaikh, aged 40 years, is the President - Technical of our Company. He also heads the R&D division of our Company. He holds a doctoral degree in philosophy (chemistry) from M.J.P.R.U, Bareilly. He has also completed a training in chemical analysis from MSME Testing Center, New Delhi.

Rakesh Sharma, aged 41 years, is the President- Sales of our Company. He has been associated with our Company since 2011.

Vinod Sharma, aged 53 years, is the Chief Human Resources Officer of our Company. He has been associated with our Company since 2020. He holds a bachelor's degree in commerce from Ajmer University, post graduate diploma in industrial relations from Board of Technical Education, Uttar Pradesh.

Employee Stock Option Scheme

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Draft Red Herring Prospectus.

Payment or benefits to officer of our Company (non-salary related)

Except as disclosed in this chapter entitled '*Our Management*', no amount or benefit has been paid or given within the 2 years preceding the date of filing of this Draft Red Herring Prospectus or intended to be paid or given to any of officers of our Company including our Directors and Key Management Personnel.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Shaileshkumar Balvantrai Desai; and

2. Umang Shailesh Desai

As on date of this Draft Red Herring Prospectus, our Promoters hold an aggregate of 16,806,250 Equity Shares, representing 83.39% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company of which, Shaileshkumar Balvantrai Desai holds 13,479,550 Equity Shares and Umang Shailesh Desai holds 3,326,700 Equity Shares. For further details on shareholding of our Promoters and Promoter Group, please see the chapter entitled '*Capital Structure - Details of Shareholding of Our Promoters in Our Company*' on page 83.

Brief profile of our Promoters

Shaileshkumar Balvantrai Desai

Date of Birth: November 22, 1952

PAN: ABGPD9899M

Shaileshkumar Balvantrai Desai, aged 69 years, is one of our Promoters, and the Chairman and Managing Director of our Company. He is an Indian national and an Indian resident. He has been on our Board since October 18, 1989.

Other than as disclosed in '*Our Promoter Group*' below and in chapter entitled '*Our Management – Other Directorships*' on page 203, he is not involved in any other ventures.

For a complete profile of Shaileshkumar Balvantrai Desai including his educational qualifications, residential address, professional experience, other directorships, etc., please see the chapter entitled '*Our Management*' beginning on page 203.

Umang Shailesh Desai

Date of Birth: June 10, 1983

PAN: AEYPD4729H

Umang Shailesh Desai, aged 38 years, is one of our Promoters, and the Whole-time Director of our Company. He is an Indian national and an Indian resident.

Other than as disclosed in '*Our Promoter Group*' below and in section 'Our *Management – Other Directorships*' beginning page 203 , he is not involved in any other ventures.

For a complete profile of Umang Shailesh Desai including his educational qualifications, residential address, professional experience, other directorships, etc., please see the chapter entitled '*Our Management*' beginning on page 203.

Our Company confirms that the PAN, bank account number, passport number, Aadhar card number and driving license number of our Promoters shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Change in the control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the control of our Company in the 5 years immediately preceding the date of this Draft Red Herring Prospectus.

Interests of our Promoters

Our Promoters are interested in our Company to the extent: (a) that they have promoted our Company; (b) of their respective shareholding in our Company, the shareholding of their relatives and entities in which our Promoters are interested and which hold the Equity Shares, and the dividends payable upon such shareholding, if any; (c) any other distributions in respect of the Equity Shares held by them, their relatives or such entities, if any; (d) of being the Directors and Key Managerial Personnel of our Company and the sitting fees / remuneration, benefits and reimbursement of expenses, payable to them as per the terms of their appointment as such, by our Company; and (e) that our Company has undertaken transactions with them, or their relatives or entities in which our Promoters hold shares or have an interest, if applicable. For further details of our Promoters, please see the chapters entitled '*Capital Structure*', '*Our Management*' beginning on pages 75 and 203 and '*Offer Document Summary – Summary of Related Party Transactions*' on page 28.

Other than as disclosed in the chapters entitled *'Restated Financial Statements — Note 48: Related Party Disclosures'* on page 265 and '*Our Management*' beginning on page 203, our Company has not entered into, any contract, agreements or arrangements during the preceding 2 years from the date of this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters or the members of our Promoter Group are directly or indirectly interested and no payments have been made to them in respect of the contract, agreements or arrangements which are proposed to be made with them.

Except as disclosed below, none of our Promoters have interest in any property acquired by or leased to our Company during the 3 years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired or leased to our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery:

1. Our Company, *vide* a business transfer agreement dated May 29, 2020, acquired from M/s. Polysol Industries its manufacturing unit located at Plot No. C1 B 106 1 to 4, Polysol Industries, Sarigam, GIDC Sarigam, Valsad – 396155, Gujarat and other assets and liabilities on a going concern basis. Our Company issued 63,295 Equity Shares with face value of ₹100 each at a premium of ₹2,150.50 to the partners of M/s. Polysol Industries namely Shaileshkumar Balvantrai Desai, Umang Shailesh Desai and Nilima Shailesh Desai, against a total consideration of ₹142.44 million.

2. Our Company, *vide* a business transfer agreement dated May 29, 2020, acquired from M/s. Urmi Polymer Industries its manufacturing unit located at SRV. No. 260/71/1/3,4, Demani Road, Dadra, Dadra & Nagar Haveli – 396230, Gujarat and other assets and liabilities on a going concern basis. Our Company issued 75,900 Equity Shares with face value of ₹100 each at a premium of ₹2,150.50 to the partners of M/s. Urmi Polymer Industries namely Shaileskumar Balvantrai Desai and Umang Shilesh Desai, against a total consideration of ₹170.81 million.

3. Shaileshkumar Balvantrai Desai, our Promoter, Chairman and Managing Director, has entered into an agreement for assignment dated January 25, 2022 with our Company wherein our Company has agreed to assign the rights of exclusive use of property bearing industrial plot no. 85/F/1 admeasuring 10,696.00 sq. mts. and industrial plot no.85/F/2 admeasuring 10,007.00 sq. mts. consisting of R.S. No.810, 814, 815, 1052, 826 and 828 within Vapi Notified Industrial Area, GIDC, Vapi, Tal Vapi, Dist. Valsad, to Shaileshkumar Balvantrai Desai for a total consideration of ₹200.70 million.

4. Shaileshkumar Balvantrai Desai, our Promoter, Chairman and Managing Director, has entered into an agreement for assignment dated January 25, 2022 with our Company wherein he has agreed to assign the rights of exclusive use of the office premises on the 3rd Floor admeasuring 1,026.03 sq. of the building known as Express House situated at Vapi notified Industrial Estate, GIDC, Vapi, Gujarat to our Company for a total consideration of ₹38.65 million.

Further, other than as disclosed in the chapters entitled '*Our Group Companies*' and '*Our Promoters and Promoter Group*' beginning on pages 226 and 222, respectively, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when it arises.

None of our Promoters are interested as a member of a firm or company and no sum has been paid or agreed to be paid to any of our Promoters or to any such firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise, for services rendered by such Promoter(s) or by such firm or company in connection with the promotion or formation of our Company.

Payment or benefits to our Promoters or our Promoter Group

Except as stated in the chapters entitled *'Other Financial Information – Note 48: Related Party Disclosures'* on page 265 and *'Our Management'* beginning on page 203, there has been no amount or benefit paid or given, respectively, to our Promoters or members of our Promoter Group during 2 years prior to the date of this Draft Red Herring Prospectus and no amount or benefit is intended to be paid or given to any of our Promoters or members of our Promoter Group.

Material guarantees to third parties with respect to the Equity Shares

Except for personal guarantees given in connection with loans availed by our Company (please see the chapter entitled *'Financial Indebtedness'* beginning of page 302), as on the date of this Draft Red Herring Prospectus, our Promoters have not given any material guarantees to any third party with respect to the Equity Shares.

Companies/ firms with which our Promoters have disassociated in the last 3 years

Our Promoters have not disassociated themselves from any company or firm in the last 3 years preceding the date of filing of this Draft Red Herring Prospectus.

Confirmations

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

Except as disclosed under the chapter entitled '*Outstanding Litigation and Material Developments*' beginning on page 311, there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 years preceding the date of this Draft Red Herring Prospectus against our Promoters.

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Our Promoter Group

In addition to our Promoters, the following persons and entities form part of our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

A. Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group (due to their relationship with our Promoters or whose shareholding is aggregated under the heading "shareholding of the promoter group"), other than our Promoters, are as follows:

Name of Promoter	Relationship	Name of the Relative
Shaileshkumar Balvantrai Desai	Spouse	Nilima Shailesh Desai
	Son	Umang Shailesh Desai
	Daughter	Bhavisha Shaileshbhai Desai
	Sister	Amita Mahesh Desai
	Sister	Rakshaben Jayeshbhai Desai

Name of Promoter	Relationship	Name of the Relative
	Spouse’s brother	Daxkumar Hasmukhabhai Desai
Umang Shailesh Desai	Spouse	Apoorva Mohan
	Mother	Nilima Shailesh Desai
	Father	Shaileskumar Balvantrai Desai
	Sister	Bhavisha Shaileshbhai Desai
	Daughter	Irya Umang Desai
	Spouse’s mother	Anju Surender Mohan
	Spouse’s brother	Mohit Surender Mohan

B. Entities forming part of the Promoter Group

Sr. No	Name of the entity
1.	Menumate India Private Limited
2.	Arma Tela Opus Private Limited
3.	M/s. Polysol Financial Services LLP*
4.	M/s. Apurva International
5.	Gulabbhai K. Desai & Co
6.	M/s. Polysol Chemicals
7.	Desai Shailesh Balvantrai HUF
8.	Polysol Specialty Chemicals Private Limited

**Polysol Financial Services Limited got converted into M/s. Polysol Financial Services LLP vide certificate of registration on conversion dated March 31, 2016. M/s. Polysol Financial Services LLP is registered under Section 58(1) of the Limited Liability Partnership Act, 2018.*

Confirmations

Our Promoters and members of our Promoter Group have not been declared as Wilful Defaulters or Fraudulent Borrowers and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

OUR GROUP COMPANIES

Under the SEBI ICDR Regulations, the definition of 'group companies' includes: (a) such companies (other than the promoters and subsidiaries, if any) with which there were related party transactions, during the period for which financial information is disclosed, as covered under applicable accounting standards, and (b) such other companies as are considered material by our Board. Pursuant to a Board resolution dated February 14, 2022, our Board formulated a policy with respect to companies which it considered material to be identified as group companies.

Accordingly, for (a) above, all companies with which our Company has entered into related party transactions during the period covered in the Restated Financial Statements; as covered under the applicable accounting standards, are considered as Group Companies in term of the SEBI ICDR Regulations. For (b) above, our Board does not consider any company as a group company.

Set forth below, based on the aforementioned criteria, are details of our Group Companies as on the date of this Draft Red Herring Prospectus.

1. **Menumate India Private Limited (MIPL)**

Corporate Information

The registered office of MIPL is situated at 101, First Floor, Sushant Tower, Sushant Lok II, Sector 56, Gurgaon – 122 011, Haryana, India. The company identification number of MIPL is U24100HR2014PTC052000.

Financial Performance

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, basic earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements of MIPL, for the Fiscals 2021, 2020 and 2019, are set out below. Please note that MIPL has no website.

(₹ in million except per share data)

Particulars	Financial Year 2021	Financial Year 2020	Financial Year 2019
Reserves Excluding Revaluation Reserve)	17.90	17.96	18.39
Sales	-	14.89	29.50
Profit/(Loss) after Tax	(0.05)	(0.43)	28.00
Earnings per Share (Basic) (Face Value of ₹10)	(1.08)	(8.70)	559.97
Earnings per Share (Diluted) (Face Value of ₹10)	(1.08)	(8.70)	559.97
Net Asset Value	18.40	18.46	18.89

2. **Polysol Specialty Chemicals Private Limited (PSCPL)**

Corporate Information

The registered office of PSCPL is situated at Plot No 1705, Third Phase, GIDC, Taluka Pardi, Vapi, Valsad – 396 195, Gujarat, India. The company identification number of PSCPL is U24304GJ2020PTC114312.

Financial Performance

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit/ (loss) after tax, basic earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements of PSCPL, for the Fiscals 2021, 2020 and 2019, are set out below. Please note that PSCPL has no website.

(₹ in million except per share data)

Particulars	Financial Year 2021	Financial Year 2020	Financial Year 2019
Reserves (Excluding Revaluation Reserve)	0.04	N.A.	N.A.
Sales	0.00	N.A.	N.A.
Profit/(Loss) after Tax	(0.04)	N.A.	N.A.
Earnings per Share (Basic) (Face Value of ₹10)	(0.73)	N.A.	N.A.
Earnings per Share (Diluted) (Face Value of ₹10)	(0.73)	N.A.	N.A.
Net Asset Value	0.46	N.A.	N.A.

Nature and extent of interests of our Group Companies

As on the date of this Draft Red Herring Prospectus, our Group Companies do not have any interest in the promotion or formation of our Company.

Our Group Companies do not have any interest in any property acquired by our Company in 3 years preceding the date of filing this Draft Red Herring Prospectus or proposed to be acquired by it as on date of this Draft Red Herring Prospectus.

Except as disclosed under the chapter entitled *'Restated Financial Statements' – Note 48: Related Party Disclosures'* on page 265, our Group Companies do not have an interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery.

Except in the ordinary course of business and as disclosed under the chapter entitled *'Restated Financial Statements – Note 48: Related Party Disclosures'* on page 265, our Group Companies do not have any business interest in our Company.

Related Business Transactions within our Group Companies and significance on the financial performance of our Company

Except as disclosed under the chapter entitled *'Restated Financial Statements — Note 48: Related Party Disclosures'* on page 265, no related business transactions have been entered into between our Group Companies and our Company.

Common pursuits of our Group Companies

Except for PSCPL, there are no common pursuits amongst our Group Companies and our Company.

As per the memorandum of association of PSCPL, the main object to be pursued by PSCPL on its incorporation is as follows:

"*To manufacture, buy, sell, import, export and deal in chemical, chemical compounds, chemical products, chemical intermediates, chemical derivatives and by-products, concrete admixtures, chemical and industrial epoxy, acids, alkalies, petrochemicals, chemical medicines, chemical capsules, accelerators, chemical adhesives, sealants, drugs, pharmaceuticals, antibiotics, tannin, tannin extracts, essences, solvents, plastic of all types, dyes, dye stuff, intermediate, paints, varnishes, disinfectants, insecticides, fungicides, deodorants, bio-chemicals, agro-chemicals and its intermediates*."

Litigation

As on date of this Draft Red Herring Prospectus, our Group Companies are not parties to any pending litigation which will have a material impact on our Company.

Utilisation of Offer Proceeds

There are no material existing or anticipated transactions in relation to utilisation of the Offer proceeds with our Group Companies.

Other Confirmations

Our Group Companies do not have any securities listed on stock exchange.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association, the applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company, overall financial condition and restrictive covenants under loan or financing arrangements of our Company please see the chapter entitled '*Financial Indebtedness*' beginning on page 302. Our Company does not have a formal dividend policy.

Upon the listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

Our Company may pay dividend as approved by our Board and / or our Shareholders in the future including interim dividend from time to time.

Our Company has not declared any dividends in the three Fiscals immediately preceding the filing of this Draft Red Herring Prospectus. Further, we have not declared any dividends in the 6 month period ended September 30, 2021 and from October 1, 2021 until the date of this Draft Red Herring Prospectus.

Our past practices with respect to the declaration of dividends are not necessarily indicative of our future dividend declaration. For details in relation to the risk involved, please see the section entitled '*Risk Factors – Risk Factor 40- We cannot assure you that our Company will be able to pay dividends in the future***.**' on page 50.

SECTION V - FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

[THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK]

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To,
The Board of Directors
GUJARAT POLYSOL CHEMICALS LIMITED
(Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED)
Plot No. 1734, Third Phase,
G.I.D.C, District – Valsad,
Vapi – 396 195,
Gujarat, India

Dear Sirs,

1. We have examined the attached Restated Financial Information of Gujarat Polysol Chemicals Limited (Formerly known as Gujarat Polysol Chemicals Private Limited) (the "Company" or the "Issuer") comprising the Restated Statement of Assets and Liabilities as at September 30, 2021, March 31, 2021, 2020 and 2019, the Restated Statements of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the Six month period ended September 30, 2021, and for the financial years ended March 31, 2021, 2020 and 2019 & the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 24-03-2022 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") and Registrar of Companies, Gujarat in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2 to the Restated Financial Information. The Board of Directors of the Company responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated 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 15-09-2021 in connection with the proposed IPO of equity shares of the 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 Financial Information; and

   d) The requirements of Section 26 of the Act and the ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Financial Information have been compiled:

   a) from the audited interim Ind AS financial statements of the Company as at and for the six months ended September 30, 2021 which were prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting", as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on 24-03-2022; and

b) The audited financial statements for years ended March 31, 2021, March 31, 2020 and March 31, 2019 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP). Now these Financial are reinstated as per IND AS.

c) for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 which have been 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 from time to time, other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on 24-03-2022 respectively.

The Company has adopted the Revised Schedule III as issued by MCA and accordingly numbers of comparative period has been reclassified as required.

5. Audited Financial Statements of the Company as at and for the year ended March 31, 2019, which were prepared in accordance with Indian GAAP, which have been approved by the Board of Directors at their meeting held on 19-08-2019. In accordance with ICDR Regulations, read with Guidance Note, the Restated Financial Statements for the year ended March 31, 2019 have been prepared after incorporating Ind AS adjustments as applicable and relevant, to be made in accounting heads from their Accounting Standards values as on the transition date following accounting policies (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS. For the purpose of IND AS financial statements prepared for March 2019, the transition date has been considered to be 01-04-2018.

6. We have re-audited the Special Purpose Ind AS Financial Statements of the Company for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 prepared by the Company in accordance with the Indian Accounting Standard (Ind AS) for the limited purpose of consideration in preparation of Restated Financial Information, being prepared under Ind AS in relation to proposed IPO. We have issued our report dated 24-03-2022 on these Special Purpose Ind AS Financial Statements to the Board of Directors.

7. For the purpose of our examination, we have relied on:

a) Auditors' Report issued by the us dated 24-03-2022 Special Purpose Interim financial statements of the Company as at and for the six months period ended 30 September 2021 as referred in Paragraph 4 (a) above;.

b) Auditors' reports issued by us dated **16/08/2021, 21/07/2020 and 05/09/2019** on the financial statements of the Group as at and for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 as referred in Paragraph 4(b) above; and

c) Auditors' reports issued by us dated 24-03-2022 on the Special Purpose Ind AS financial statements of the Company as at and for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 as referred in Paragraph 5 above.

8. There were no modifications to the audit reports on the financial statements issued by us as at and for the years ended March 31, 2021, 2020 and 2019. Further, neither the audit report on the financial statements issued by us as at and for the for years ended March 31, 2021, 2020 and 2019 nor the audit report on the Special Purpose Interim Financial Statements issued by as at and for the six month period ended 30 September 2021 contain any qualifications requiring adjustments or any matter of emphasis. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Financial Information have been disclosed in Annexure VII to the Restated Financial Information; and

9. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2021, 31 March, 2020 and 31 March 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended 30 September 2021;

b) have been prepared after incorporating Ind AS adjustments for the changes in accounting policies, material errors, and regrouping / reclassifications and Common controlled of the entity with retrospectively as at and for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 as described in Note 52 to the Restated Financial Information; to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the six month ended September 30, 2021.

c) have been prepared in accordance with the Appendix C to Ind AS 103 "Common Control Business Combination", which requires retroactive accounting of the merger from the date of common control of entity as the company entered into a Business Transfer Agreements ('Agreement') dated May 29, 2020 and acquired the businesses of Polysol Industries and Urmi Polymer Industries, Partnership Firms and Shareholders of the Company were Partners of the firm. Since the Company and Firms have in turn been controlled by Common parent Mr. Shailesh Desai, the Restated Financial Information as made as per the Ind As 103.

d) does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Financial Information have been disclosed in Annexure VII to the Restated Financial Information; and

e) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

f) the Company has no subsidiary, joint venture or associate warranting consolidation of financial information in any of relevant financial years considered in this Report and, therefore, the Restated Financial Information provided under this Report is on standalone basis.

10. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim Ind AS financial statements and audited financial statements mentioned in paragraph 4 above.

11. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, Stock Exchanges and Registrar of Companies, Gujarat, in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

J.V.VASANI & Co.
Chartered Accountants
Firm's Registration No 114283W

Jignesh V Vasani
Partner
Membership No. 047954
UDIN: 22047954AFMQYM6929
Place: Vapi
Date: 24th March, 2022

GUJARAT POLYSOL CHEMICALS LIMITED
(Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED) (CIN :U24231GJ1989PLC012892)
Annexure I: Restated Statement of Assets and Liabilities

(₹ in million)

Particulars	Note No.	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
ASSETS					
(1) Non-Current Assets					
(a) Property, Plant and Equipment	5	702.17	587.82	469.61	369.79
(b) Investment Property	6	-	174.70	177.00	179.30
(c) Intangible assets	7	1.52	1.27	-	-
(d) Financial Assets					
(i) Investments	8	0.00	0.00	0.00	0.00
(iii) Others	9	17.90	15.98	13.41	13.20
(e) Other non-current assets	10	8.41	10.57	3.88	1.02
Total non-current assets		**729.99**	**790.34**	**663.90**	**563.31**
(2) Current Assets					
(a) Inventories	11	545.34	405.12	328.85	243.77
(b) Financial Assets					
(i) Trade receivables	12	1,353.51	1,679.41	1,478.49	1,480.17
(ii) Cash and cash equivalents	13	1.09	8.93	13.48	8.31
(iii) Other bank balances	14	41.89	40.05	58.71	76.47
(iv) Loans	15	2.67	2.56	6.27	2.35
(v) Others	16	13.60	11.30	10.80	10.94
(c) Current Tax Assets (Net)	17	32.08	-	12.14	1.60
(d) Other current assets	18	251.93	207.08	92.21	348.43
Total current assets		**2,242.10**	**2,354.46**	**2,000.96**	**2,172.04**
Assets classified as held for sale	19	173.55	-	-	-
Total assets		**3,145.65**	**3,144.79**	**2,664.86**	**2,735.35**
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital	20	201.55	40.31	26.39	26.19
(b) Other Equity	21	1,370.39	1,378.55	909.32	707.03
Total equity		**1,571.94**	**1,418.86**	**935.71**	**733.22**
Liabilities					
(1) Non-Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	22	393.46	377.94	340.27	437.79
(ii) Trade payables	22	3.48	7.54	7.32	12.89
(b) Provisions	23	2.99	0.23	0.32	0.14
(c) Deferred tax liabilities (Net)	24	49.25	35.21	28.89	27.35
Total non-current liabilities		**449.18**	**420.92**	**376.80**	**478.18**
(2) Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	25	532.15	393.47	354.17	344.08
(ii) Trade payables	26				
(A) due to micro enterprises and small enterprises					
(B) due to other than micro enterprises and small enterprises		549.07	879.41	891.35	901.49
(iii) Other financial liabilities	27	16.88	8.94	91.67	46.64
(b) Other current liabilities	28	24.80	16.41	14.29	230.92
(c) Provisions	29	1.63	1.27	0.87	0.84
(d) Current Tax Liabilities (Net)	30	-	5.51	-	-
Total current liabilities		**1,124.53**	**1,305.02**	**1,352.35**	**1,523.96**
Total Equity and Liabilities		**3,145.65**	**3,144.79**	**2,664.86**	**2,735.35**

The above annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, notes to the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Financial Information appearing in the Annexure VII.

As per our report of even date attached

For J. V. Vasani & Co.
Chartered Accountants
FRN NO : 114283W

For and on behalf of the Board of Directors of
Gujarat Polysol Chemicals Limited

Jignesh Vasani
Partner
Membership No.: 047954
Place: Vapi
Date: 24-03-2022

UDIN :

Shailesh Desai	Umang Desai	Rajesh Singh
Managing Director	Whole Time Director	CEO
DIN: 00266938	DIN: 05161181	
Place: Vapi	Place: Vapi	Place: Vapi
Date : 24-03-2022	Date : 24-03-2022	Date : 24-03-2022

Dipak Sanghani	Dipak Sanghani
CFO	Company secretary
	Membership No:50568
Place: Vapi	Place: Vapi
Date : 24-03-2022	Date: 24-03-2022

GUJARAT POLYSOL CHEMICALS LIMITED
(Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED) (CIN :U24231GJ1989PLC012892)
Annexure II: Restated Statement of Profit & Loss

(₹ in million)

	Particulars	Note No.	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
I	Revenue from operations	31	1,818.49	3,796.06	4,404.56	4,387.58
II	Other income	32	13.69	8.26	4.82	10.40
III	**Total income (I+II)**		**1,832.17**	**3,804.32**	**4,409.38**	**4,397.98**
IV	**EXPENSES**					
	Cost of materials consumed	33	1,296.39	2,233.19	2,461.94	2,411.91
	Purchase of Stock in trade	34	84.17	555.64	1,131.13	1,324.46
	Changes in Inventories of finished goods, Stock- in- trade and work-in-progress	35	(66.85)	(14.09)	(0.75)	(46.38)
	Employee benefits expense	36	57.48	70.88	84.58	74.72
	Finance costs	37	35.41	77.37	105.68	117.79
	Depreciation and amortisation expense	38	17.98	30.88	25.12	20.25
	Other expenses	39	189.60	307.45	340.84	304.26
	Total expenses (IV)		**1,614.17**	**3,261.32**	**4,148.55**	**4,207.01**
V	**Profit before tax from Continuing Operations(III-IV)**		**218.00**	**543.00**	**260.84**	**190.97**
VI	**Tax expense:**	40				
	(a) Current tax		52.44	138.08	57.56	52.58
	(b) Deferred tax		14.75	6.52	1.42	10.39
VII	**Profit for the Year from Continuing Operations (V-VI)**		**150.81**	**398.39**	**201.85**	**128.00**
VIII	Profit from discontinued operations	19	5.87	-	-	-
IX	Tax expense of discontinued operations	19	1.48	-	-	-
X	**Profit from Discontinued operations (after tax)(VIII-IX)**		4.39	-	-	-
XI	**Profit for the period (VII+X)**		**155.20**	**398.39**	**201.85**	**128.00**
XII	**Other comprehensive income**	41				
	A (i) Items that will not be reclassified to profit or loss		(2.85)	(0.81)	0.46	(0.16)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.72	0.20	(0.12)	0.05
	B (i) Items that will be reclassified to profit or loss			-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss			-	-	-
XIII	**Total Comprehensive Income for the Year (XI+XII)**		**153.07**	**397.79**	**202.20**	**127.89**
XIV	**Earnings per equity share**	42				
	Basic		7.70	20.98	15.30	9.77
	Diluted		7.70	19.77	10.02	6.38

The above annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, notes to the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Financial Information appearing in the Annexure VII.

As per our report of even date attached

For J. V. Vasani & Co.
Chartered Accountants
FRN NO : 114283W

Jignesh Vasani
Partner
Membership No.: 047954
Place: Vapi
Date: 24-03-2022

UDIN :

For and on behalf of the Board of Directors of
Gujarat Polysol Chemicals Limited

Shailesh Desai	**Umang Desai**	**Rajesh Singh**
Managing Director	**Whole Time Director**	**CEO**
DIN: 00266938	**DIN: 05161181**	
Place: Vapi	**Place: Vapi**	**Place: Vapi**
Date : 24-03-2022	**Date : 24-03-2022**	**Date : 24-03-2022**
Dipak Sanghani	**Dipak Sanghani**	
CFO	**Company secretary**	
	Membership No:50568	
Place: Vapi	**Place: Vapi**	
Date : 24-03-2022	**Date: 24-03-2022**	

GUJARAT POLYSOL CHEMICALS LIMITED
(Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED) (CIN :U24231GJ1989PLC012892)
Annexure IV: Statement of Changes in Equity

A. Equity Share Capital (₹ in million)

Particulars	Equity Share Capital
Balance as at 1st April, 2018	**26.19**
Additions/deletions	-
Balance as at 1st April, 2019	**26.19**
Issue of Equity Shares	0.20
Balance as at 1st April, 2020	**26.39**
Issue of Equity Shares pursuant to Scheme of Amalgamation (Refer Note: 51)	13.92
Balance as at 1st April, 2021	**40.31**
Issue of Bonus shares	161.24
Balance as at 30th September, 2021	**201.55**

B. Other Equity (₹ in million)

Particulars	Reserve & Surplus								Total Other Equity
	Capital reserve - Common Control	Securities Premium Account	Retained Earnings	Revaluation Reserve	Capital Redemption Reserve	Cash subsidy	Share application pending allotment pursuant to Business Transfer	General Reserve	
Balance as at 1st April, 2018	(339.87)	184.16	264.76	174.76	1.50	0.58	313.26	28.78	627.93
Movement during the year:									
Profit for the year		-	128.00	-	-				128.00
Additions / (deductions)	(48.21)					(0.58)		-	(48.79)
Remeasurement benefit of defined benefit plans			(0.11)						(0.11)
Balance as at 31st March, 2019	(388.08)	184.16	392.64	174.76	1.50	-	313.26	28.78	707.03
Balance as at 1st April, 2019	(388.08)	184.16	392.64	174.76	1.50	-	313.26	28.78	707.03
Movement during the year:									
Profit for the year	-	3.48	201.85	-	-	-	-	-	205.33
Additions / (deductions)	(3.39)	-	-	-	-	-	-	-	(3.39)
Remeasurement benefit of defined benefit plans	-	-	0.34	-	-	-	-	-	0.34
Balance as at 31st March, 2020	(391.46)	187.64	594.84	174.76	1.50	-	313.26	28.78	909.32
Balance as at 1st April, 2020	(391.46)	187.64	594.84	174.76	1.50	-	313.26	28.78	909.32
Movement during the year:	-	-	-	-	-	-	-	-	
Profit for the year	-	299.34	398.39	-	-	-	-	-	697.73
Additions / (deductions)	85.37	-	-	-	-	-	(313.26)	-	(227.89)
Remeasurement benefit of defined benefit plans	-	-	(0.60)	-	-	-	-	-	(0.60)
Balance as at 31st March, 2021	(306.10)	486.98	992.63	174.76	1.50	-	-	28.78	1,378.55
Balance as at 1st April, 2021	(306.10)	486.98	992.63	174.76	1.50	-	-	28.78	1,378.55
Movement during the year:	-	-	-	-	-	-	-	-	
Profit for the year	-	-	155.20	-	-	-	-	-	155.20
Utilised for issue of Bonus shares	-	(159.74)	-	-	(1.50)	-	-	-	(161.24)
Remeasurement benefit of defined benefit plans	-	-	(2.13)	-	-	-	-	-	(2.13)
Balance as at 30th September, 2021	(306.10)	327.24	1,145.70	174.76	-	-	-	28.78	1,370.39

The above annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, notes to the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Financial Information appearing in the Annexure VII.

As per our report of even date attached
For J. V. Vasani & Co.
Chartered Accountants
FRN NO : 114283W

Jignesh Vasani
Partner
Membership No.: 047954
Place: Vapi
Date: 24-03-2022

UDIN :

For and on behalf of the Board of Directors of Gujarat Polysol Chemicals Limited

Shailesh Desai
Managing Director
DIN: 00266938
Place: Vapi
Date : 24-03-2022

Umang Desai
Whole Time Director
DIN: 05161181
Place: Vapi
Date : 24-03-2022

Rajesh Singh
CEO
Place: Vapi
Date : 24-03-2022

Dipak Sanghani
CFO
Place: Vapi
Date : 24-03-2022

Dipak Sanghani
Company secretary
Membership No:50568
Place: Vapi
Date: 24-03-2022

GUJARAT POLYSOL CHEMICALS LIMITED
(Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED) (CIN :U24231GJ1989PLC012892)
Annexure III: Restated Statement of Cash Flows

(₹ in million)

	Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
[A]	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax from continuing operations	218.00	543.00	260.84	190.97
	Adjustments to reconcile profit before tax to net cash flows:				
	Profit from discontinued operations	5.87			
	Non-Cash Items	23.82	31.84	47.72	31.39
	Non Operating Items	21.84	73.57	101.67	113.59
	Remeasurement of Defined Benefit Plan	(2.85)	(0.81)	0.46	(0.16)
	Operating Profit/(Loss) before changes in Working Capital	**266.68**	**647.59**	**410.69**	**335.80**
	Working capital adjustments:				
	(Increase)/ Decrease in Non Current / Current Assets:				
	Inventories	(140.22)	(76.27)	(85.08)	20.30
	Trade receivables	325.90	(200.92)	1.68	(131.30)
	Other financials assets	(4.51)	1.03	(4.00)	9.51
	Other non financial assets	(44.85)	(114.87)	256.21	(91.35)
	Increase / (Decrease) in Non Current / Current Liabilities:				
	Trade Payables	(334.40)	(11.71)	(15.71)	12.86
	Other Financial Liabilities	7.93	(31.10)	0.41	(48.59)
	Other Non Financial Liabilities & Provisions	11.51	2.42	(216.41)	121.67
		88.05	**216.17**	**347.79**	**228.90**
	Cash Flow from operations after changes in Working Capital				
	Income tax (paid)/ Refund	(91.50)	(120.44)	(68.10)	(61.75)
	Net cash flows from operating activities (A)	**(3.44)**	**95.73**	**279.69**	**167.14**
[B]	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of property, plant and equipment (including CWIP)	(135.11)	(156.45)	(125.50)	(114.41)
	Sale/Adjustment of Property, plant and equipment	12.82	0.74	-	-
	Purchase of Mutual Funds	-	-	(28.00)	
	Sale of Mutual Funds	-	-	28.04	-
	Dividend Income	-	-	0.00	0.00
	Interest received (finance income)	0.92	3.77	3.97	4.11
	Bank Balances not considered as Cash and Cash Equivalents	(1.83)	18.66	17.76	(8.24)
	Net cash flows used in investing activities (B)	**(123.20)**	**(133.28)**	**(103.73)**	**(118.54)**
[C]	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Impact due to business combination	-	85.37	(3.56)	(39.02)
	Proceeds / (Repayment) from borrowing (net)	154.20	76.97	(83.58)	71.13
	Interest & financial charges	(35.41)	(129.34)	(83.65)	(94.26)
	Net cash flows from/(used in) financing activities (C)	**118.80**	**33.00**	**(170.79)**	**(62.15)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(7.84)	(4.55)	5.17	(13.55)
	Cash and cash equivalents at the beginning of the year	8.93	13.48	8.31	21.86
	Cash and cash equivalents at year end	**1.09**	**8.93**	**13.48**	**8.31**
Notes:					
1	**Cash & Bank Balances consists of the following:**				
	Cash & Cash Equivalents				
	a. Balances with Banks	0.80	7.94	12.55	7.13
	b. Cash on hand	0.28	0.99	0.93	1.18
	Closing Cash & Cash Equivalents	**1.09**	**8.93**	**13.48**	**8.31**
2	The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows"				
3	The above annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, notes to the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Financial Information appearing in the Annexure VII.				

As per our report of even date attached
For J. V. Vasani & Co.
Chartered Accountants
FRN NO : 114283W

Jignesh Vasani
Partner
Membership No.: 047954
Place: Vapi
Date: 24-03-2022

UDIN :

For and on behalf of the Board of Directors of
Gujarat Polysol Chemicals Limited

Shailesh Desai	**Umang Desai**	**Rajesh Singh**
Managing Director	**Whole Time Director**	**CEO**
DIN: 00266938	**DIN: 05161181**	
Place: Vapi	**Place: Vapi**	**Place: Vapi**
Date : 24-03-2022	**Date : 24-03-2022**	**Date : 24-03-2022**
Dipak Sanghani	**Dipak Sanghani**	
CFO	**Company secretary**	
	Membership No:50568	
Place: Vapi	**Place: Vapi**	
Date : 24-03-2022	**Date: 24-03-2022**	

1 Corporate Information

Gujarat Polysol Chemicals Limited is a Large enterprise and located in notified industrial estate, GIDC Vapi, District Valsad, Gujarat, INDIA having total plot area is 9696 sq. mt. doing manufacturing activity of agro chemicals, construction chemicals & leather chemicals etc., & two other manufacturing units at Sarigam, District Valsad, Gujarat & Dadra, Union Territories of Daman and Diu & Dadra Nagar Haveli.

2 Basis of preparation

The restated statement of assets and liabilities of the Company as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the restated information of profit and loss (including other comprehensive income), the restated information of changes in equity and the restated information of cash flows for each of the period/year ended September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, and restated other financial information (together referred as 'Restated Financial Information') has been prepared under 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 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

The Restated Financial Statements has been compiled:

(a) from the audited interim Ind AS financial statements of the Company as at and for the six months ended September 30, 2021 which were prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting", as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on 24-03-2022 and

(b) The audited financial statements for years ended March 31, 2021, March 31, 2020 and March 31, 2019 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP). Now these Financial are reinstated as per IND AS.

(c) for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 which have been 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 from time to time, other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on 24-03-2022 respectively.

The Company has adopted the Revised Schedule III as issued by MCA and accordingly numbers of comparative period has been reclassified as required.

The Special Purpose Ind AS Financial Statements of the Company as at and for the years ended March 31, 2020 and March 31, 2019 prepared after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date. Also, refer to note no. 52.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Companyg has presented an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows (Refer Note 42 to Annexure VI).

The Restated Financial Information has been prepared by the management in connection with the proposed listing of equity shares of the Company by way of Initial Public Offering ("IPO"), to be filed by the Company with the Securities and Exchange Board of India, Registrar of Companies, Gujarat and the concerned Stock Exchange in accordance with the requirements of:

(i) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

(ii) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI'), as amended, in pursuance of the Securities and Exchange Board of India Act, 1992; and

(iii) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ('ICAI').

The Restated Financial Information has been compiled by the Company from the Audited Financial Statements and Special Purpose Ind AS Financial Statements of the Company and:

a. have been made after incorporating adjustments for the changes in accounting policies retrospectively inrespective financial years to reflect the same accounting treatment as per changed accounting policies for all the reporting periods;

b. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

c. Other remarks / comments in the Annexure to the Auditor's report on the financial statements of the Company which do not require any corrective adjustments in the Restated Financial Information are disclosed in Annexure VII of the Restated Financial Information;

d. adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per financial statements of the Company as at and for the period ended September 30, 2021 prepared under Ind AS and the requirements of the SEBI Regulations,and

e. the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

2.1 Functional and presentation currency

Items included in the Restated Financial Information of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's functional currency is Indian Rupees (INR) and the restated financial information is presented in INR and all values are presented in million (INR 000,000), except when otherwise indicated.

2.2 Basis of measurement

The restated financial information has been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets (except trade receivables and contract assets which are measured at transaction cost) and liabilities (including derivative)	Fair value
Defined benefits liability	Present value of defined

2.3 Summary of significant accounting policies

A summary of the significant accounting policies applied in the preparation of the Restated Financial Information are as given below. These accounting policies have been applied consistently to all periods presented in the Restated Financial Information.

2.3.1 Current vs non-current classification

The Company presents assets and liabilities in the restated statement of assets and liabilities based on current/ non-current classification.

An asset is treated as current when it is:

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

The Company classifies all other assets as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

2.4 Business combination

Ind AS 103, Business Combinations, prescribes significantly different accounting for business combinations which are not under common control and those under common control.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

The pooling of interest method is considered to involve the following:

(a) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(b) No adjustments are made to reflect fair values or recognize any new assets or liabilities. The only adjustments that are made are to harmonies accounting policies.

(c) The financial information in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the Restated Financial Information, irrespective of the actual date of the business combination.

(d) The identity of the reserves has been preserved and appear in the financial information of the transferee in the same form in which they appeared in the financial information of the transferor.

(e) The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

3 Significant Accouting Policies

3.1 Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of this Ind AS 115 did not have any impact on the overall revenue and/or opening balance of retained earnings.

Revenue is measured at the transaction price that is allocated to the performance obligation and it excludes amounts collected on behalf of third parties and is adjusted for variable considerations. Any subsequent change in the transaction price is then allocated to the performance obligations in the contract on the same basis as at contract inception. The Company recognizes revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Company estimates the amount of revenue to be recognized on variable consideration using most likely amount method. Consequently, amounts allocated to a satisfied performance obligation are recognised as revenue, or as a reduction of revenue, in the period in which the transaction price changes. Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price.

3.1.1 Sale of Goods & Services

Revenue is recognised upon transfer of control of promised goods or services to customer in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and anytaxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permits the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount ofcumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Revenue from sale of products is recognised at the point in time when control is transferred to customer.

Costs that relate directly to a contract and incurred in securing a contract are recognized as an asset and amortized over the contract term as reduction in revenue.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, ortransaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulativeadjustment is accounted for.

3.1.2 Sale of services

Revenue with respect to sale of services is recognized when the services are rendered, and no significant uncertainty exists regarding thecollection of consideration.

3.1.3 Export incentives

Government incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty inreceiving the same.

3.1.4 Other Income

Other income comprises interest income on deposits, gain/ (losses) on disposal of financial assets and non-financial assets. It is recognised on accrual basis except where the receipt of income is uncertain.

Interest Income: Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimatedfuture cash payments or receipts over the expected life of the financial instrument to:

• The gross carrying amount of the financial asset; or

• The amortised cost of the financial liability.

Dividend Income: Dividend income is accounted when the right to receive the dividend is established, Dividend income is included under the head "Other income"in the statement of profit and loss account.

Rental income: Rental income arising from operating leases or on investment properties is accounted for on a straight-line basis over the lease terms and is included in other non-operating income in the Statement of Profit and Loss.

Insurance Claims: Insurance claims are accounted for as and when admitted by the concerned authority.

3.1.5 Contract Balances

• **Contract assets:** A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset isrecognized for the earned consideration that is conditional.

• **Trade receivables:** A receivable represents the Comapny's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

• Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

3.1.6 Right of Return

The Company provides a customer with a right to return in case of any defects or on grounds of quality. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

The Company has adopted Ind AS 115 from April 01, 2020 using the modified retrospective approach by applying Ind AS 115 to all the contracts that are not completed on April 01, 2020. The application of Ind AS 115 did not have any material impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the Company. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 01, 2020 while preparing Restated Ind AS Financial Information forthe years ended March 31, 2021,March 31, 2020 and March 31, 2019.

The Company has also applied the practical expedient under Ind AS 115 for incremental cost of obtaining a contract and has recognized such cost as an expense when incurred if the amortization period of the asset is one year or less.

3.2 Property, plant and equipment

3.2.1 Recognition and measurement:

Post transition to Ind AS, property, plant and equipment, excluding Freehold land are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import dutiesand other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment,including day-to-day repair andmaintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to 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.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the Property, plant and equipment is de-recognized.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

A property, plant and equipment is eliminated from the Restated Financial Statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising disposal of property, plant and equipment is recognized in the statement of profit and loss.

3.2.2 Depreciation methods, estimated useful lives and residual value

Depreciation on all property, plant & equipment are provided for, from the date of put to use for commercial production on straight line method at the useful lives prescribed in Schedule-II to the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

Asset Description	Assets Useful life (in Years)
Factory Building	30
Electrical Installation	10
Laboratory Equipment	10
Office Equipment	15
Computers	3
Furniture and Fixtures	10
Vehicle	8
Plant and Machinery	20
Residential Building	60

3.3 Intangible assets

On transition to Ind AS, the Company has valued intangible assets in accordance with Ind AS 38 - Intangible Assets.

Post transition to Ind AS, intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Amortization methods and useful lives are reviewed periodically including at each financial year end.

Intangibles assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit and loss when the asset is derecognised

3.4 Impairment of Non-Financial Assets

Intangible assets and 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 assets. In such cases, the recoverable amount is determined for the 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 assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed 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 amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

3.5 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparison of cost and net realizable value is made on an item-by-item basis.

The method of determination of cost is as follows:

• Raw materials and components– on a weighted average basis
• Stores and spares – on a weighted average basis
• Work-in-progress – includes cost of conversion.
• Finished goods– includes cost of conversion.

The net realizable value of work-in-progress is determined with reference to the net realizable value of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

3.6 Financial Instruments

3.6.1 Financial assets

i) Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Company becomes a party to contractual provisions of the instrument.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial instrument is classified and measured at

• Amortised cost
• Fair value through other comprehensive income (FVOCI) - debt instruments;
• Fair value through other comprehensive income (FVOCI) - equity investments; or
• Fair value through profit and loss (FVTPL).

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

• The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
• The contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

• The asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and
• The contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI- equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortised cost or FVOCI as described above are measured at FVTPL On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mistake that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets, at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in profit or loss.

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVTOCI:

These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI:

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 50 details how the Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies expected credit loss (“ECL”) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on financial assets, trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12 month ECL.

iii) Derecognition of financial assets:

A financial asset is derecognized only when:

• The Company has transferred the rights to receive cash flows from financial asset or

• Retains the contractual rights to receive the cash flows from financial asset but assumed a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

3.6.2 Financial Liability

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost. All financial liabilities are recognized initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit or loss.

3.6.3 Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (“EIR”) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

3.6.4 Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

3.6.5 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

3.6.6 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.6.7 Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

3.7 Cash and Cash Equivalents

Cash and cash equivalent includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.
For the purpose of the restated statement of cash flows, cash and cash equivalents consist of unrestricted cash and short-term deposits, as defined above as they are considered an integral part of the Comapny's cash management.

3.8 Foreign Currency Transactions and Translations

Foreign currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in statement of profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

• equity investments at fair value through OCI (FVOCI)
• a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
• qualifying cash flow hedges to the extent that the hedges are effective.

3.9 Employee benefits

3.9.1 Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Company’s contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

3.9.2 Defined Benefit plans

The Company’s gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on plan assets above or below the discount rate is recognized as part of remeasurement of net defined liability or asset through other comprehensive income.
Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.
The Company’s gratuity scheme is administered through a third party trust and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

3.9.3 Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages and performance incentives and are recognised as expenses in the period in which the employee renders the related service.
Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g. short term performance incentive, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the amount of obligation can be estimated reliably.
When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service (‘past service cost’ or ‘past service gain’) or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.9.4 Compensated Absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.9.5 Other long-term employee benefits

Benefits under the Company's compensated absences constitute other long-term employee benefits, recognized as an expense in the restated statement of profit and loss for the period in which the employee has rendered services. The obligation recognized in respect of these long-term benefits is measured at present value of the obligation based on actuarial valuation using the Projected Unit credit method. Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognized in the restated statement of profit and loss as employee benefit expenses.

3.10 Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs allocated to and utilized for qualifying assets pertaining to the period from commencement of activities directly attributable to the acquisition, construction or production of upto the date of capitalisation of such asset are added to the cost of the assets. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.. All other borrowing costs are expensed in the period in which they occur.

3.11 Leases

The Company has applied Ind AS 116 using the full retrospective approach, hence, the comparative information has been restated.

The Company assesses at contract inception whether a contract is, or contains, a lease, that is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.11.1 Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU 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.

Right-of-use assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the restated statement of profit and loss.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company applies the short-term lease recognition exemption to all assets that have a lease term of 12 months or less from the commencement date. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Further, leases for which the underlying asset is of low value has been recognized immediately in the Statement of Profit and Loss.

3.12 Taxation

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Current tax items are recognized in relation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes current tax payable where appropriate. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offsetand intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Restated financial statements except for the cases mentioned below.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.Deferred tax is recognized in restated statement of profit and loss except to the extent it relates to items recognized outside profit or loss, in which case is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or substantive enactment date.

Deferred tax is not recognized for temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realised. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

3.13 Provisions and Contingent Liabilities

(i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Expected future operating losses are not provided for.

(ii) Onerous contract

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

(iii) Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made. These are reviewed at each financial reporting date and adjusted to reflect the current best estimates.

(iv) Contingent Assets

A contingent asset is disclosed where an inflow of economic benefits is probable.

3.14 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

3.15 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Company has identified one reportable segment based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The CODM monitors the operating results of the entity as a whole for the purpose of making decisions about resource allocation and performance assessment.

3.16 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before taxes for the period is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.17 Fair value measurement

The Company measures financial instruments at fair value at each reporting period.

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 Company.

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 Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated Financial Information 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: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the Restated Financial Information on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company 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. Above is the summary of accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

3.18 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model. Free hold Land and Properties under construction are not depreciated.

Building component of investment property is depreciated over 30 years from the date of original construction, based on the useful life prescribed in Schedule II to the Companies Act, 2013 using the straight-line method. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

4 Critical Judgments and Estimates

4.1 Allowances for uncollected trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amount are based on ageing of the receivable balances and historical experiences. Individual trade receivables are written off when management deems not be collectible.

4.2 Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which managements have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in notes Although there can be no assurance of the final outcome of legal proceedings in which the Company is involved. It is not expected that such contingencies will have material effect on its financial position of probability.

4.3 Impairment of other financial assets

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation., based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.4 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair valueless costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, forsimilar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ('DCF') model.

4.5 Defined benefit plans

The costs of post-retirement benefit 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.

4.6 Useful lives of property, plant and equipment and intangible assets

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. At the end of the current reporting period, the management determined that the useful lives of property, plant and equipment and intangible assets at which they are currently being depreciated represent the correct estimate of the lives and need no change.

4.7 Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the rightof-use asset in a similar economic environment.

4.8 Determining the lease term of contracts with renewal and termination options — Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction ofsignificant leasehold improvements or significant customization to the leased asset).

GUJARAT POLYSOL CHEMICALS LIMITED
(Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED) (CIN :U24231GJ1989PLC012892)
Annexure VI: Notes to Restated Financial Information

5 PROPERTY, PLANT AND EQUIPMENT (₹ in million)

Particulars / Assets	Land		Factory Building	Office Building	Computers	Furniture & Fixtures	Office Equipment	Plant and Machinery	Laboratory Equipment	Vehicles	Other Electronic Equipments	Total
	Free Hold land	Right of use assets										
GROSS BLOCK												
As at 31st March, 2019	0.68	19.20	40.43	62.66	2.04	1.80	2.81	279.71	2.79	15.17	5.72	433.01
Additions	-	-	-	-	0.45	0.21	0.13	103.16	0.06	18.00	0.62	122.64
Deduction/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2020	0.68	19.20	40.43	62.66	2.49	2.02	2.94	382.87	2.85	33.17	6.34	555.65
Additions	-	0.61	0.36	-	0.83	1.23	0.10	142.98	0.08	0.18	2.08	148.43
Deduction/Adjustments	-	-	-	-	-	-	-	-	-	2.35	-	2.35
As at 31st March, 2021	0.68	19.81	40.78	62.66	3.32	3.25	3.05	525.85	2.93	31.00	8.42	701.73
Additions	-	35.12	12.47	-	1.27	1.00	0.03	78.20	-	3.60	5.22	136.91
Deduction/Adjustments	-	-	0.88	-	-	-	-	4.02	-	-	-	4.91
As at 30th September, 2021	0.68	54.93	52.37	62.66	4.59	4.25	3.07	600.02	2.93	34.60	13.64	833.73
ACCUMULATED DEPRECIATION												
As at 31st March, 2019	-	1.70	9.29	3.97	1.74	0.46	1.90	38.47	0.71	3.42	1.57	63.23
Charge for the year	-	0.23	1.27	1.98	0.42	0.16	0.53	15.16	0.26	2.14	0.67	22.82
Deduction/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2020	-	1.94	10.56	5.95	2.16	0.62	2.43	53.63	0.97	5.56	2.24	86.05
Charge for the year	-	0.23	1.14	1.98	0.20	0.22	0.17	20.18	0.20	3.60	0.58	28.51
Deduction/Adjustments	-	-	-	-	-	-	-	-	-	0.65	-	0.65
As at 31st March, 2021	-	2.17	11.70	7.94	2.36	0.84	2.60	73.81	1.17	8.51	2.82	113.91
Charge for the year		0.27	0.72	0.99	0.32	0.14	0.10	12.68	0.10	2.02	0.52	17.86
Deduction/Adjustments			0.02	-	-	-	-	0.19	-	-	-	0.21
As at 30th September, 2021	-	2.44	12.40	8.93	2.68	0.99	2.69	86.30	1.27	10.52	3.34	131.56
Net Block												
As at 31st March, 2019	0.68	17.50	31.14	58.69	0.30	1.34	0.91	241.23	2.08	11.75	4.15	369.79
As at 31st March, 2020	0.68	17.27	29.87	56.70	0.33	1.39	0.51	329.24	1.88	27.62	4.11	469.61
As at 31st March, 2021	0.68	17.64	29.09	54.72	0.96	2.40	0.45	452.04	1.76	22.49	5.60	587.82
As at 30th September, 2021	0.68	52.49	39.97	53.73	1.91	3.26	0.38	513.71	1.66	24.07	10.30	702.17

Notes:

1) The Company has elected Ind AS 101 exemption to continue with the carrying value for all of its Property, Plant and Equipment as its deemed cost as at the date of transition.

2) The aggregate depreciation charge for the year has been included under depreciation and amortisation expense in the Restated Statement of Profit and Loss.

6 INVESTMENT PROPERTY

Gross Block (₹ in million)

Particulars	Land	Total
Opening balance as at 1 April, 2018	179.06	179.06
Additions	2.61	2.61
Closing balance as at 31 March, 2019	181.68	181.68
Additions/deductions	-	-
Closing balance as at 31 March, 2020	181.68	181.68
Additions/deductions	-	-
Closing balance as at 31 March, 2021	181.68	181.68
Additions/deductions	(181.68)	(181.68)
Closing balance as at 30 September, 2021	-	-

Depreciation and impairment (₹ in million)

Particulars	Land	Total
Closing balance as at 31 March, 2019	2.38	2.38
Charge for the year	2.30	2.30
Closing balance as at 31 March, 2020	4.68	4.68
Charge for the year	2.30	2.30
Closing balance as at 31 March, 2021	6.98	6.98
Charge for the year	1.15	1.15
deductions	(8.13)	(8.13)
Closing balance as at 30 September, 2021	0.00	0.00

Net Block (₹ in million)

Particulars	Land	Total
As at 31 March, 2019	179.30	179.30
As at 31 March, 2020	177.00	177.00
As at 31 March, 2021	174.70	174.70
As at 30th September, 2021	**-**	**-**

The Company has elected to continue with the carrying value of all its Investment Properties recognized as of the transition date measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

Information regarding income and expenditure of Investment property **(₹ in million)**

Particulars	For the year ended 31st March, 2021
Rental Income	12.99
Direct operating Expenses (including R & M) that generate rental income	0.34
Direct operating Expenses (including R & M) that did not generate rental income	-
Profit from Investment Properties before Depreciation	**12.66**
Less: Depreciation	2.30
Profit from Investment Properties	**10.36**

Particulars	For the year ended 31st March, 2020
Rental Income	12.38
Direct operating Expenses (including R & M) that generate rental income	0.32
Direct operating Expenses (including R & M) that did not generate rental income	-
Profit from Investment Properties before Depreciation	**12.06**
Less: Depreciation	2.30
Profit from Investment Properties	**9.76**
Particulars	**For the year ended 31st March, 2019**
Rental Income	8.22
Direct operating Expenses (including R & M) that generate rental income	**0.34**
Direct operating Expenses (including R & M) that did not generate rental income	-
Profit from Investment Properties before Depreciation	**7.88**
Less: Depreciation	2.30
Profit from Investment Properties	**5.58**

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

The Company's Investment Properties consists of land. The Fair value of land was determined using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data. The Fair value measurements is categorized in level 2 or level 3 of Fair value hierarchy as appropriate.

Leasing Arrangements

Certain Investment Properties are leased to tenants under long-term operating leases with monthly rent receipts. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

₹ in million

Particulars	For the year ended 31st March, 2021
Within one year	13.61
Later than one year but less than five years	-
Later than five years	-

Particulars	For the year ended 31st March, 2020
Within one year	12.99
Later than one year but less than five years	13.61
Later than five years	-

Particulars	For the year ended 31st March, 2019
Within one year	12.38
Later than one year but less than five years	12.99
Later than five years	-

GUJARAT POLYSOL CHEMICALS LIMITED
(Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED) (CIN :U24231GJ1989PLC012892)
Annexure VI: Notes to Restated Financial Information

7 INTANGIBLE ASSETS

(₹ in million)

Particulars /Assets	Computer Software	Total
GROSS BLOCK		
As at 31st March, 2019	**-**	-
Additions	**-**	-
Reclassification to assets held for sale	**-**	-
Deduction/Adjustments	**-**	-
As at 31st March, 2020	**-**	-
Additions	**1.33**	1.33
Reclassification to assets held for sale	**-**	-
Deduction/Adjustments	**-**	-
As at 31st March, 2021	**1.33**	1.33
Additions	**0.36**	0.36
Reclassification to assets held for sale		-
Deduction/Adjustments		-
As at 30th September, 2021	**1.70**	1.70
ACCUMULATED AMORTIZATION		
As at 31st March, 2019	**-**	-
Charge for the year	**-**	-
Deduction/Adjustments	**-**	-
As at 31st March, 2020	**-**	-
Charge for the year	0.07	0.07
Deduction/Adjustments		-
As at 31st March, 2021	0.07	0.07
Charge for the year	**0.11**	**0.11**
Deduction/Adjustments		-
As at 30th September, 2021	**0.18**	**0.18**
Net Block		
As at 31st March, 2019	-	-
As at 31st March, 2020	-	-
As at 31st March, 2021	**1.27**	1.27
As at 30th September, 2021	**1.52**	1.52

1. The Company has elected to continue with the carrying value of its intangible assets recognised as of transition date measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

2. The aggregate amortisation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

8 Investments (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Unquoted				
Investments in Equity Instruments				
S.B.P.P. Co-op. Bank Ltd.	0.002	0.002	0.002	0.002
81 Equity Shares of ₹ 25/- each				
Total	0.002	0.002	0.002	0.002
Aggregate carrying value of unquoted investments	0.002	0.002	0.002	0.002
Aggregate market value of quoted investments	-	-	-	-

9 Financial Assets - Others (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Security Deposits	17.90	15.98	13.41	13.20
Total	17.90	15.98	13.41	13.20

10 Other Non Current Assets (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, Considered Good unless Otherwise Stated)				
Capital advances	8.40	10.56	3.87	1.01
Balance with government authorities	0.01	0.01	0.01	0.01
Total	8.41	10.57	3.88	1.02

11 Inventories (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Raw Material	340.59	262.17	198.74	115.12
Work in Progress	192.01	109.62	74.08	89.52
Finished goods	5.92	21.46	45.34	30.68
Packing Material	6.81	11.87	10.69	8.45
Total	545.34	405.12	328.85	243.77

1. For details of inventories given as security against borrowings, (Refer Note 3.5 of Annexure V).
2. Write down of inventories to net realisable value amounted to ₹ nil/- (31 March 2021 ₹nil, 31 March 2020 ₹nil, March 31, 2019 ₹nil). These were recognised as an expense during the year and included in consumption of stores and spare parts in statement of profit and loss.
3. Reversal of write-down of inventories value amounted to ₹ nil(31 March 2021 ₹nil, 31 March, 2020 ₹nil, 31 March, 2019 ₹nil). These were recognised as a reduction of expense during the year and included in consumption of stores and spare parts in statement of profit and loss.
4. During the previous year reversal of write-down of inventories have been made on account of consumption of inventory in normal course of business.

12 Trade Receivables (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Unsecured, Considered good				
Due from related Parties*		-		
Others - less than 6 months				
Undisputed	1,264.56	1,561.45	1,437.79	1,444.00
Disputed			6.58	15.93
More than 6 months	88.94	117.96	34.11	20.25
Significant increase in credit risk				
Credit impaired				
Less:				
Impairment for doubtful receivables				
Total	1,353.51	1,679.41	1,478.49	1,480.17

*** Trade receivables includes:** (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Due by firm in which Directors are Partners	-	0.01	19.50	-
Due by Private Companies in which Directors are Directors				

Outstanding for following periods from due date of payment: (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
less than 6 months	1,264.56	1,561.45	1,444.38	1,459.93
6 months to 1 year	13.07	74.94	7.04	3.98
1 to 2 years	50.56	15.52	6.06	3.72
2 to 3 years	6.37	9.29	5.49	3.10
More than 3 years	18.95	18.21	15.51	9.44
Total	1,353.51	1,679.41	1,478.49	1,480.17

13 **Cash and Cash Equivalents** (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Balances with banks in				
current accounts	0.28	7.94	12.55	7.13
Cash on hand	0.80	0.99	0.93	1.18
Total	1.09	8.93	13.48	8.31

14 **Other Bank balances** (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Other Bank Deposits for original maturity more than 3 months upto 12 months (refer note 16.1)				
Unclaimed dividend accounts				
Bank Deposits (refer note below)	41.89	40.05	58.71	76.47
Total	41.89	40.05	58.71	76.47

Deposit are kept with bank as a margin money against Letter of credit /Buyer Credit facility utilised.

15 **Loans** (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, Considered Good unless Otherwise Stated)				
a. Loans to Employees				
- Secured, Considered Good				
(a) Loans Receivables considered good - Secured				
- Significiant increase in credit risk				
- Credit impaired				
Less: Impairment for doubtful loans				
(b) Loans Receivables considered good - Unsecured	2.67	2.56	6.27	2.35
(c) Loans Receivables which have significant increase in Credit Risk				
(d) Loans Receivables - credit impaired				
Total	2.67	2.56	6.27	2.35

1. Loans to employees are secured by way of hypothecation of house/ four wheeler/ two wheeler for which the loans have been given.
2. Loans to employees include an amount of ₹ Nil (As at March 31, 2020 ₹Nil , As at March 31, 2019 ₹NIl,) outstanding from Key Managerial Personnel.

16 **Financial Assets - Others** (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Interest Accrued on deposits and loans	0.21	0.38	-	-
Insurance Claim Receivable	-	-	-	-
Project Delight expenses related to IPO	2.92	-	-	-
Other receivables	10.48	10.92	10.80	10.94
Total	13.60	11.30	10.80	10.94

17 **Current Tax Assets (net)** (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Current Tax Assets				
Advance Tax Paid (Net of provision for tax)	85.52	-	66.77	45.61
	-	-	-	-
Current Tax Liabilities	-	-	-	-
Provision for Income Tax (Net of advance Tax)	53.45	-	54.64	44.01
Total	32.08	-	12.14	1.60

18 **Other Current Assets** (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good				
Balance with Government Authorities	28.17	34.87	43.38	20.51
Prepaid Expenses	4.23	4.38	2.21	1.11
Advances to vendors	219.54	167.84	46.63	326.81
Total	251.93	207.08	92.21	348.43

19 **Assets classified as held for sale** (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Land and Building (Investment property)	173.55	-	-	-
Total	173.55	-	-	-

The resolution was passed and approved by the Board of Directors on August 16, 2021, for selling out the invesment property of ₹ 181.68 million , having written down value ₹ 173.55 million and pursuant to such approval, the investment property has been classified as asset held for sale during the period. The rent income arising from the said invesment property net of direct expenses of ₹ 5.87 million (inculding depreciation of ₹ 1.15 million) has been classified as profit from discontinued operations in accordance with IND AS 105 " Non-current asset held for sale and Discontinued operations" . The income tax expense on the same amounts to ₹ 1.48 million.

20 Equity Share Capital (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Authorised				
3,50,00,000 (March 31, 2021 815,000 March 31, 2020 815,000, March 31, 2019 815,000 Equity Shares of ₹ 100/- each fully paid up) Equity Shares of ₹ 10/- each fully paid up	**350.00**	81.50	81.50	81.50
Nil (March 31, 2021 7500 March 31, 2020 7500, March 31, 2019 7500 10% Non Cumulative Redeemable Preference Shares of ₹ 100/- each)	-	0.75	0.75	0.75
Nil ((March 31, 2021 2,500 March 31, 2020 2,500, March 31, 2019 2,500 Unclassified Shares of ₹100/- each)	-	0.25	0.25	0.25
Total	**350.00**	82.50	82.50	82.50
Issued, Subscribed and Fully Paid Up				
2,01,54,750 (March 31, 2021 403,095 March 31, 2020 263,900, March 31, 2019 261,900 Equity Shares of ₹ 100/- each fully paid up) Equity Shares of ₹ 10/- each fully paid up	**201.55**	40.31	26.39	26.19
Total	**201.55**	40.31	26.39	26.19

1. Reconciliation of number of equity shares outstanding at the beginning and at the end of reporting period is as under:

Particulars	No. of Shares	Share Capital (₹ in million)
As at 1st April, 2018 #	0.26	26.19
Additions/(Reductions)	-	-
As at 31st March,2019 #	0.26	26.19
As at 1st April,2019	0.26	26.19
Additions/(Reductions)	0.00	0.20
As at 31st March,2020	0.26	26.39
As at 1st April,2020	0.26	26.39
Shares issued pursuant to Business transfer*	0.14	0.00
As at 31st March,2021	0.40	40.31
As at 1st April,2021	**0.40**	**40.31**
Additions/(Reductions)	**19.75**	**161.24**
As at 30th September, 2021	**20.15**	**201.55**

Netted off due to shares held by partnership firms, which are included in the restated financial information under common control.
* Refer note 51.

2. Details of Shareholder holding more than 5 percent share in Company:

Particulars	No. of shares	% Holding
Shailesh Desai		
As at September 30, 2021	13.48	**66.88%**
As at March 31 2021	0.29	71.87%
As at March 31 2020	0.18	68.26%
As at March 31 2020	0.18	68.02%
As at March 31 2019	0.18	68.02%
Umang Desai		
As at September 30, 2021	**3.33**	**16.51%**
As at March 31 2021	0.07	16.51%
As at March 31 2020	0.05	17.46%
As at March 31 2020	0.05	17.59%
As at March 31 2019	0.05	17.59%
Nilima Desai		
As at September 30, 2021	1.04	**5.18%**
As at March 31 2021	0.02	5.18%
As at March 31 2020	0.01	4.42%
As at March 31 2020	-	0.00%
As at March 31 2019	-	0.00%
Polysol Financial Services LLP		
As at September 30, 2021	1.25	**6.20%**
As at March 31 2021	0.03	6.20%
As at March 31 2020	0.03	9.47%
As at March 31 2020	0.03	9.55%
As at March 31 2019	0.03	9.55%

3.Shares held by the promoters at the end of the year:

Sr. no	Promoter name	No.of shares	% of total shares	% change during the year
1	Shailesh Desai	1,34,79,550	66.88%	4.99%
2	Umang Desai	33,26,700	16.51%	0.00%

4. Right, Preferences and restrictions attached to Equity Shares

For all matters submitted to vote in a shareholders meeting of the Company every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held. Any dividend declared by the Company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

5. 139,195 equity shares of ₹ 100/- each fully paid up, were issued pursuant to the Business transfer agreement of Urmi Polymer Industries and Polysol Industries with the company in 2020-2021 and these shares were issued without payment being received in cash.

6. The Company has subdivided Equity Shares from the Face Value of ₹100 to ₹10 per Share from April 15, 2021. Accordingly the shares are subdivided with effect from that date.

7. The Company has allotted 1,61,23,800 number of fully paid Bonus shares on 04/09/2021 in the ratio of four equity share of ₹10 each fully paid up for every 1 existing equity shares of ₹10 each fully paid up.

21 Other Equity (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Securities Premium	**327.24**	486.98	187.64	184.16
Capital Redemption Reserve	**-**	1.50	1.50	1.50
General Reserve	**28.78**	28.78	28.78	28.78
Revaluation Reserve	**174.76**	174.76	174.76	174.76
Cash Subsidy	**-**	-	-	-
Share application pending allotment pursuant to Business Transfer	**-**	-	313.26	313.26
Capital Reserve -Common Control	**(306.10)**	(306.10)	(391.46)	(388.08)
Retained Earnings	**1,145.70**	992.63	594.84	392.64
Total	**1,370.39**	1,378.55	909.32	707.03

1. Particulars relating to Other Equity (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Securities Premium (Refer Note No.2)				
Balance at the beginning of the year	**486.98**	187.64	184.16	184.16
Addition/(Deduction) during the year	**(159.74)**	299.34	3.48	-
Balance at the end of the year	**327.24**	486.98	187.64	184.16
General Reserve (Refer Note No.3)				
Balance at the beginning of the year	**28.78**	28.78	28.78	28.78
Addition/(Deduction) during the year		-	-	-
Balance at the end of the year	**28.78**	28.78	28.78	28.78
Capital Redemption Reserve				
Balance at the beginning of the year	**1.50**	1.50	1.50	1.50
Addition/(Deduction) during the year	**(1.50)**	-	-	-
Balance at the end of the year	**-**	1.50	1.50	1.50
Cash subsidy				
Balance at the beginning of the year	**-**	**-**	-	0.58
Addition/(Deduction) during the year	**-**	**-**	-	(0.58)
Balance at the end of the year	**-**	**-**	-	-
Share application pending allotment pursuant to Business Transfe				
Balance at the beginning of the year	**-**	313.26	313.26	313.26
Addition/(Deduction) during the year	**-**	(313.26)	-	-
Balance at the end of the year	**-**	-	313.26	313.26
Capital Reserve				
Balance at the beginning of the year	**(306.10)**	(391.46)	(388.08)	(339.87)
Addition/(Deduction) during the year	**-**	85.37	(3.39)	(48.21)
Balance at the end of the year	**(306.10)**	(306.10)	(391.46)	(388.08)
Revaluation Reserve				
Balance at beginning of year	**174.76**	174.76	174.76	174.76
Addition/(Deduction) during the year	**-**	-	-	-
Balance at end of year	**174.76**	174.76	174.76	174.76
Retained Earnings				
Balance at the beginning of the year	**992.63**	594.84	392.64	264.76
Profit after tax for the year	**155.20**	398.39	201.85	128.00
Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax	**(2.13)**	(0.60)	0.34	(0.11)
Balance at the end of the year	**1,145.70**	992.63	594.84	392.64
Total	**1,370.39**	1,378.55	909.32	707.03

2. Securities Premium is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.
3. The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve is not reclassified subsequently to the Statement of Profit and Loss.
4. Capital Reserve is on account of Business Combination
5. Revaluation reserve is a non-cash reserve created to reflect the true value of the asset when the market value of the certain category of asset is more or less than the value of such asset at which it is recorded in the books of account.
6. share application money pending allotment is with respect shares to be issued under business combination

22 **Borrowings**

(₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Secured				
Term Loans				
From Banks	214.50	172.75	154.83	160.53
From Others	257.34	288.21	309.22	373.11
Unsecured				
Long term maturities of finance lease obligations	-	-	-	-
Loans from related parties	-	-	-	-
less: Current maturities of Long term borrowings	(78.38)	(83.02)	(123.78)	(95.85)
Liability component of compound financial instruments				
Total	393.46	377.94	340.27	437.79

Particulars	Repayment terms	Type of charge	Property of the Company Charged	Rate of interest	No of installments remaining	Amount As at 30th September, 2021
From Banks						
HDFC bank limited						
	2.Repayable in 61 monthly instalments of Rs.5,44,439 per months	Hypothecation plant & machinery ,mortgage etc	(ii) Industrial Plot No.1702/B admeasuring 5000 sq. meters along with construction of shed admeasuring 2787.06 sq. meters consisting of Survery No. 25/P, 27/P 106/P, 107/P and 110/P situated at Vapi Notified Industrial Estate GIDC . Dist Valsad.	8.20%	16	7.83
Vehicle Loan	Repayable in 60 monthly instalments of Rs.26,586 per months	Hypothecation on Vehicle	NEW HONDA BRV Car for Which Loan Facility is Obtained.	9.36%	2	0.05
	Repayable in 60 monthly instalments of Rs. 58,274 per months		NEW HONDA CRV Car for Which Loan Facility is Obtained.	8.70%	27	1.42
	Repayable in 60 monthly instalments of Rs.1,61,510 per months		NEW PORSCHE MACAN Car for Which Loan Facility is Obtained.	8.35%	41	5.74
	Repayable in 60 monthly instalments of Rs.1,46,791 per months		NEW RANGE ROVER VELAR Car for Which Loan Facility is	8.35%	41	5.22
From Axis Bank						-
Business loan	Repayable in 120 monthly instalments.	Hypothecation plant & machinery ,mortgage etc	Hypothecation of Current assets and Movable property of the Company.	9.05%	28	43.32
Working Capital Term Loan	Repayable in 48 monthly instalments after 12 month moratorium period	Hypothecation plant & machinery ,mortgage etc	Personal gurantee of Mr. Shailesh B Desai, Mrs. Nilima S. Desai, and Mr. Umang S. Desai.	7.75%	48	51.50
Working Capital Term Loan	Repayable in 48 monthly instalments after 12 month moratorium period	Hypothecation plant & machinery ,mortgage etc		7.70%	48	56.40
From Financial institutions						
ADITYA BIRLA FINANCE LIMITED	Repayable in 120 monthly instalments	Pledge of share	Pledge of 100% shares of Triwal Board Pvt Ltd	10.25%	76	109.08
	Repayable in 120 monthly instalments.	Mortgage	1. NA land situated at Revenue Survey No. 114/A/1a paiki 3, Moje. Abrama, Valsad admeasuring 10252 Sq Mtrs owned by Shaileshkumar Balvantrai Desai. 2.Personal Guarantee by Mrs.Nilima Desai	10.25%	21	7.49
	Repayable in 120 monthly instalments.			10.25%	21	35.11
	Repayable in 120 monthly instalments.			10.25%	21	67.42
	Repayable in 120 monthly instalments.			10.25%	21	38.23

HDFC LIMITED	3.Repayable in 240 monthly instalments of Rs.3,86,793 per months	Mortgage	Against Guest House- FLAT 1302, 13TH FLOOR, SATGURU SHLOK, 5 NO. FB 271B, CTS F/718, B/1, 36TH ROAD, NR. NATIONAL COLLEGE, BANDRA, WEST, MUMBAI - 400058 with Undivided proportionate share of land underneath.	6.80%	176	43.01
From Others- unsecured						**-**
GOKUL REFOILS AND SOLVENT LIMITED	Repayable at any time.			---	---	14.10

23 **Trade Payables**

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Micro, Small and Medium Enterprises		-	-	-
Others	**3.48**	7.54	7.32	12.89
Total	**3.48**	7.54	7.32	12.89

23 **Provisions** (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee benefits				
Gratuity	1.86	-	0.15	0.01
Unavailed Leave and compensated absences	1.13	0.23	0.18	0.13
Total	2.99	0.23	0.32	0.14

Deferred tax Liabilities (net) (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax Liabilities	50.41	35.59	29.19	27.64
Deferred Tax Assets	1.16	0.38	0.30	0.29
Total	49.25	35.21	28.89	27.35

For the period 1-4-21 to 30-9-21 (₹ in million)

Particulars	Opening Balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liability on account of:				
Property, Plant & Equipment, Intangible assets	35.59	14.82	-	50.41
Total Deferred Tax Liabilities	35.59	14.82	-	50.41
Deferred tax asset on account of:				
Expenses allowed under tax on payment basis	0.38	0.07	0.72	1.16
Total Deferred Tax Assets	0.38	0.07	0.72	1.16
Net Deferred Tax	35.21	14.75	(0.72)	49.25

For the year 2020-21 (₹ in million)

Particulars	Opening Balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liability on account of:				
Property, Plant & Equipment, Intangible assets	29.19	6.39		35.59
Total Deferred Tax Liabilities (a)	29.19	6.39	-	35.59
Deferred tax asset on account of:				
Expenses allowed under tax on payment basis	0.30	(0.13)	0.20	0.38
Total Deferred Tax Assets (b)	0.30	(0.13)	0.20	0.38
Net Deferred Tax (a-b)	28.89	6.52	(0.20)	35.21

For the year 2019-20 (₹ in million)

Particulars	Opening Balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liability on account of:				
Property, Plant & Equipment, Intangible assets	27.64	1.55		29.19
Total Deferred Tax Liabilities (a)	27.64	1.55	-	29.19
Deferred tax asset on account of:				
Expenses allowed under tax on payment basis	0.29	0.13	(0.12)	0.30
Total Deferred Tax Assets (b)	0.29	0.13	(0.12)	0.30
Net Deferred Tax (a-b)	27.35	1.42	0.12	28.89

For the year 2018-19

(₹ in million)

Particulars	Opening Balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liability on account of:				
Property, Plant & Equipment, Intangible assets	17.91	9.73		27.64
Total Deferred Tax Liabilities (a)	17.91	9.73	-	27.64
Deferred tax asset on account of:				
Expenses allowed under tax on payment basis	0.90	(0.66)	0.05	0.29
Total Deferred Tax Assets (b)	0.90	(0.66)	0.05	0.29
Net Deferred Tax (a-b)	17.01	10.39	(0.05)	27.35

25 Borrowings

(₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Secured				
Loans repayable on demand				
-Working Capital Loans	279.71	184.41	178.95	186.32
Buyers Credit	159.96	111.93	37.34	29.85
Unsecured				
From Others	14.10	14.10	14.10	32.05
Current maturities of long-term debt	78.38	83.02	123.78	95.85
Total	**532.15**	393.47	354.17	344.08

Particulars	Type of charge	Property of the Company Charged
HDFC BANK LTD	Mortgage/Hypothecation	i) Industrial Plot No. 1734 admeasuring 4696 sq. meters consisting of Survey No. 123/P, 125/P and 126/P situated at Vapi GIDC Vapi within the village limits of Chhiri Tal Vapi Dist Valsad.
		(ii) Industrial Plot No.1702/B admeasuring 5000 sq. meters along with construction of shed admeasuring 2787.06 sq. meters consisting of Survery No. 25/P, 27/P 106/P, 107/P and 110/P situated at Vapi Notified Industrial Estate GIDC . Dist Valsad.
		iii)Hypothecation of Current assets and Movable property of the Company pari passu with Axis Bank Ltd.
	Mortgage	Commercial Plot No. C-6/2/B, adm about 3196 sq mtr, Consisting of Survey No. 490, 494, 495/1 and 495/2 along with Shop No. 22, 23, 30, 31, 33, 35, 36, 38 to 42, situated at Ground Floor , Express House Office, Near CNG Pump, Vapi Notified Area, GIDC Char Rasta, NH No. 8, Vapi.
	Mortgage	NA Land bearing Survey No. no. 275/P5/P1, adm about 9560.50 sq mtr, Situated at Vapi, Ta. Vapi, Dist. Valsad.
	Personal Guarantee	Personal Guarantee by Shailesh Desai, Umang Desai, Nilima Desai.
AXIS BANK LTD	Mortgage/Hypothecation	i)Hypothecation of Current assets and Movable property of the Company pari passu with HDFC Bank Ltd
		1. Land and Building at New Survey No: 1064 bearing old Survey No: 260/71/1/3 Situated at Village Dadra of the Union Territory of Dadra and Nagar Haveli, adm 1232 Sq Mt, along with construction thereon.
		2. Land and Building at New Survey No: 1063 bearing old Survey No: 260/71/1/4 Situated at Village Dadra of the Union Territory of Dadra and Nagar Haveli, adm. 1346 Sq Mt.
		3. Land and Building Plot No: C1B/106/1 to 4, Survey No: 23/P Plot No: C1B/106/1 to 4 Situated at Sarigam Notified Industrial Estate, consisting Revenue Survey No: 23/P within the Village limits of Sarigam, Taluka Umargaon, District Valsad adm 2985.88 Sq Mtrs.
	Mortgage	4. Land and Building situated at Survey No: 275/Paikee 5 after Promulgation its New Block/Survey No: 92 Situated at Village Vapi, Taluka Vapi, District Valsad, Gujarat in the name of Mr Shaileshbhai B. Desai, admeasuring 9561.00 Sq Mtrs, along with construction thereon.
	Mortgage	5. Land and Building situated at Survey No: 319/P Residential Plot No: 19 Situated at Village Vapi, Taluka Vapi, District Valsad, Gujarat in the name of Mr Shaileshbhai B. Desai, admeasuring 624.00 Sq mtrs, along with construction thereon.
	Mortgage	6. Land and Building Situated at Survey No: 2933, 2934, 2935, 2936, 2937 and 2938 Situated at Village Vapi, Taluka Vapi, District Valsad, Gujarat in the name of Mr Umang Shaileshbhai Desai, admeasuring 2704.50 Sq Mtrs, along with construction thereon.
	Personal Guarantee	Personal Guarantee by Shailesh Desai, Umang Desai, Nilima Desai

Secured Loans comprise of cash credit & short term loans from banks which are further secured by pledge of 15000 equity shares of Rs. 100 each held by a director (1 share in Shailesh Desai and other in the name of GPCL)

26 Trade Payables (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
i) Micro, Small and Medium Enterprises		-	-	-
ii) Others	549.07	879.41	891.35	901.49
(iii) Disputed dues - MSME (iv) Disputed dues - Others				
Total	549.07	879.41	891.35	901.49

Outstanding for following periods from due date of payment: (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Less than 1 year	549.07	879.41	891.35	901.49
1 to 2 years	1.81	3.09	0.77	11.30
2 to 3 years	0.01	0.21	4.95	1.59
More than 3 years	1.66	4.24	1.59	-
Total	552.55	886.95	898.66	914.37

1. Payment towards trade payables is made as per the terms and conditions of the contract / purchase orders. The average credit period is 30 - 90 days.
2. The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

(₹ in million)

Trade Payables -Total outstanding dues of Micro & Small Enterprises*	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-	-	-
Interest accrued and remaining unpaid as at of end of each accounting year	-	-	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-	-	-

***Based on the confirmation from Vendors.**

27 Other Financial Liabilities (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Interest Payable on Loan	-	-	-	-
Expenses payable	13.84	5.85	88.55	43.12
Deposits taken	3.04	3.10	3.12	3.52
Total	16.88	8.94	91.67	46.64

28 Other Current Liabilities (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Advance from Customers	17.74	12.02	10.12	219.85
Liability for Statutory Payments	7.05	4.40	4.18	11.07
Total	24.80	16.41	14.29	230.92

29 Provisions (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee benefits				
Gratuity	1.54	1.25	0.86	0.83
Unavailed Leave and compensated absences	0.09	0.02	0.01	0.01
Total	1.63	1.27	0.87	0.84

30 Current Tax Liabilities (Net) (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Current Tax Liability				
Income Tax Payable	-	132.99	-	-
Current Tax Assets		-	-	-
Tax Refund Receivable	-	(127.48)	-	-
Total	-	5.51	-	-

31 Revenue from Operations (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Sale of Products				
Manufactured goods	1,713.15	3,212.30	3,234.40	3,017.42
Traded goods				
Crude Palm Oil,Soyabeen Oil & N Butyl Acrylate in Bulk	-	562.50	1,137.35	1,340.14
Trading of Chemicals	99.54	-	-	-
Sale of Services	-	-	-	-
Jobwork Charges Received	2.04	5.66	6.26	7.10
Rent Income	-	13.80	13.19	9.15
Other Operating Revenues	-	-	-	-
Incentive from State Government	-	-	11.16	11.16
Scrap Sales	3.10	-	-	-
Export Incentives	0.66	1.81	2.19	2.61
Total	**1,818.49**	**3,796.06**	**4,404.56**	**4,387.58**

32 Other Income (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest income on financial assets carried at amortised cost				
Interest on deposit with bank	0.54	2.96	3.41	3.57
Others	0.21	0.84	0.55	0.63
Dividend Income	-	-	0.00	0.00
Net Profit on sale of Current Investments	-	-	0.04	-
Net gain on foreign currency transactions and translation	-	2.88	-	-
Bad debt recovered	-	-	0.37	-
Insurance Claim Received	-	-	0.36	2.98
Scrap sale of Plant & Machinery	12.82	-	-	-
Sundry balance written back	0.11	1.55	0.00	2.40
Notice Pay Recovery Salary	-	-	-	-
Other Income	0.01	0.02	0.09	0.83
Total	**13.69**	**8.26**	**4.82**	**10.40**

33 Cost of materials consumed (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Consumption of Raw Materials	1,296.39	2,233.19	2,461.94	2,411.91
Total	**1,296.39**	**2,233.19**	**2,461.94**	**2,411.91**

(₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Raw materials consumed (including packing materials)				
Opening Stock	274.03	211.85	127.52	194.20
Add : Purchases (Net)	1,369.76	2,295.37	2,546.28	2,345.23
Less : Closing Stock	347.41	274.03	211.85	127.52
Total	**1,296.39**	**2,233.19**	**2,461.94**	**2,411.91**

34 Purchase of Stock in Trade (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Purchase of stock in trade				
Crude Palm Oil,Soyabeen Oil & N Butyl Acrylate in Bulk	-	555.64	1,131.13	1,324.46
Trading of Chemicals	84.17	-	-	-
Total	**84.17**	**555.64**	**1,131.13**	**1,324.46**

35 Changes In Inventories (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening stock:				
Work-in-progress	109.62	72.84	87.68	60.98
Finished goods	21.46	44.15	28.57	8.89
Total (A)	**131.08**	**116.99**	**116.25**	**69.87**
Closing stock:				
Work-in-progress	192.01	109.62	72.84	87.68
Finished goods	5.92	21.46	44.15	28.57
Total (B)	**197.93**	**131.08**	**116.99**	**116.25**
Total(A-B)	**-66.85**	**-14.09**	**-0.75**	**-46.38**

36 Employee Benefits Expense (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries, Wages and Bonus	54.12	66.90	81.49	72.51
Contribution to Provident and Other Funds	2.43	2.46	2.04	1.46
Staff welfare expenses	0.93	1.51	1.06	0.75
Total	**57.48**	**70.88**	**84.58**	**74.72**

37 Finance Costs (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on:				
Borrowings from banks	28.55	60.57	62.84	62.98
Others	2.12	6.94	31.69	38.94
Loan processing fees and bank charges	4.74	9.86	11.14	15.88
Total	**35.41**	**77.37**	**105.68**	**117.79**

38 Depreciation and amortisation expense (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation on Property Plant & Equipment (Refer note 4)	17.86	28.51	22.82	17.95
Depreciation on Investment Property (Refer note 5)	-	2.30	2.30	2.30
Amortisation of Intangible assets (Refer note 6)	0.11	0.07	-	-
Total	**17.98**	**30.88**	**25.12**	**20.25**

39 Other Expenses (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Consumption of stores & spares parts	2.15	2.11	2.11	1.23
Laboratory Expenses	0.31	1.23	0.86	0.78
Effluent Treatment Charges	0.80	1.19	1.77	1.13
Notified Area Charges	0.51	1.22	1.79	0.70
Power and fuel	67.35	113.08	113.34	88.99
Freight Inwards Charges	-	-	7.03	8.91
Loading & Unloading & Weighting charges	2.83	3.19	1.88	1.55
Water Charges	0.64	0.64	0.64	0.69
Security Charges	0.52	-	0.73	1.03
Exchange fluctuation (net)	1.46	-	32.11	36.57
Insurance	5.48	3.89	2.66	1.75
Legal expenses	6.22	17.58	17.38	15.68
Loss on sale of property, plant and equipment - Net	4.69	0.96	-	-
General Office Expenses	0.71	0.26	0.20	0.27
Payment to Auditors	0.24	0.48	0.25	0.24
Rent, Rates & stamp duty,Taxes	11.60	20.90	20.85	21.38
Travelling and conveyance	2.09	1.35	3.87	6.32
Repairs				-
- Buildings	0.67	1.35	1.41	1.52
- Machinery	12.51	24.75	24.90	15.62
- Others	7.77	13.14	7.68	10.23
Professional Tax	-	0.00	0.02	-
Advertising/Sales promotion	0.39	1.11	2.35	0.49
Commission on Purchase	0.35	0.10	-	0.78
Commission to selling agents	2.87	4.16	4.04	4.28
Doubtful and bad debts	0.05	0.93	1.37	3.99
Clearing & Forwaring Expenses	2.79	2.78	2.47	1.19
Miscellaneous expenses	2.07	6.15	4.49	3.94
Freight & Forwarding,packing Expenses	52.56	84.91	84.63	75.03
Total	**189.60**	**307.45**	**340.84**	**304.26**

(i) Payment to auditors has been classified below (Excluding Taxes): (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Auditor,	0.10	0.20	0.19	0.18
(b) For taxation matters,	0.08	0.15	0.05	0.05
(c) For company law matters,	-	-	-	-
(d) For other services,	0.06	0.13	0.02	0.02
(e) For reimbursement of expenses				
Total	**0.24**	**0.48**	**0.25**	**0.24**

(ii) Expenditure towards Corporate Social Responsibility (CSR) activities:

Gross amount of CSR expenditure required to be spent and actually spent are as follows: (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Gross amount required to be spent by the Company during the year	3.24	3.72	2.47	-
CSR Spent	3.24	3.72	2.48	-

Details of CSR expenditure are as follows: (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(i) Construction/acquisition of any asset				-
Paid in cash	0.50	2.00	2.00	
Yet to be paid in cash	2.74	-	-	
(ii) For purpose other than (i) above	-	1.72	0.48	-

(₹ in million)

Name of Project	Item of activities as per Schedule	Amount	Amount	Amount
PM CARES Fund	Contribution to the fund set up by the Central Government	-	0.10	-
ROTARY FOUNDATION (INDIA)	Promoting Health Care and Promoting Education	-	0.64	-
SHREYASH MEDICARE	Promoting Health Care	-	0.25	-
SAVLI TALUKA RIFLE ASSOCIATION	Training to promote Sports	0.50	2.00	2.00
ROTARY SHAIKSHANIK AND TABIBI SEVA SAHAYAK MANDAL	Promoting Health Care	-	0.15	0.48
ROTARY CHARITABLE TRUST VAPI	Promoting Health Care	-	0.53	-
TINKU MEMORIAL TRUST	Animal Welfare	-	0.05	-

40 Tax Expense (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current tax in relation to:				
Current years	52.44	138.08	57.56	52.58
Deferred Tax	-	-	-	-
In respect of current year	14.75	6.52	1.42	10.39
Unused Tax Credits		-	-	
Total income tax expense recognised in the current year	**67.19**	**144.60**	**58.99**	**62.97**

(i) The income tax expense for the year can be reconciled to the accounting profit as follows: - (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit before tax	218.00	543.00	260.84	190.97
Income tax expense calculated at 25.17% (2018-19: 25.84%)	54.87	136.67	65.65	49.35
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:				
Expenses not allowed in Income Tax	0.13	0.46	0.31	0.19
Exempted Income	-	-	-2.81	-
Other Impacts	12.15	7.47	-4.17	12.89
	67.15	**144.60**	**58.99**	**62.43**

41 Other Comprehensive Income (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A - Items that will not be reclassified to Profit & Loss				
Re-measurements of the defined benefit plans	-2.85	-0.81	0.46	-0.16
Income tax related to above	0.72	0.20	-0.12	0.04
Total (a)	**-2.13**	**-0.60**	**0.34**	**-0.12**
B - Items that will be reclassified to Profit & Loss				
Total (b)	-	-	-	-
Total (a+b)	**-2.13**	**-0.60**	**0.34**	**-0.12**

42 Earnings Per Share

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profits available to equity shareholders (in ₹)	155.20	398.39	201.85	128.00
Weighted Average Number of Equity Shares				
- Basic	20.15	18.99	13.20	13.10
- Diluted	20.15	20.15	20.16	20.06
Earnings Per Share				
- Basic	7.70	20.98	15.30	9.77
- Diluted	7.70	19.77	10.02	6.38

GUJARAT POLYSOL CHEMICALS LIMITED
(Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED) (CIN :U24231GJ1989PLC012892)
Annexure VI: Notes to Restated Financial Information

43 Financial Ratios

Ratios/Measure	Formulas	30th September, 2021	31st March, 2021	31st March, 2020	31st March, 2019
a) Current ratio	Current assets / current liabilities	1.99	1.80	1.48	1.43
b) Debt equity ratio	Debt / total shareholders' equity	0.59	0.54	0.74	1.07
c) Debt service coverage ratio	EBIT / Finance Cost Plus Principle	2.16	3.82	1.58	1.40
d) Return on equity / Return on Investment %	PAT / total equity	9.87%	28.08%	21.57%	17.46%
e) Trade receivables turnover ratio	Revenue from operations / average trade receivables	1.20	2.40	2.98	3.10
f) Trade payables turnover ratio	Net Credit Purchase / average trade payables	2.04	3.22	4.10	4.14
g) Net capital turnover ratio	Revenue from operations / average working capital	1.68	4.47	6.79	6.89
h) Net profit %	Net profit / revenue operations	8.53%	10.49%	4.58%	2.92%
i) EBITDA %	EBITDA / revenue from operations	14.49%	16.94%	8.78%	7.26%
j) Return on capital employed %	EBIT / Capital employed	9.83%	27.95%	22.19%	19.69%
k) Inventory turnover ratio	Cost of goods sold / avearge inventory	2.76	7.56	12.55	14.53

Notes:-
EBIT - PAT+ Finance Cost + Taxes -Other Income
EBITDA - PAT+ Finance Cost + Taxes + Depreciation and Amortisation-Other Income
PAT - Profit after taxes divided by revenue from operation
Capital employed refers to Total Shareholder's Equity , Non Current Borrowing and Short Term Borrowing
All figures related to profit and loss have been extrapolated for the purpose of calculation of ratios.
The above ratios have been computed on the basis of the Restated Financial Information and ratios for current period are not annualised.

44 Employee Benefits

(a) Defined Contribution Plans:

Contributions to defined contribution plan are recognised as expenses when contributions become due.

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Company are as below:

(i) Provident fund and Pension:

In accordance with the Employee’s Provident Fund and Miscellaneous Provisions Act, 1952 eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees’ salary.

The contributions, as specified under the law, are made to the provident fund set up as an irrevocable trust by the Company, post contribution of amount specified under the law to Employee Provident Fund Organisation on account of employee pension scheme.

The total expenses recognised in the Statement of Profit and Loss during the year are as under: (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's contribution to Provident and other Funds	2.43	2.46	2.04	1.46
Total	2.43	2.46	2.04	1.46

(b) Defined Benefit Plan:

(i) Gratuity:

The Company has defined benefit plans that provide gratuity benefit. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member’s length of service and salary at the time of retirement/termination age. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at September 30, 2021 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. Each year, the Company reviews the level of funding in gratuity fund. The Company decides its contribution based on the results of its annual review.

This plan typically expose the Company to actuarial risks such as: investment risk, Liquidity Risk, Market risk and Legislative risk.

(I) Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter valuation period .

(II) Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

(III) Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

(IV) Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective

Amounts recognized in the Restated Financial Information in respect of defined benefit plan are as follows: (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Service Cost:				
Current Service Cost	0.65	1.10	0.83	0.68
Net interest expense/ (income)	0.02	0.04	0.03	0.17
Components of defined benefit costs recognised in Employee Benefit Expenses	**0.67**	**1.14**	**0.86**	**0.85**
Re-measurement on the net defined benefit liability:				
Actuarial (gains)/losses arising from changes in demographic assumptions		-	-	
Actuarial (gains)/losses arising from changes in financial assumptions	-	0.19	0.21	0.05
Actuarial (gains)/losses arising from experience adjustments	2.83	0.60	-0.72	0.15
Return on Plan Assets excluding amount included in net interest cost	0.02	0.02	0.05	-0.04
Components of Re-measurement	**2.85**	**0.81**	**-0.46**	**0.16**
Total	**3.52**	**1.95**	**0.40**	**1.01**

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows : (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Present Value of funded defined benefit obligation	9.41	5.81	4.20	3.62
Fair value of plan assets	-6.00	-4.56	-3.20	-2.78
Net liability arising from defined benefit obligation	3.41	1.25	1.01	0.84

Movements in the present value of the defined benefit obligation are as follows: (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Opening defined obligation	5.81	4.20	3.62	2.55
Current service cost	0.65	1.10	0.83	0.68
Interest cost	0.18	0.28	0.26	0.19
Re-measurement (gains)/losses :		-		
Actuarial (gains)/ losses arising from changes in financial assumptions	-	0.19	0.21	0.05
Actuarial (gains)/ losses arising from experience adjustments	2.83	0.60	-0.72	0.15
Benefits paid	-0.05	-0.56	-	
Closing defined benefit obligation	9.41	5.81	4.20	3.62

Movements in the fair value of plan assets are as follows: (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Opening value of plan assets	4.56	3.20	2.78	-
Interest income	0.16	0.24	0.23	0.02
Return on plan assets excluding amounts included in interest income	-0.02	-0.02	-0.05	0.04
Contributions by employer	1.36	1.71	0.24	2.71
Benefits paid	-0.05	-0.56	-	
Closing defined benefit obligation	6.00	4.56	3.20	2.78

Classification of Non-Current and Current Liability: (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Non-Current liability	1.54	-	0.15	0.01
Current liability	1.86	1.25	0.86	0.83
Total	3.41	1.25	1.01	0.84

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Mortality				
Withdrawal Rates	10.00% p.a at younger ages reducing to 2.00% p.a% at older ages	10.00% p.a at younger ages reducing to 2.00% p.a% at older ages	10.00% p.a at younger ages reducing to 2.00% p.a% at older ages	10.00% p.a at younger ages reducing to 2.00% p.a% at older ages
Discount Rate (%)	6.45% p.a.	6.45% p.a.	6.80% p.a.	7.35% p.a.
Salary escalation rate (%)	7.00% p.a.	7.00% p.a.	7.00% p.a.	7.00% p.a.
Rate of Return on Plan Assets (%)	6.45% p.a.	6.45% p.a.	6.80% p.a.	7.35% p.a.

The fair value of the plan assets at the end of the reporting period for each category are as follows:

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Managed by insurer (Life Insurance Corporation of India)	100%	100%	100%	100%

Fair value of Investment in Insurance Company is taken as book value on reporting date.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analyses below 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.

(₹ in million)

Significant actuarial assumptions	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Discount Rate				
Up by 0.5%	9.01	5.54	4.01	3.45
Down by 0.5%	9.83	6.09	4.41	3.80
Salary increase				
Up by 0.5%	9.82	6.09	4.40	3.80
Down by 0.5%	9.01	5.54	4.01	3.44
Withdrawal Rate				
Up by 0.5%	9.37	5.78	4.19	3.61
Down by 0.5%	9.45	5.83	4.22	3.63

The sensitivity analysis presented above may not be representative of the actual change in the defined 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. Sensitivity due to mortality are not material & hence impact of change not calculated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Maturity Profile of Defined Benefit Obligations:

(₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Less Than One Year	1.04	0.44	0.16	0.11
One to Three Years	1.18	1.11	0.66	0.61
Four to Five Years	0.96	0.71	0.75	0.52
More than Five Years	5.13	3.33	2.62	1.43
Total	8.32	5.59	4.18	2.67

(c) Other long term employee benefit plans

Leave encashment

Amount of ₹ 0.99 Million (31st March 2021 ₹ 0.06 Million, 31st March 2020 ₹ 0.05 Million ;31st March 2019 ₹ 0.09 Million) is recognised as expenses and included in note no.36 "Employee benefit expense".

45 Lease

The Company has entered into agreements for leasing lease hold lands on lease. On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the short-term lease exemption to leases with lease term that ends within 12 months at the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
5. The accounting for operating leases with a remaining lease term of less than 12 months as at transition date as short-term leases.

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under previous GAAP. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

Amount Recognized in Statement of Profit and Loss & Carrying Amount of Asset: (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation recognised in the Statement of profit and loss	0.27	0.23	0.23	0.23
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)	10.55	18.01	17.88	17.60
Total cash outflow for leases	10.55	18.01	17.88	17.60
Additions to ROU Assets during the year	35.12	0.61	-	-
Net Carrying Amount of ROU at the end of the year	52.49	17.64	17.27	17.50

The details of Right of Use Asset included in Property, Plant and Equipment (Note no. 4) held as lessee by class of underlying (₹ in million)

Leasehold Land	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	17.64	17.27	17.50	17.73
Additions During the year	35.12	0.61	-	-
Depreciation Recognized During the year	0.27	0.23	0.23	0.23
Net Carrying value	52.49	17.64	17.27	17.50

The table below provides details regarding amounts recognised in the Restated Statement of Profit and Loss: (₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Expenses relating to short-term leases and/or leases of low-value items	10.55	18.01	17.88	17.60
Depreciation expense	0.27	0.23	0.23	0.23
Total	10.82	18.25	18.11	17.84

46 Segment Information

The Company is engaged in the manufacturing activity of agro chemicals, construction chemicals & leather chemicals etc. The Board of Directors being the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segments operating results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risks and returns hence, CODM reviews them as one component. Further, the economic environment in which the Company operates is significantly similar and not subject to materially different risk and rewards. The revenues, total expenses and net profit as per the Statement of profit and loss represents the revenue, total expenses and net profit of the sole reportable segment.

A Geographical information

The geographical information analyses the Company's revenue by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customer and segment assets which have been based on the geographical location of the assets.

Revenue from operations (₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue from external customers				
India	1,667.27	3,152.89	3,182.01	2,959.08
Rest of the world	145.42	621.90	1,189.74	1,398.48
Total	**1,812.69**	**3,774.80**	**4,371.75**	**4,357.56**

47 Commitments and Contingent Liabilities

(₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
i) Capital Commitments				
Estimated amounts of contracts remaining to executed on capital account and not provided for	-	-	-	-
ii) Contingent liabilities				
Guarantee Deposits with Banks	3.21	3.21	3.21	2.76
Letter of Credit not accepted till date	107.30	72.64	117.77	51.23
Income Tax Matters	2.85	2.85	0.00	0.00
Excise & GST Matters	14.30	14.30	0.00	0.00
Total	**127.66**	**93.00**	**120.98**	**53.99**

48 Related Party Disclosures

Details of related parties

Description of relationship	Names of related parties
I. Key Management Personnels	
Shaileshkumar Desai	Chairman & Managing Director
Umang Desai	Whole Time Director
Nilima Desai	Director (up to 21-07-2021)
Bhavisha Desai	Whole Time Director (with effect from 13-09-2021) & Additional Director (upto 13-09-2021)
Vijay Agarwal	Independent Director (with effect from 21-09-2021)
Sandhya Borase	Independent Director (with effect from 21-09-2021)
Rajesh Singh	Chief Executive Officer (with effect from 01-04-2021)
Dipakkumar Sanghani	Chief Finance Officer and Company Secretary
Khushru Petigara	Chief Operating Officer (with effect from 17-02-2022)
II. Key Management Personnel or their relatives having significant influence over the entity:	
Apurva International	
Polysol Financial services LLP	
Sarigram Industrial Products	
Bhavisha Industries (Proprietor Bhavisha Desai)	
Polysol Specialty Chemicals Private Limited	
Apurva Chemicals Private Limited (Erstwhile Apurva Chemicals, Partnership Firm converted to Private Limited from February 20, 2020)	
III. Entity is a post employment benefit plan for the benefit of employees of the Company:	
Gujarat Polysol Chemicals Private Limited -EGG Scheme	
IV. Relatives of Key Management Personnel	
Shirish Desai	
Sanjay Desai	
V. Trusts	
Rotary Shaikshanik and Tabibi Seva Sahayak	
VI. KMP is KMP in another entity:	
Menumate India Private Limited	
Shailesh Desai HUF	

Transactions during the year: (₹ in million)

	Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	**Purchase**				
	Apurva International	-	138.82	102.65	87.81
	Total	**-**	**138.82**	**102.65**	**87.81**
2	**Sales**				
	Apurva Chemicals Pvt Ltd	**3.14**	48.61	50.98	1.90
	Apurva International	**-**	-	186.68	72.18
	Bhavisha Industries	**-**	-	1.60	-
	Menumate India Private Limited	**-**	-	14.85	-
	Sarigram Industrial Products	**-**	0.03	-	-
	Total	**3.14**	**48.64**	**254.10**	**74.08**
3	**Rent Income**				
	Apurva International	1.65	3.22	3.07	1.24
	Total	**1.65**	**3.22**	**3.07**	**1.24**
4	**Expenses**				
	Jobwork Charges Paid				
	Bhavisha Industries	16.59	15.68	13.68	1.87
	Total	**16.59**	15.68	13.68	1.87
	Salary Expenses				
	Bhavisha Desai	0.17	0.36	0.36	2.40
	Nilima Desai	0.23	-	-	-
	Dipakkumar Sanghani	0.86	0.23	-	-
	Rajesh Singh	5.85	0.19	-	-
	Total	**7.10**	**0.78**	**0.36**	**2.40**
	Gratuity Insurance Contribution				
	Gujarat Polysol Chemicals Private Limited -EGG Scheme	1.36	1.74	-	-
	Total	**1.36**	**1.74**	**-**	**-**
	Warehouse rent Expenses				
	Bhavisha Desai	8.15	16.30	16.30	16.30
	Total	**8.15**	**16.30**	**16.30**	**16.30**
	Donation				
	Rotary Shaikshanik and Tabibi Seva Sahayak	-	0.15	-	-
	Total	**-**	0.15	-	-

	Director Remuneration				
	Shaileshkumar Desai	3.00	5.00	21.12	17.73
	Umang Desai	1.80	2.60	8.68	9.97
	Nilima Desai	0.37	1.20	1.20	3.60
	Bhavisha Desai	0.10	-	-	-
	Total	**5.27**	**8.80**	**31.00**	**31.30**
5	**Purchase/Sale of Property, Plant & Equipment**				
	Bhavisha Industries	-	-	20.42	-
	Total	**-**	**-**	**20.42**	**-**
6	**Interest on Unsecured Loan**				
	Bhavisha Desai	-	-	-	3.05
	Umang Desai	-	-	0.12	0.09
	Total	**-**	**-**	-	0.09
7	**Interest Paid**				
	Shaileshkumar Desai	-	-	21.22	21.75
	Umang Desai	-	-	0.47	0.03
	Nilima Desai	-	-	0.46	1.81
	Shailesh Desai-HUF	-	-	-	0.30
	Total	**-**	**-**	**22.15**	**23.88**
8					
	Investment in wholly owned Subsidiay				
	Polysol Specialty Chemicals Private Limited	-	0.50	-	-
	Total	-	0.50	-	-
9	**Sale of Investment in wholly owned Subsidiay**				
	Polysol Specialty Chemicals Private Limited	-	0.50	-	-
	Total	-	**0.50**	-	-

Outsatnding Balances as at :

(₹ in million)

	Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
1	**Advance to supplier**				
	Bhavisha Industries	30.45	15.15	18.74	-
	Apurva International	39.26	-	-	36.00
	Sarigam Industrial Products	0.31	0.31	0.31	0.31
	Total	**70.01**	**15.46**	**19.05**	**36.31**
2	**Loan Given:**				
	Shirish Desai	**10.37**	10.37	10.37	10.37
	Sanjay Desai	**0.10**	0.10	0.10	0.10
	Total	**10.47**	**10.47**	**10.47**	**10.47**
3	**Receivables:**				
	Apurva Chemicals Private Limited	14.69	28.31	16.49	0.44
	Apurva International	-	0.01	50.57	29.81
	Total	**14.69**	**28.32**	**67.06**	**30.25**
4	**Advances from Customers**				
	Apurva International	5.80	2.60	-	17.99
	Menumate Private Limited	-	-	-	8.25
	Total	**5.80**	**2.60**	**-**	**26.24**
5	**Payables:**				
	Bhavisha Desai	0.30	-	-	0.04
	Bhavisha Industries	-	-	-	1.39
	Apurva International	-	8.91	2.31	0.87
		-	-	-	-
		-	-	-	-
	Total	**0.30**	**8.91**	**2.31**	**2.30**
6	**Expenses Payable**				
	Director Remuneration Payable				
	Shaileshkumar Desai	-	1.01	-	-
	Umang Desai	-	0.45	-	
	Nilima Desai	-	0.29	-	
	Bhavisha Desai	0.10	-	-	-
	Vijay Gopi Kishan Agarwal	0.06	-	-	-
	Sandhya Mahesh Borase	0.06	-	-	-
	Total	**0.22**	**1.75**	**-**	**-**
	Salary Payable				
	Nilima Desai	0.09	-	-	-
	Rajesh Singh	0.75	-	-	-
	Dipakkumar Sanghani	0.13	1.16	-	-
	Total	**0.96**	**1.16**	**-**	**-**

49 Capital management

The Company's policy is to maintain stable ring strong capital base structure with a focus on total equity so as to maintain investor, creditor and market confidence and to sustain future development and growth of the business. The Company monitor's the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value and safeguard its ability to continue as a going concern.

The Company monitors capital using a ratio of 'adjusted net debt' to equity' . For the purpose of Company's capital management, adjusted net debt is defined as short-term borrowings less cash and cash equivalent, bank balance other than cash and cash equivalents and current investments and total equity includes issued capital and all other equity reserves.

The Company's adjusted net debt equity ratio were as follows:

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Short term borrowings	532.15	393.47	354.17	344.08
Less : cash and cash equivalent	1.09	8.93	13.48	8.31
Less : Bank balance other than cash and cash equivalents	41.89	40.05	58.71	76.47
Less : Current Investments	-	-	-	-
Adjusted net debt	489.18	344.49	281.97	259.29
Total equity	1,571.94	1,418.86	935.71	733.22
Net Debt to Equity Ratio	0.31	0.24	0.30	0.35

50 Financial Risk Management

The Company's activities expose to a variety of financial risks: credit risk, liquidity risk and market risk.

Risk management

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

(i) Credit Risk

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represents the maximum credit exposure.

Trade and other receivables:

The maximum exposure to credit risk at the reporting date is primarily from trade receivables. However, the management also considers the factors that may influence the credit risk of its customer base. Customers of the Company are spread across diverse industries and geographical areas. The Company limits its exposure to credit risk from trade receivables by establishing a maximum credit period and takes appropriate measures to mitigate the risk of financial loss from defaults. Recurring credit evaluation of credit worthiness is performed based on the financial condition of respective customer. The Company has assessed and evaluated the expected credit loss for the year to be ₹ Nil .

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the management in accordance with practice and limits set by the Company.

In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financing arrangement:

The Company maintains the following line of credit:

(i) Cash credit for banks from carry interest rate of 8.20% per annum, computed on a monthly basis on actual amount utilized, and are repayable on demand. These are secured by pari passu charge on movable and immovable property of the Company.

(ii) The Company has availed bill discounting facility (with recourse) from banks which carries interest between (31 March, 2021 8.50% to 8.65% per annum; 31 March 2020: 8.65% to 9.65%; 31 March 2019: 9.50% to 9.65%) and is payable within 45 days from the date of discounting of bills

The table below provides details regarding the contractual maturities of significant financial liabilities as at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019 (Proforma). The amounts are gross and undiscounted contractual cash flow includes contractual interest payment and excludes netting arrangements:

0

As at 30th September 2021	**Contractual cash flows**			
Particulars	**Carrying Amount**	**Total**	**0-1 year**	**More than 1 year**
Borrowings	925.61	925.61	78.38	847.23
Trade payables	552.55	552.55	549.07	0.00
Other financial liabilities	16.88	16.88	16.88	-

0

As at 31st March 2021	**Contractual cash flows**			
Particulars	**Carrying Amount**	**Total**	**0-1 year**	**More than 1 year**
Borrowings	771.41	771.41	393.47	377.94
Trade payables	879.41	879.41	879.41	-
Other financial liabilities	8.94	8.94	8.94	-

0

As at 31st March 2020	**Contractual cash flows**			
Particulars	**Carrying Amount**	**Total**	**0-1 year**	**More than 1 year**
Borrowings	694.44	694.44	354.17	340.27
Trade payables	891.35	891.35	891.35	-
Other financial liabilities	8.94	8.94	8.94	-

0

As at 31st March 2019	**Contractual cash flows**			
Particulars	**Carrying Amount**	**Total**	**0-1 year**	**More than 1 year**
Borrowings	781.87	781.87	344.08	437.79
Trade payables	901.49	901.49	901.49	-
Other financial liabilities	46.64	46.64	46.64	-

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and equity price risk as discussed below:

A) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currency of the Company. The functional currency of the Company is primarily INR. The currencies in which these transactions are primarily denominated are USD, EUR, JPY etc. Management monitors the movement in foreign currency and the Company's exposure in each of the foreign currency. Based on the analysis and study of movement in foreign currency, the Company decides to exchange its foreign currency.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to management is as follows:

0

Particulars	Trade receivables	Trade payables	Total
As at 30th September, 2021			
Amount in foreign currency (USD)			
Amount in ₹			
As at 31st March, 2021			
Amount in foreign currency (USD)	0.30	5.94	6.24
Amount in ₹	1657.40	450.68	2108.08
As at 31st March, 2020	0.00	0.00	0.00
Amount in foreign currency (USD)	0.09	4.18	4.28
Amount in ₹	1471.98	497.97	1969.95
As at 31st March, 2019	0.00	0.00	0.00
Amount in foreign currency (USD)	0.07	5.99	6.07
Amount in ₹	1475.85	417.58	1893.43

* The amount's are less than INR 0.01 million and hence disclosed as (-)

B) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the companies's borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, being a 0.2% increase or decrease in interest rate, with all other variables held constant, of the company's Profit before tax due to the impact on floating rate borrowings.

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Effect on Profit before tax				
Decrease by 0.2%	0.90	0.87	0.85	0.93
Increase By 0.2%	-0.90	-0.87	-0.85	-0.93

Other financial assets and liabilities of the Group are either non-interest bearing or fixed interest bearing instruments, the company's net exposure to interest risk on such instruments is negligible.

The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the company's borrowings while assuming all other variables to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

c) Equity Price risk

There is no Equity Price risk in the company

Financial instruments - fair values and risk management

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities including their level of fair value hierarchy:

Fair value hierarchy

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

The following table shows the carrying amounts of financial assets and financial liabilities as at 30th September, 2021:

(₹ in million)

Particulars	Carrying Amount	Fair Value			Total
	30-Sep-21	Level 1	Level 2	Level 3	
Financial assets measured at amortised cost					
Loans	2.67			2.67	2.67
Total financial assets	2.67	-	-	2.67	2.67
Financial liabilities measured at amortised cost					
Current borrowings	532.15			532.15	532.15
Trade payables	552.55			552.55	552.55
Other financial liabilities	16.88			16.88	16.88
Total financial liabilities	1,101.58	-	-	1,101.58	1,101.58

The following table shows the carrying amounts of financial assets and financial liabilities as at 31 March 2021:

(₹ in million)

Particulars	Carrying Amount	Fair Value			Total
	31-Mar-21	Level 1	Level 2	Level 3	
Financial assets measured at amortised cost					
Loans	2.56			2.56	2.56
Total financial assets	2.56	-	-	2.56	2.56
Financial liabilities measured at amortised cost					
Current borrowings	393.47			393.47	393.47
Trade payables	879.41			879.41	879.41
Other financial liabilities	8.94			8.94	8.94
Total financial liabilities	1,281.83	-	-	1,281.83	1,281.83

The following table shows the carrying amounts of financial assets and financial liabilities as at 31 March 2020:

(₹ in million)

Particulars	Carrying Amount	Fair Value			Total
	31-Mar-20	Level 1	Level 2	Level 3	
Financial assets measured at amortised cost					
Loans	6.27			6.27	6.27
Total financial assets	6.27	-	-	6.27	6.27
Financial liabilities measured at amortised cost					
Current borrowings	354.17			354.17	354.17
Trade payables	891.35			891.35	891.35
Other financial liabilities	91.67			91.67	91.67
Total financial liabilities	1,337.18	-	-	1,337.18	1,337.18

The following table shows the carrying amounts of financial assets and financial liabilities as at 31 March 2019:

(₹ in million)

Particulars	Carrying Amount	Fair Value			Total
	31-Mar-19	Level 1	Level 2	Level 3	
Financial assets measured at amortised cost					
Loans	2.35			2.35	2.35
Total financial assets	2.35	-	-	2.35	2.35

Financial liabilities measured at amortised cost					
Current borrowings	344.08			344.08	344.08
Trade payables	901.49			901.49	901.49
Other financial liabilities	46.64			46.64	46.64
Total financial liabilities	**1,292.20**	**-**	**-**	**1,292.20**	**1,292.20**

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This includes investment in mutual funds. The fair values of investments in units of mutual fund are based on the Net Asset Value (NAV) as per the fund statement.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at 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.Investments in mutual funds carried at fair value are generally based on the Net Asset Value (NAV) as per the fund statement.

Financial assets:

Fair value of all the above financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

Financial liabilities:

Borrowing: It includes cash credit and bill discounting facilities (short term borrowings). Short term borrowings are classified and subsequently measured in the financial statements at amortised cost. Considering that the interest rate on short term borrowings is reset on a periodic basis, the carrying amount of the short term borrowings would be a reasonable approximation of its fair value.

Trade payables and other financial liabilities: Fair values of trade payables and other financials liabilities are measured at balance sheet date value,as most of them are satisfied within a short period and so their fair values are assumed almost equal to balance sheet date values.

51 Business Combination

I. Business Purchase of Partnership Firms- Polysol Industries & Urmi Polymer Industries:

The Company had entered into a Business Transfer Agreements (‘Agreement’) dated May 29, 2020 and acquired the businesses of Polysol Industries and Urmi Polymer Industries (Collectively known as ‘Transferors’), both being Partnership Firms, effective April 1, 2020 ('Acquisition date'). Urmi Polymer Industries was earlier acting as Job-worker of the Company. Polysol Indstries was engaged in the trading of Edible oil and manufacturing of ferric and non-ferric Alum. Both businesses were transferred to gain the synergies of businesses.

Pursuant to this Agreement, the Company has agreed to make the payment of Purchase consideration amounting to ₹142.44 Million and ₹170.81 Million to Polysol Industries and Urmi Polymer Industries respectively, through the mode by issuing Equity Shares of the Company.

The Transferors were Partnership Firms and Shareholders of the Company were Partners of the firm. Since the Company and Firms have in turn been controlled by Common parent Mr. Shailesh Desai, the transaction has been accounted for in accordance with the Appendix C to Ind AS 103 “Common Control Business Combination”, which requires retroactive accounting of the merger from the date common control was established. Accordingly, financial information as on April 1, 2018, being the earliest period presented in the restated financial statement of the Company and all periods, thereafter, have been restated to give effect of the merger.

The accounting effects arising out of business transferrer are explained below:

(a) Equity shares amounting to ₹13.92 Million required to be issued to Partners and Share Premium amounting to ₹299.34 Million, has been accounted for as an item of equity on April 1, 2018, as equity shares proposed to be issued.

(b) The carrying value of the assets, liabilities and reserves as appearing in their respective financial statements of Firms have been recognised in the financial statements of the Company.

(c) The net effects of ₹ 130.57 Million arising out of the above adjustments have been recognised as a capital reserve on April 1, 2018.

II. Amalgmation of wholly owned subsidiary- Triwal Board Private Limited:

The Scheme of Arrangement (“Scheme”) for amalgmation of Triwal Board Private Limited ("Transferor") with the Company with effect from January 1, 2018, ("the appointed date") has been approved by the Regional Director, North West Region ("RD, NWR") (Central Government), Ahmedabad Bench vide Order dated August 28, 2018.

Since the merger was accouted under Pooling of Interest method as presribed under AS-14 Accounting for Amalgmation, difference between purchase consideration and share capital was adjusted with reserves of the transferee. However,he merger has been accounted as prescribed under Appendix C of Indian Accounting Standard (Ind AS) 103 – Business Combinations. this arrangement has been accounted under “common control” and the said Ind AS requires that the figures of the transferor company be incorporated in the comparative statements for the previous Financial Years 2017-18 (for the period prior to the Appointed Date).

The following accounting treatment, inter-alia, has been given effect to the Scheme:

(a) As per Ind AS 103, all assets, liabilities, income and expenditure of transferor have been recorded in the books at their respective carrying amounts after eliminating intra group balances and transactions. Necessary adjustments have been made to ensure proper allocation of common assets and liabilities. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and is appearing in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. Thus, all reserves which were adjusted under AS 14- accounting of Pooling of Interest method, are again aggregated with the reserves of transferee so as to maintain the identity of reserves of Transferor Company. As a result of preserving the identity, reserves which are available for distribution as dividend before the business combination would also be available for distribution as dividend after the business combination.

(b) Since, the transferor company was the wholly owned subsidiary of transferee company, investment in the books of transferee is cancelled with the share capital of transferor and the difference between investment in books of transferee and share capital of transferor is shown as Capital Reserve on Business Combination in the Other Equity.

(c) The net effects of ₹ 209.30 Million arising out of the above adjustments have been recognised as a capital reserve on April 1, 2018.

52 First Time Adoption of Ind AS

The restated Statement of Assets and Liabilities of the Company as at September 30, 2021 and the restated Statement of Profit and Loss, the restated Statement of Changes in Equity and the restated Statement of Cash Flows for the period ended September 30, 2021 and restated other financial information has been prepared under Indian Accounting Standards (Ind AS') notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

These restated Ind AS financial statements, for the period ended September 30, 2021, are the first financial statements prepared in accordance with Ind AS. For years up to and including the year ended March 31, 2021, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "Previous GAAP").

The information for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 included in this restated financial statements have been compiled from special purpose financial statements of respective years being prepared by the management in accordance with the Indian Accounting Standard (Ind AS) (the "Special Purpose Ind AS Financial Statements") by making Ind AS adjustments to the audited financial statements of the Company as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with previous GAAP. For the purpose of Special Purpose Ind AS Financial Statements for the years ended March 31, 2020 and 31 March 2019, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 01, 2018. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Special Purpose Ind AS Financial Statements as of and for the years ended March 31, 2020 and March 31, 2019 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. 1 April 2020).

In addition to the adjustments carried herein, the Company has also made material restatement adjustments in accordance with SEBI Circular and Guidance Note (refer Annexure VII). Together these constitute the restated financial information.

I Optional exemptions availed and mandatory exceptions

The accounting policies have been applied in preparing the Restated financial information. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A Optional exemptions availed:

(i) **Property, plant and equipment and intangible assets:**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at transition date April 01, 2020. For the purpose of Restated financial information for the year ended March 31, 2021, March 31, 2020 and March 31, 2019, the Company has provided the depreciation based on the estimated useful life of respective years.

The Company has elected to measure intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

(ii) **Business Combination**

As per Ind AS, at the date of transition an entity may elect not to restate business combination that occurred before the date of transition. If the entity restate any business combination that occurred before the date of transition, then it restates all later business combinations. The Company has elected to apply Ind AS 103, Business Combinations retrospectively to past business combinations that occurred before the Ind AS transition date of 01 April 2020.

(iii) **Leases - Right-of-use Asset and Lease Liability**

The Company has adopted Ind AS 116 by applying exemption provided under Ind AS 101. Following approach is followed on transition date (April 01, 2020) when applying Ind AS 116 initially:

i) lease liability is recognised, for leases which were previously classified as operating leases, by measuring the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

ii) a right of use assets is recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of assets and liabilities immediately before the date of initial application.

The Company also applied the available practical expedients wherein it:

a) used a single discount rate to a portfolio of leases with reasonably similar characteristics;

b) applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application; and

c) excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(iv) **Fair value measurement of financial assets or financial liabilities at initial recognition**

Ind AS 101 provides the option to apply the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Company has elected to apply the Ind AS 109 prospectively to financial assets and financial liabilities after its transition date.

B Ind AS mandatory exceptions

(i) **De-recognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(ii) **Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

(iii) **Estimates**

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:

II Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) **Reconciliation of total equity between previous GAAP and Ind AS** (₹ in million)

Particulars	Notes to first time adoption	As at		
		March 31, 2021	March 31, 2020	March 31, 2019
Total Equity (shareholders funds) as per previous GAAP		1,486.52	1,089.15	781.78
Adjustments:				
Actuarial valuation impact on employee benefits	(i)	1.50	1.20	0.98
Lease Amortisation	(ii)	9.07	6.53	4.00
Reversal of internally generated goodwill	(iii)	54.73	60.48	-
Impact of Business Combination	(iv)	(15.48)	69.89	30.09
Others		(0.73)	(0.73)	(0.73)
Tax impact		15.83	15.90	12.99
Total Adjustments		**64.92**	**153.28**	**47.34**
Total Equity as per Ind AS		**1,421.60**	**935.88**	**734.44**

(ii) Reconciliation of total comprehensive income between previous GAAP and Ind AS (₹ in million)

Particulars	Notes to first time adoption	For the year ended		
		March 31, 2021	March 31, 2020	March 31, 2019
Profit After Tax as per previous GAAP		402.44	208.58	136.36
Actuarial valuation impact on employee benefits	(i)	(0.50)	0.67	(1.77)
Lease Amortisation	(ii)	2.53	2.53	2.53
Reversal of goodwill amortisation	(iii)	(5.75)	-	-
Profit on sale of cross holding investment	(vii)	-	1.78	-
Others		-	-	(0.73)
Tax impact		5.19	2.80	9.31
Net profit under Ind AS		400.96	200.80	127.03
Less: Other Comprehensive Income(Net of Tax)		0.60	(0.34)	0.11
Total Comprehensive Income for the Year under Ind AS		400.36	201.14	126.91

(iii) **Impact of Ind AS adoption on the Summary Statement of Cash Flows**

There were no material differences between the summary statement of cash flow and cash flow statement under previous GAAP.

III Notes to First Time Adoption:

(i) **Actuarial valuation impact on employee benefits**

Upto the year ended March 31, 2021 the Company did not make provision for gratuity and leave encashment in accordance with the requirement of applicable accounting standard. Accordingly, provision for gratuity and leave encashment has been restated by the Company for the year ended March 31, 2019, March 31, 2020 and March 31, 2021 in accordance with Ind AS 19. Further, provision for gratuity and leave encashment upto year ended 31 March 2018 which were not booked earlier as per applicable accounting standard, is debited/credited to retained earning as at April 01, 2018.

Under the previous GAAP, the remeasurements of the defined benefit plans were forming part of the profit or loss for the year. Under Ind AS, these remeasurements of the defined benefit plans i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss.

(ii) **Leases**

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incident to the ownership of an asset. Operating lease were expensed in the Statement of Profit and Loss. Under Ind AS 116, all arrangement that fall under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the Company has recognised a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortised over the lease term on a straight line basis and lease liability is measured at amortised cost at the present value of future lease payments.

Under previous GAAP, the Company had not amortised leasehold land. In accordance Ind AS 116, the Company has identified leasehold land to be right of use asset (ROU) and hence applied Ind AS 116 retrospectively to give the impact of amortisation. As a consequence, the depreciation in the Restated Statement of Profit and Loss for the period/year ended September 30, 2021 and March 31, 2021 has increased and there is corresponding decrease in the value of ROU. For the purpose of Special Purpose Ind AS Financial Statements for the years ended March 31, 2020 and 31 March 2019, the Company has followed the same accounting policy and accounting policy choices as initially adopted on transition date i.e. April 01, 2020. Accordingly, suitable restatement adjustments in the accounting heads are made to the Special Purpose Ind AS Financial Statements as of and for the years ended March 31, 2020 and March 31, 2019.

(iii) Intangible Assets

Company has recongised an internally generated goodwill of ₹ 60.48 Million during the year ending March 31, 2020 ,which is not allowed to be recongised under IND AS 38 "Intangible Assets" and has amortized the same for an amount of ₹ 5.75 Million during the year 2020-21. So net block of internally generated goodwill of ₹ 54.73 Million is reversed in restated Financial information.

(iv) Equity Shares pending allotment pursuant to Scheme

As per Appendix C of Ind AS 103, Business Combination, impact of Common Control is to be given since the beginning of the period. Hence, the Company has recognised purchase consideration as at its transition date and difference between purchase consideration and share capital of transferor is adjusted in Capital Reserve.

(v) Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences.

(vi) Other Comprehensive Income:

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or

profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

(vii) Reversal of Profits on investment held by Transferor in the Company

Transferors had investment in the company, hence the share capital of the company and investment by transferors were cancelled while preparing this restated financial informatio. In the financial year 2019-2020, transferors sold their respective investments to the shareholders of the company at the profit of ₹ 1.78 Million which being capital in nature is reversed and adjusted in securities premium.

53 Impact and future uncertainties relating to Global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of the Restated financial information including there coverability of carrying amounts of financial and non financial assets. Further the impact assessment does not indicate any adverse impact on the ability of theCompany to continue as a going concern. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of the Restated financial information, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Group's Restated financial information may differ from that estimated as at the date of approval of these Restated financial information.

54 From the Financial Year 2019-20 and for subsequent period, the Company has after evaluation, decided to adopt the option permitted under section 115BAA of Income Tax Act, 1961 (as introduced by the Taxation Laws (Amendment) Ordinance 2019) of the lower effective corporate tax rate of 25.17% (including surcharge and cess) instead of the earlier rate of 29.12 and 34.60% (including surcharge and cess). Accordingly, the Company has recognized the Provision for Income Tax for the financial year ended 31st March 2021 and subsequant period based on the rates prescribed in the aforesaid section.

55 Figures for the period ended September 30, 2021 in the Statement of Profit and Loss, Statement of Changes in Equity, Statement of Cash flows and the respective notes are for the period of 6 months (April 01, 2021 to September 30, 2021), whereas the details in said statements and notes for the other years presented are for 12 months. To this extent, figures reported for period ended September 30, 2021 are not comparable with other year figures.

56 Following the break out of a fire in one of factory premises situated at SRV.NO.260/7/1/3/4, Demani Road, Dadra & Nagar Haveli and Daman and Diu on May 14, 2021, the Company suffered loss of Plant & Machinery, Building and stock having their Gross Cost in the books amounting to ₹ 3.83 Million, ₹0.86 Million and ₹7.32 Million respectively. The Company is in the process of claiming reimbursement of these costs from its insurance arrangements. It is as yet too early to quantify the total reimbursement to be paid to the Company.

57 Events occuring after the balance sheet date and before signing of these financial statements

After the balance sheet date but before adoption of restated financial information by Board, Search under Income Tax Act, 1962 was conducted from November 18, 2021 to November 21, 2021 on the Company and its related parties and on Directors. No declaration has been given in such Search conducted. Since there is no declaration and its an event occuring after the reporting period, the same stands to be non-adjusting events in accordance with Ind AS-10, Events occuring after the reporting period.

As per our report of even date attached
For J. V. Vasani & Co.
Chartered Accountants
FRN NO : 114283W

Jignesh Vasani
Partner
Membership No.: 047954
Place: Vapi
Date: 24-03-2022

UDIN :

For and on behalf of the Board of Directors of Gujarat Polysol Chemicals Limited

Shailesh Desai	**Umang Desai**	**Rajesh Singh**
Managing Director	**Whole Time Director**	**CEO**
DIN: 00266938	**DIN: 05161181**	
Place: Vapi	**Place: Vapi**	**Place: Vapi**
Date : 24-03-2022	**Date : 24-03-2022**	**Date : 24-03-2022**
Dipak Sanghani	**Dipak Sanghani**	
CFO	**Company secretary**	
	Membership No:50568	
Place: Vapi	**Place: Vapi**	
Date : 24-03-2022	**Date: 24-03-2022**	

GUJARAT POLYSOL CHEMICALS LIMITED
(Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED) (CIN :U24231GJ1989PLC012892)
Annexure VII: Statement of Adjustments to the Restated Financial information

Summarised below are the restatement adjustments made to equity for the period/ years ended September 30, 2021, March 31, 2021, March 31, 2020 and 31 March 2019, and their consequential impact on the equity of the Company:

(₹ in million)

Particulars	For the year ended			
	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
A. Total Equity as per Audited Ind AS Financial Statements	1,571.94	1,421.60	935.88	734.44
B. Adjustment:				
Material restatement adjustments				
(i) Audit qualification	-	-	-	-
(ii) Adjustments due to prior period items/ other adjustments				
Allowance of Expected Credit Losses		-	(0.17)	(0.47)
Difference on Account of Change in Provision for Income Tax	-	(2.74)	-	(0.76)
C. Total impact of adjustments in (i+ii)	**-**	**(2.74)**	**(0.17)**	**(1.22)**
D. Total equity as per restated financial information (A+C)	**1,571.94**	**1,418.86**	**935.71**	**733.22**

Summarised below are the restatement adjustments made to the net profit after tax for the period/years ended September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 their impact on the profit / (loss) of the Company:

(₹ in million)

Particulars	For the year ended			
	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
A. Total Comprehensive Income as per Audited Ind AS Financial Statements	150.33	400.36	201.14	126.91
B. Adjustment:				
Material restatement adjustments				
(i) Audit qualification	-	-	-	-
(ii) Adjustments due to prior period items/ other adjustments				
Allowance of Expected Credit Losses	-	0.17	0.29	(0.15)
Difference on Account of Change in Provision for Income Tax	2.74	(2.74)	0.76	1.12
C. Total impact of adjustments in (i+ii)	**2.74**	**(2.57)**	**1.05**	**0.97**
D. Total Comprehensive Income as per restated financial information (A+C)	**153.07**	**397.79**	**202.20**	**127.89**

Note to adjustment:
1. Adjustments for audit qualification: None

2. Material regrouping
Appropriate adjustments have been made in the restated financial information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the Division II Ind AS Schedule III of the Companies Act, 2013 ('the Act') and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended). Accordingly, the Company has presented the Restated financial information as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 following the requirements of Schedule III of the Act.

3. Material restatement adjustments
a. Expected Credit Losses
For the purpose of restatement, the regulation requires that any adjustments which relates to the earlier years should be accounted for in those years (or earliest period presented whichever is later) for the purpose of preparing restated financial information. Accordingly, debts which were considered doubtful and written off in the past and which have been subsequently recovered are adjusted back in the year in which such debts were originally written off. Therefore, the company has given effect to the impact in the above years.

b. Difference on Account of Change in Provision for Income Tax:
Since the Restated Profit is changed so that Provision for income Tax also got changed.

4. Non-adjusting items:
a. Qualifications and Emphasis of Matters in the Auditors' report which do not require any corrective adjustments in the Restated Financial Information:
i. Annexure to Auditor's report for the financial year ended March 31, 2021: None
ii. Annexure to Auditor's report for the financial year ended March 31, 2020: None

b. Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Resisted Financial Information:
i. Annexure to Auditor's report for the financial year ended March 31, 2021: None
ii. Annexure to Auditor's report for the financial year ended March 31, 2020: None
iii. Annexure to Auditor's report for the financial year ended March 31, 2019: None

OTHER FINANCIAL INFORMATION

Accounting Ratios

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Sr. No.	Particulars	6 month period ended September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
1.	Basic EPS (in ₹)	7.70	20.98	15.30	9.77
2.	Diluted EPS (in ₹)	7.70	19.77	10.02	6.38
3.	Return on Net worth (RoNW) (in %)	11.11	32.02	26.53	22.92
4.	Net asset value per Equity Share (in ₹)	69.32	65.50	57.67	49.65
5.	EBITDA (in ₹ million)	263.57	642.99	386.81	318.61

Notes:

3. *Basic Earnings per share (in ₹) = Net profit/ (loss) after tax, as restated attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the year/period.*

4. *Diluted Earnings per share (in ₹) = Net profit / (loss) after tax, as restated attributable to equity shareholders divided by weighted average number of diluted Equity Shares outstanding during the year /period.*

5. *RoNW (in %) = PAT / Net Worth*

6. *Net Asset Value per Share (in ₹) = Restated net worth at the end of the period/year / weighted number of equity shares outstanding at the end of the period/year.*

7. *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, as per the Restated Financial Statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.*

8. *EBITDA = (PAT + Finance Cost + Taxes + Depreciation and Amortisation) – (other income)*

9. *EPS has been calculated in accordance with the Indian Accounting Standard 33 ‑ 'Earning per share' notified under the Companies (Indian Accounting Standards) Rules, 2015.*

10. *The above ratios have been computed on the basis of the Restated Financial Information and ratios for current period are not annualised.*

CAPITALISATION STATEMENT

The following tables set forth our Company's capitalisation derived from the Restated Financial Statements of the Company as at and for the 6 month period ended September 30, 2021 adjusted to give effect of the gross proceeds of the Offer. This table should be read in conjunction with chapters entitled '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' and *'Restated Financial Statements'* beginning on pages 280 and 230, respectively, and section entitled '*Risk Factors*' beginning on page 33.

(in ₹ million)

Particulars		**Pre-Issue as at September 30, 2021**	**As adjusted for the proposed Offer***
Borrowings:			
Current term borrowings		532.15	[●]
Non-current borrowings (including current maturity)	**(A)**	471.84	[●]
Total borrowings	**(C)**	1,003.99	[●]
Shareholders' funds:			
Share capital		201.55	[●]
Other equity		1,370.39	[●]
Total Equity	**(B)**	1,571.94	[●]
Ratio: Non-Current borrowings / Total equity	**(A)/(B)**	0.30	[●]
Ratio: Total Borrowings / Total Equity	**(C) / (B)**	63.87%	[●]

** The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the book building process and hence have not been furnished. To be updated upon finalization of the Offer Price.*

Notes:

1. The above has been computed on the basis of the restated summary statements of assets and liabilities of our Company as on September 30, 2021.

2. Long term borrowing is considered as borrowing other than short term borrowing, as defined below and also includes the current maturities of long term borrowing.

3. Short term borrowing is considered as borrowing due within 12 months from the balance sheet date.

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

The following discussion is intended to convey our management's perspective on our financial condition and results of our operations. Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the 12 months ended March 31 of that year.

You should read the following discussion in conjunction with the Restated Financial Statements included in this Draft Red Herring Prospectus as of 6 month period ended September 30, 2021, and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 including the related notes, schedules and annexures. For further information, please see the chapter entitled 'Restated Financial Information' beginning on page 230.

*The Restated Financial Statements included in this Draft Red Herring Prospectus are prepared and presented in accordance with requirements of Section 26 of the Companies Act, 2013, as amended, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI (**Guidance Note**), which 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. This discussion may include certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors or contingencies, including those described below and elsewhere in, this Draft Red Herring Prospectus. For further information, please see the chapter entitled 'Forward-Looking Statements' beginning on page 23. Also please read section entitled 'Risk Factors' beginning on page 33 and chapter entitled 'Management's Discussion and Analysis of Financial Condition and Results of Operations - Principal factors affecting our financial condition and results of operations' on page 282, respectively, for a discussion of certain factors or contingencies that may affect our business, financial condition or results of operations.*

Unless otherwise indicated, the industry-related information contained in this section is derived from the F&S Report. We commissioned and paid for such report for the purposes of confirming our understanding of the industry in connection with the Offer. For further details and risks in relation to commissioned reports, please see the chapter entitled 'Risk Factors – This Draft Red Herring Prospectus contains information from an industry report prepared by Frost & Sullivan which we have commissioned and paid for' on page 50

OVERVIEW

We are amongst the leading chemicals manufacturers for the Infra-tech (Construction), agro, dyes and leather industries in India. We are also amongst the leading supplier of dispersing agents in the Infra-tech, dye and pigments, and textile and leather industries and a leading supplier of powder surfactants in India. *(Source: F&S Report)* Dispersing agents are, typically, surfactants / wetting agents, that are added to a suspension of solid or liquid particles in a liquid (such as a colloid or emulsion) to improve the separation of the particles. They are adsorbed onto the surface of the particles leading to a thin film covering the surface. By adsorbing on newly created surfaces, they reduce interactions and re-agglomeration (clumping) of the particles.

We are amongst the leading manufacturers of poly carboxylate ether (**PCE**) liquid in India. We are one of the few manufacturers of PCE powder globally and the only manufacturer of PCE powder in India. *(Source: F&S Report)* The vast majority of products that we manufacture use the aromatic organic compounds viz., naphthalene, phenol (carbolic acid), acrylic acid and PEG as the base chemical.

The wide range of chemicals and intermediates that we manufacture can be classified, based on the end use industry (**Application Industries** and each an application industry), as follows:

1. Infra-tech (construction) chemicals;
2. Agro-chemicals (pesticide formulations);
3. Dyes, pigments and textile chemicals; and
4. Leather chemicals.

During the 6 month period ended September 30, 2021, we manufactured an aggregate of 130 products (in liquid and powder forms) including sulphonated naphthalene formaldehyde, sulphonated melamine formaldehyde, sulphonated acetone formaldehyde, cellulose nanofibers, alkyl aryl sulphonate and acrylic syntans.

We manufacture customised products that are tailored to the requirements of our customers. Our Company has 3 Manufacturing Facilities, located in Vapi and Sarigam in the State of Gujarat and a unit located in the Union Territory of Dadra & Nagar Haveli and Daman and Diu.

We have an aggregate manufacturing capacity of 130,400 MT *per* annum across our 3 Manufacturing Facilities. Set out below are the installed capacity, permissible and capacity utilisation details of our Manufacturing Facilities in the immediately preceding 3 financial years and during the 6 month period ended September 30, 2021.

Financial Period	**Particulars* *(per annum)***	**Manufacturing Facilities**		
		Vapi	**Sarigam****	**Dadra Nagar Haveli and Daman and Diu#**
For the 6 month period ended September 30, 2021	*Installed capacity (MT)*	52,800	12,000	400
	Permissible capacity (MT)	52,800	12,000	400
	Actual capacity utilised (MT)	22,311	8,452	344
	Capacity Utilisation (%)	42.26	70.33	86.00
Fiscal 2021	*Installed capacity (MT)*	1,05,600	24,000	800
	Permissible capacity (MT)	71,860@	24,000	800
	Actual capacity utilised (MT)	61,411	14,015	780
	Capacity Utilisation (%)	58.15	58.40	97.50
Fiscal 2020	*Installed capacity (MT)*	47,760	24,000	800
	Permissible capacity (MT)	47,760	24,000	800
	Actual capacity utilised (MT)	38,158	12,364	765
	Capacity Utilisation (%)	79.90	51.52	95.63
Fiscal 2019	*Installed capacity (MT)*	47,760	24,000	800
	Permissible capacity (MT)	47,760	24,000	800
	Actual capacity utilised (MT)	38,433	9,215	760
	Capacity Utilisation (%)	80.47	38.40	95.00

** As certified by the Chartered Engineer vide certificate dated February 19, 2022.*
***We manufacture only aluminium sulphate at this facility.*
@The GPCB consent for the increase in capacity up to 105,600 MT was received in November 2020.
 # We manufacture only dispersing agents (liquid and powder form) at this facility. Further, production was halted at this facility after a fire at the facility on May 14, 2021.

The primary raw materials viz., naphthalene and phenol, for the production of our products are sourced domestically and are often sourced from markets which are locations that are in geographic proximity to our Manufacturing Facilities. In addition, naphthalene is also sourced from overseas. Since neither naphthalene nor phenol is a long-lead item, orders are generally placed on proximate suppliers and, generally, with a lead time of less than 4 weeks. In addition, we also procure the other key raw materials *viz.,* VPEG from South Korea and China, for which we place purchase orders on a quarterly basis.

In addition to revenue from manufacturing products, we also engage in trading of chemical raw materials and edible oil including crude palm oil and soyabean oil. In the 6 month period ended September 30, 2021, and Fiscals 2021, 2020 and 2019 our revenue from trading of goods was ₹99.54 million, ₹562.50 million, ₹1,137.35 million and ₹1,340.14 million, respectively.

India has been, and we expect will remain for the foreseeable future, our largest market. As of September 30, 2021, about 97.32% of our total income derived from sales within India.

Our restated total income on for the 6 month period ended September 30, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019, was ₹1,832.17 million, ₹3,804.32 million, ₹4,409.38 million, and ₹4,397.98 million, respectively. Our restated profit for the 6 month period ended September 30, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019, was ₹155.20 million, ₹398.39 million, ₹201.85 million, and ₹128.00 million, respectively. Our restated profit for the year, grew at a CAGR of 76.42% between the Fiscals 2019 and 2021. Further, our

EBITDA for the 6 month period ended September 30, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019, was ₹263.57 million, ₹642.99 million, ₹386.81 million and ₹318.61 million, respectively, and our EBITDA grew at a CAGR of 43.12% between Fiscal 2019 and Fiscal 2021.

PRESENTATION OF FINANCIAL INFORMATION

Our Restated Financial Information has been prepared in terms of the requirements of:

a. Section 26 of Part I of Chapter III of the Companies Act, 2013;

b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended; 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.

Our Restated Financial Information has been compiled from:

a. The audited interim Ind AS financial statements of our Company as at and for the 6 month period ended September 30, 2021 which were prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting", as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on March 24, 2022;

b. The audited financial statements for years ended March 31, 2021, March 31, 2020 and March 31, 2019 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP). Now these Financial are reinstated as per IND AS; and

c. For the years ended March 31, 2021, March 31, 2020 and March 31, 2019 which have been prepared in accordance with the Indian Accounting Standards (**Ind AS**) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on March 24, 2022, respectively.

Our Company has adopted the Revised Schedule III as issued by MCA and accordingly numbers of comparative period has been reclassified as required.

PRINCIPAL FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Expansion of our existing product categories and development of new products

We have constantly strived to develop new products and succeeded in developing 17 new products since 2018, across all our business segments viz., Infra-tech chemicals, agro-chemicals, dyes and pigments and textile chemicals and leather chemicals. We intend to continue our focus on providing tailor made solutions for our customers and we intend to continue our focus on developing sustainable, environment friendly and customer centric products.

Our continued success is dependent on our adding new verticals. In particular, we propose to broaden and deepen our engagement with our existing customers by offering them with products addressing different aspects of their industry requirements. For instance, we intend to introduce a basket of products for agro-chemicals industry such as adjuvants i.e., auxiliaries that are added to pesticides for enhancing performances of new generation polymeric dispersing agents, eco-friendly wetting agents, etc. Similarly, we intend to cater to the Infra-tech industry by introducing high strength polymers for high end construction such as tunnels, additives for different stages of concreting, etc. In addition, we also expect to introduce a full bouquet of products catering to our existing range of oil field chemicals.

Research and development efforts

We strive to be an environmentally conscious and responsible business, and to this end our R&D team is, and will continue to be focussed, on creating efficient, sustainable, and eco-friendly products. With a view to augment our focus on sustainable R&D we have set-up a dedicated in-house R&D facility located at our Manufacturing Facility in Vapi, Gujarat. Our R&D facility is equipped with modern equipments and is also capable of conducting various chemistries/ technologies. Additionally, our laboratory is also equipped with facilities and instrumentation which enables us to undertake pharmaceutical gas chromatography and high performance liquid chromatograph, which are key elements in developing new products.

Our R&D facility is staffed by a professional and qualified team who comprising persons with doctorates and post-graduation degrees. Our success will depend on our ability to harness our R&D capabilities to continually develop environmentally friendly, sustainable products customised to address the particular needs of our customers.

Relationship with our customers and suppliers

We have, over the year, developed strong and mutually beneficial relationships with our customers and our suppliers. These long standing relationships are key to our success and growth.

We have a base of strong and long standing customer relationships with eminent customers across our product segments. In the 6 month period ended September 30, 2021, we had catered to 613 customers who contributed revenues aggregating ₹1,713.15 million. A break-up of our customers across our product segments is set out below.

Application industry*	**6 month period ended September 2021**	
	No. of customers	**Revenue (in ₹ million)**
Infra-tech chemicals	409	1,137.57
Agro-chemicals (pesticide formulations)	50	312.18
Dyes, pigments and textile chemicals	115	175.15
Leather chemicals	39	88.24
Total	**613**	**1,713.15**

We have established long term relationships with various multinational and domestic companies such as Ado Additive Technologies Limited, Agrosyn Impex, Master Builders Solutions India Private Limited, Molecules Conchem Private Limited, Normet India Private Limited, South India Cashew Corporation, Sulphur Mills Limited, Chryso India Private Limited, Ecmas Construction Chemicals Private Limited, Lonsen Kiri Chemical Industries Limited, Shivani Detergents Private Limited, Technochem Construction Chemicals and Sanghavi Industries Private Limited. Further, in the 6 month ended September 30, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019, our top 5 customers across our business segments have contributed 52.82%, 49.70%, 45.94% and 54.70%, respectively, to our total revenue from operations.

Further, we purchase our raw materials from multiple suppliers on a purchase order basis as and when the need arises and do not enter into long term contracts for raw materials. However, we source our imported raw materials from disparate suppliers and ensure that we have at least 2 suppliers in different countries to ensure continuity of supply. Our ability to ensure consistency, and continuity in supply, of raw materials is, and will continue to be, a key element in meeting our production targets and supporting growth.

Impact of COVID-19

Although India witnessed a significant downturn in 2020, it is expected to rebound to ~9.5% according to IMF (after it had previously suggested India to recover at 12.5%); however, Oxford Economics and RBI suggest the growth rate in the range of 10-11% for India in 2021. *(Source: F&S Report)*

While our revenue from operations was adversely affected during Fiscal 2021 and in the 6 month period ended September 30, 2021, our profit for the year increased from ₹128.00 million in Fiscal 2018 to ₹398.39 million in 2021 at a CAGR of 76.42%. Further, our profit after tax during the 6 month period ended September 30, 2021, was ₹155.20 million.

Further, the coronavirus has demonstrated a propensity for mutating and the resultant new strains may continue for some time to come. While we expect the deleterious impact of COVID-19 to taper over the course of time, any prolonged shut down of business operations or industry due to circumstances occasioned by the COVID-19 could adversely impact our business, results of operation and our financial.

Cost and availability of raw materials

Our business is significantly affected by the availability, supply, cost and quality of raw materials. We purchase our raw materials from multiple suppliers on a purchase order basis as and when the need arises and do not enter into long term contracts for raw materials – this exposes us to market demand and supply fluctuations. However, we have established long-term associations with certain suppliers over the years. The primary raw materials used in our manufacturing operations are VPEG, acid slurry 96%, naphthalene, acrylic acid, phenol and formaldehyde.

During the 6 month period ended September 30, 2021, and during Fiscal 2021, Fiscal 2020 and Fiscal 2019, our cost of materials consumed was ₹1,269.39 million, ₹2,233.19 million, ₹2,461.94 million and ₹2,411.91 million, which was 75.67%, 69.52%, 76.12% and 79.93% of our revenue from manufacturing operations, respectively.
We purchase raw materials from both the domestic and international market. Set out below is a break-up of our domestic and international raw materials consumed.

(₹ in million)

Source of raw materials	6 month period ended September 30, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	% of total cost of material consumed	Amount	% of total cost of material consumed	Amount	% of total cost of material consumed	Amount	% of total cost of material consumed
Domestic	632.80	48.81	1106.54	49.55	1161.53	47.18	1062.59	44.06
Import	663.59	51.19	1126.65	50.45	1300.41	52.82	1349.32	55.94
Total	1,296.39	100	2,233.19	100	2,461.94	100	2,411.91	100

The price and the supply of the raw materials depend on factors beyond our control, which include economic conditions, consumer demand, production levels, and transportation costs. Such variations in the cost structure affect our operations. Moreover, the price of raw materials, to the extent they are imported, are also affected by customs duties, if any, imposed by the Indian governments and governments of exporting nations, and foreign exchange currency fluctuations. For instance, the Indian Rupee has depreciated significantly against the US Dollar (for details, please see the chapter entitled '*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Exchange Rates*' on page 21) which increases our cost of materials consumed.

Capacity utilisation and product mix

Our revenues and, consequently, our profits are dependent on our ability to optimise and maximise our capacity utilisation. As on September 30, 2021, our aggregate manufacturing capacity was 130,400 MT/annum. One of our Manufacturing Facilities at Dadra Nagar Haveli and Daman and Diu was destroyed by a fire in May 2021. Our aggregate installed capacity prior to the fire as on March 31, 2021, was 130,400 MT per annum.

Our installed capacity and capacity utilization at each of our Manufacturing Facilities for the 6 month period ended September 30, 2021, and the immediately preceding 3 Fiscals is set out below.

Financial Period	Particulars *(per annum)**	Manufacturing Facilities		
		Vapi	Sarigam**	Dadra Nagar Haveli and Daman and Diu#
For 6 month period ended September 30, 2021	*Installed capacity (MT)*	52,800	12,000	400
	Actual capacity utilised (MT)	22,311	8,452	344
	Capacity Utilisation (%)	42.26	70.33	86.00
Fiscal 2021	*Installed capacity (MT)*	1,05,600*	24,000	800
	Actual capacity utilised (MT)	61,411	14,015	780
	Capacity Utilisation (%)	58.15	58.40	97.50
Fiscal 2020	*Installed capacity (MT)*	47,760	24,000	800

	Actual capacity utilised (MT)	38,158	12,364	765
	Capacity Utilisation (%)	79.90	51.52	95.63
Fiscal 2019	*Installed capacity (MT)*	47,760	24,000	800
	Actual capacity utilised (MT)	38,433	9,215	760
	Capacity Utilisation (%)	80.47	38.40	95.00

**As certified by the Chartered Engineer vide certificate dated February 19, 2022.*
*** We received GPCB consent for increasing our permissible capacity in November 2020.*

Our capacity utilisation at our largest Manufacturing Facility i.e., at Vapi was adversely impacted in Fiscal 2021 due to the COVID-19 , in particular during the first and second financial quarter of Fiscal 2021, which was affected due to the supply of raw materials and availability of human resources.

Our capacity utilisation is dependent on various factors that may be beyond our control including break-down of our plant and machinery, industrial accidents, etc.

We constantly strive to optimise our capacity utilisation and augmenting our operational efficiencies by optimising our manufacturing processes and working closely with our customers to understand their requirements on an ongoing basis.

Application industries

The wide range of chemicals and intermediates that we manufacture can be classified, based on the Application Industry, as follows:

1. Infra-tech (construction) chemicals;
2. Agro-chemicals (pesticide formulations);
3. Dyes, pigments, and textile chemicals; and
4. Leather chemicals.

While, as mentioned above, our products find use across a diverse array of Application Industries, a significant part of our revenue is generated from Infra-tech (construction) chemicals. In the 6 month period ended September 30, 2021, and in the Fiscal 2021, Fiscal 2020 and Fiscal 2019 our revenues from our Application Industries were as set out below.

(Revenue in ₹ million)

Application Industry	For the 6 month period ended September 30, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Revenue	% of revenue from manufacturing operations	Revenue	% of revenue from manufacturing operations	Revenue	% of revenue from manufacturing operations	Revenue	% of revenue from manufacturing operations
Infra-tech	1,137.57	66.43	2,157.17	67.15	2,335.45	72.21	2,121.04	70.29
Agro	312.18	18.22	536.01	16.69	443.44	13.71	468.07	15.51
Dyes, pigments, and textile	175.15	10.20	370.26	11.52	267.44	8.27	221.10	7.33
Leather	88.24	5.15	148.85	4.63	188.07	5.81	207.21	6.87
Total	**1,713.15**	**100.00**	**3,212.29**	**100.00**	**3,234.40**	**100.00**	**3,017.42**	**100.00**

Our product mix and our result of operations are dependent on the Application Industries. The Application Industries, in turn, are affected by various factors including macro-economic factors, climatic conditions such as monsoon, etc. As noticed above, our revenues from the Infra-tech chemicals are significantly higher than the revenue from other products. Accordingly, we are, to a large extent, reliant on the performance of the construction industry. The construction industry is particularly sensitive to macro-economic and micro-economic factors. Accordingly, any downturn in the India's economic condition could have an adverse impact on the construction industry and, consequently, our results of operation and financial condition.

Augmenting cost efficiency

We constantly strive to improve our cost efficiency by optimising our expenditure. We intend to focus on keeping our operating costs low, which we believe is critical for remaining profitable, by implementing measures to reduce our operating costs and improve our operational efficiencies. Our focus is to continue to develop sustainable technologies and eco-friendly practices, increase usage of alternative raw material and fuels, and waste utilization technologies, to further improve the quality of our products while maintaining and optimize our production costs. We believe our focus on developing cost-reduction strategies and implementing more sustainable methods in our operations will enable us to maintain our cost leadership position.

Competition

We face significant competition both in the domestic and international markets. Furthermore, given that we operate in different product categories we face competition from disparate entities across product categories.

We face competition from various Indian and international operators across each of our Application Industries.

In the Infra-tech market, we face competition from various entities including Pidilite Industries Ltd, Himadri Speciality Chemical Limited, Gujarat Polybond Pvt. Limited, Sika India Private Limited, BASF India Limited, Fosroc Chemicals (India) Pvt. Limited, Chembond Chemicals Limited and Dow Chemical International Pvt Ltd.

In the Indian agro-chemicals market, we face competition from various entities including China National Corporation, Sumitomo Chemicals Co. Ltd, BASF SE, Bayer AG, UPL Limited, Gharda Chemicals Ltd., Meghamani Organics Limited and Bharat Rasayan Limited.

Our competition in the leather chemicals segment includes Balmer Lawrie & Co. Limited, Haryana Leather Chemicals Limited, Stahl India Private Limited and Lanxess India Private Limited, Tytan Organics Pvt. Limited and Henkel Chemicals (India) Limited. Our competition dyes, pigments and textiles chemicals segment includes Himadri Speciality Chemical Limited, Gujarat Polybond Pvt. Limited, China SunShine Chemicals, Mangalore Chemicals and Fertilizers Limited and LRC Specialty Chemicals Pvt. Limited.

KEY PERFORMANCE INDICATORS AND NON-GAAP FINANCIAL MEASURES

EBITDA and EBITDA Margin

Set out in the table below are our earnings before interest, taxes, depreciation, and amortisation expenses (**EBITDA**) from our profit before tax, as restated, and the manner in which it is calculated for the 6 month period ended September 30, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019.

(₹ in million)

Particulars	6 month period ended September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Profit before tax from continuing operations	218.00	543.00	260.84	190.97
Add: Finance costs	35.41	77.37	105.68	117.79
Add: Depreciation and amortization expense	17.98	30.88	25.12	20.25
Less: Other Income	13.69	8.26	4.82	10.40
EBITDA* (A)	**263.57**	**642.99**	**386.81**	**318.61**
Revenue from operations (B)	**1,818.49**	**3,796.06**	**4,404.56**	**4,387.58**
EBITDA Margin (A/B)**	**14.49**	**16.94**	**8.78**	**7.26**

***** *EBITDA = PAT+ Finance Cost + Taxes + Depreciation and Amortisation-Other Income*

*** EBITDA Margin (%) = (EBITDA / Revenue from operations) *100*

Key Performance Indicators

(Amount in ₹ million except EPS)

Particulars	6 months Period ended September 30, 2021	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020	Financial Year ended March 31, 2019
Revenue from operations	1,818.49	3,796.06	4,404.56	4,387.58
Revenue from manufacturing operations (1)	1,713.15	3,212.30	3,234.40	3,017.42
Revenue from trading operations	99.54	562.50	1,137.35	1,340.14
Manufacturing Gross Profit (2)	483.61	993.19	773.21	651.89
Manufacturing Gross profit (%) from Manufacturing operations	28.23%	30.92%	23.91%	21.60%
EBITDA from manufacturing operations(3)	236.53	614.86	347.79	272.91
EBITDA Margin (%) from manufacturing operations	13.81%	19.14%	10.75%	9.04%
EBITDA CAGR(from Fiscal 2019 to Fiscal 2021)	50.10%			
Profit After Tax	155.20	398.39	201.85	128.00
PAT (%) of Revenue from operations	8.53%	10.49%	4.58%	2.92%
PAT CAGR (from Fiscal 2019 to Fiscal 2021)	76.42%			
EBIT(4)	245.59	612.11	361.69	298.36
Debt Equity Ratio (5)	0.59	0.54	0.74	1.07
Earnings Per Share (Basic) (6)	7.70	20.98	15.30	9.77
Earnings Per Share (Diluted)(7)	7.70	19.77	10.02	6.38
Interest Coverage Ratio (times) (8)	6.94	7.91	3.42	2.53
Fixed Asset Turnover Ratio(times) (9)	2.23	5.11	6.54	7.92
ROE (10)	9.87%	28.08%	21.57%	17.46%
ROCE(11)	9.83%	27.95%	22.19%	19.69%
RoNW(12)	11.11%	32.02%	26.53%	22.92%
Net Asset Value (NAV) per Equity Share (13)	69.32	65.50	57.67	42.65

Notes :

1. Revenue from manufacturing operations = Revenue from operations – (Sale of traded goods+ sale of services + other operating revenues)
2. Manufacturing Gross Profit = Revenue from manufacturing operations – (Cost of material consumed + changes in inventories)
3. EBITDA from manufacturing operations = Earnings before Finance Cost , Taxes, Depreciation and Amortization less other Income, which is calculated by reduceing by employee benefit expenses and other expenses from Manufacturing Gross Profit
4. EBIT - Earnings before Finance Cost and taxes Less other Income
5. Debt Equity Ratio: Total Debt/ Total Shareholder's Equity
6. Basic Earnings per share (₹) = Net profit/ (loss) after tax, as restated attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the year
7. Diluted Earnings per share (₹) = Net profit / (loss) after tax, as restated attributable to equity shareholders divided by weighted average number of diluted Equity Shares outstanding during the year
8. Interest Coverage Ratio (times): EBIT/ Finance Cost
9. Fixed Asset Turnover Ratio: Revenue from manufacturing operations / Average Gross Block
10. ROE = PAT / Total equity
11. ROCE = EBIT / capital employed where capital employed refers to Total Shareholder’s Equity, Non-Current Borrowing and Short Term Borrowing.
12. RoNW = PAT / Net Worth
13. Net Asset Value (NAV) per Equity Share = Net worth at the end of the year/period divided by weighted average number of Equity Shares outstanding during the year

SIGNIFICANT ACCOUNTING POLICIES

The discussion and analysis of our financial condition and results of operations is based on the Restated Financial Statements. For details of significant accounting policies followed by us while preparing our financial statements, please see the chapter entitled ‘*Restated Financial Statements*’ beginning on page 230.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

Income

Our total income comprises revenue from operations and other income.

Revenue from operations

Our revenue from operations from:

i. *Sale of products*

Sale of products comprises sale of manufactured products and sale of traded goods.

ii. *Sale of services*

Sale of services comprises job work charges, rent income, other operating revenues, incentive from the state government, scrap sales and export incentives.

Other income

Our other income primarily comprises interest on fixed deposit with banks, scrap sale of plant and machinery, sundry balance written back and other income.

Expenses

Our expenses comprise cost of materials consumed, purchase of stock in trade, changes in inventories, employee benefits expense, finance costs, depreciation and amortisation expense and other expenses.

Cost of materials consumed

Cost of raw materials consumed comprises the consumption of raw materials such as PEG, acid slurry 96%, naphthalene, acrylic acid, phenol, and formaldehyde.

Purchase of Stock in trade

Purchase of stock in trade comprises inventory we maintain of chemical raw materials such as sodium gluconate, sodium ligno sulphonate, acrylic acid, naphthalene and butyl acrylate monomer. In addition, we also have, in the past, purchased and sold edible oil on high-seas basis.

Changes in inventories

This relates to adjustment to our income statement which reflects increases or decreases in our inventory of finished goods and work-in-progress.

Employee benefits expense

Employee benefits expense comprises salaries, wages, bonus, contribution to provident fund and other fund(s) and staff welfare expenses.

Finance costs

Finance costs comprise interest on borrowing from banks and interest on buyers credit, and loan processing and bank charges.

Depreciation and amortisation expense

Depreciation and amortisation expense comprises depreciation on property, plant and machinery, depreciation on investment property, and amortisation of intangible assets.

Other expenses

Other expenses primarily comprise consumption of stores and spare parts, laboratory expenses, effluent treatment charges, power, and fuel charges, loading, unloading and weighting charges, rent, rates, stamp duty and taxes, repairs, freight and forwarding and packing expenses.

RESULTS OF OPERATION

The following table provides certain information with respect to our results of operations for the 6 month period ended September 30, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019 from our Restated Financial Statements and each item as a percentage of total income for the periods indicated:

(Amounts in ₹ million)

Particulars	6 month period ended September 30, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	% of total income	Amount	% of total income	Amount	% of total income	Amount	% of total income
INCOME								
Revenue from operations	1,818.49	99.25	3,796.06	99.78	4,404.56	99.89	4,387.58	99.76
Other income	13.69	0.75	8.26	0.22	4.82	0.11	10.40	0.24
Total income	**1,832.17**	**100.00**	**3,804.32**	**100.00**	**4,409.38**	**100.00**	**4,397.98**	**100.00**
EXPENSE								
Cost of materials consumed	1,296.39	70.76	2,233.19	58.70	2,461.94	55.83	2,411.91	54.84
Purchase of stock in trade	84.17	4.59	555.64	14.61	1,131.13	25.65	1,324.46	30.12
Changes in inventories of finished goods, stock- in- trade and work-in-progress	(66.85)	-	(14.09)	0.37	(0.75)	0.02	(46.38)	1.05
Employee benefits expense	57.48	3.14	70.88	1.86	84.58	1.92	74.72	1.70
Finance costs	35.41	1.93	77.37	2.03	105.68	2.40	117.79	2.68

Particulars	6 month period ended September 30, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	**% of total income**	**Amount**	**% of total income**	**Amount**	**% of total income**	**Amoun t**	**% of total income**
Depreciation and amortisation expense	17.98	0.98	30.88	0.81	25.12	0.57	20.25	0.46
Other expenses	189.60	10.35	307.45	8.08	340.84	7.73	304.26	6.92
Total expenses (IV)	**1,614.17**	**88.10**	**3,261.32**	**85.73**	**4,148.55**	**94.08**	**4,207.0 1**	**95.66**
Profit before tax from continuing operations (III-IV)	**218.00**	**11.90**	**543.00**	**14.27**	**260.84**	**5.92**	**190.97**	**4.34**
Tax expense (VI):								
(a) Current tax	52.44	2.86	138.08	3.63	57.56	1.31	52.58	1.20
(b) Deferred tax	14.75	0.81	6.52	0.17	1.42	0.03	10.39	0.24
(VII) Profit for the Year from continuing operations (V-VI)	**150.81**	**8.23**	**398.39**	**10.47**	**201.85**	**4.58**	**128.00**	**2.91**
(VIII) Profit from discontinued operations	5.87	0.32	-	-	-	-	-	-
(IX) Tax expense of discontinued operations	1.48	0.08	-	-	-	-	-	-
(X) Profit from Discontinued operations (after tax)	**4.39**	**0.24**	-					
(XI) Profit for the period (VII+X)	**155.20**	**8.47**	**398.39**	**10.47**	**201.85**	**4.58**	**128.00**	**2.91**
(XII) Other comprehensive income								
A (i) Items that will not be reclassified to profit or loss	(2.85)	-	(0.81)	-	0.46	0.01	(0.16)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.72	0.04	0.20	0.01	(0.12)	-	0.05	0.00
B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
(ii) Income tax relating to items	-	-	-	-	-	-	-	-

Particulars	6 month period ended September 30, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	% of total income	Amount	% of total income	Amount	% of total income	Amoun t	% of total income
that will be reclassified to profit or loss								
Total Comprehensive Income for the Year	**153.07**	**8.35**	**397.79**	**10.47**	**202.20**	**4.59**	**127.89**	**2.91**

Results of operation for the 6 month period ended September 30, 2021

Income

Our total income for the 6 month period ended September 30, 2021 was ₹1,832.17 million. The primary reasons for this are discussed below.

Revenue from operations

Our revenue from operations was ₹1,818.49 million constituting 99.25% of our total income. Our revenue from operations comprised:

(i) sale of products – sale of products comprised sale of manufacturing products aggregating ₹1,713.15 million and sale of traded goods aggregating ₹99.54 million; and
(ii) sale of services – sale of services comprised:

(₹ in million)

Particulars	Amount
Job work charges received	2.04
Rent income	-
Scrap sales	3.10
Export incentives	0.66
Total	**5.80**

Other income

Other income comprised:

(in ₹ million)

Particulars	Amount
Interest on deposit with bank	0.54
Scrap sale of plant and machinery	12.82
Sundry balance written back	0.11
Others	0.21
Total	**13.39**

Expenses

Our total expenses for the 6 month period ended September 30, 2021 was ₹1,614.77 million of which cost of materials consumed aggregated ₹1,296.39 million constituting 70.76% of our total expenses. The primary reasons for this are discussed below.

Our total expenses comprised:

(in ₹ million)

Particulars	Amount
Cost of materials consumed	1,296.39

Particulars	Amount
Purchase of stock in trade	84.17
Changes in inventories of finished goods, stock-in-trade, and work-in-progress	(66.85)
Employee benefits expense	57.48
Finance costs	35.41
Depreciation and amortisation expense	17.98
Other expenses	189.60
Total expenses	**1,614.17**

Tax expenses

Current tax expenses

The current tax expenses in the 6 month period ended September 30, 2021 was ₹52.44 million.

Deferred tax expenses

Our deferred tax expenses in the 6 month period ended September 30, 2021 was ₹14.75 million.

Profit from discontinued operations

Our profit from discontinued operations in the 6 month period ended September 30, 2021 was ₹5.87 million.

Tax expense of discontinued operations

Our tax expense of discontinued operations in the 6 month period ended September 30, 2021 was ₹1.48 million.

Profit for the period (after tax) from continuing operations

As a result of the foregoing, our profit for the period was ₹150.81 million.

FISCAL 2021 COMPARED TO FISCAL 2020

COVID-19 impacted the operations of our Company due to the lock-downs and quarantines, and restrictions imposed by central and state government authorities in India and various governments around the world to combat the spread of COVID-19.

Therefore, our results for Fiscal 2021 may not be directly comparable to our results in the preceding financial years and, our results must be viewed in light of the prevailing circumstances.

Income

Our total income decreased by 13.72% from ₹4,409.38 million in Fiscal 2020 to ₹3,804.32 million in Fiscal 2021. The decrease in our revenue from operations was primarily due to a reduction in sale of traded goods by 50.54% from ₹1,137. 35 million to ₹562.50 million and a marginal reduction of 0.68% in revenue from manufacturing operations from ₹3,234.40 million to ₹3,212.30 million.

Revenue from operations

Our revenue from operations decreased by 13.82% from ₹4,404.56 million in Fiscal 2020 to ₹3,796.06 million in Fiscal 2021. This was due to a decline in sale of products from ₹4,371.75 million in Fiscal 2020 to ₹3,774.80 million in Fiscal 2021, primarily due to a reduction in the sale of traded products by 50.54% from ₹1,137.35 million in Fiscal 2020 to ₹562.50 million in Fiscal 2021 due to a strategic decision by our Company to increase our focus on manufacturing operations. Also, incentive from state government reduced from ₹11.16 million in Fiscal 2020 to 'Nil' in Fiscal 2021.

Other income

Our other income increased by 71.22% from ₹4.82 million in Fiscal 2020 to ₹8.26 million in Fiscal 2021 primarily due to net gain in foreign currency transaction aggregating ₹2.88 million in Fiscal 2021 compared to 'Nil' in Fiscal 2020 and an increase in sundry balance written back of ₹1.55 million in Fiscal 2021 compared to 'Nil' in Fiscal

2020 which was partially off-set by a reduction in interest on fixed deposit from banks from ₹3.41 million in Fiscal 2020 to ₹2.96 million in Fiscal 2021.

Expenses

Our total expenses reduced by 21.39% from ₹4,148.55 million in Fiscal 2020 to ₹3,261.32 million in Fiscal 2021. This was primarily due to a reduction in; (i) cost of materials consumed from ₹2,461.94 million to ₹2,233.19 million; (ii) purchase of stock-in-trade from ₹1,131.13 million to ₹555.64 million; (iii) other expenses from ₹340.84 million to ₹307.45 million; and (iv) finance costs from ₹105.68 million to ₹77.37 million, respectively, from Fiscal 2020 to Fiscal 2021.

Cost of materials consumed

Our cost of materials consumed reduced by 9.29% from ₹2,461.94 million in Fiscal 2020 to ₹2,233.19 million Fiscal 2021. This was due to a reduction in the cost of certain raw materials primarily due to a drop in the demand in the global markets which resulted in surplus availability for the Indian market.

Purchase of stock-in-trade

The costs from purchase of stock-in-trade reduced by 50.88% from ₹1,131.13 million in Fiscal 2020 to 555.64 million Fiscal 2021 due to a strategic decision by our Company to increase focus on our manufacturing operations.

Changes in inventories of finished goods, stock-in-trade, and work-in-progress

Our inventories of finished goods, stock-in-trade and work-in-progress changed by 11.40% from ₹(0.75) million in Fiscal 2020 to ₹(14.09) million in Fiscal 2021. This was due to the rise in cost of raw materials and increase in inventory.

Employee benefit expenses

Our employee benefit expenses reduced by 16.20% from ₹84.58 million in Fiscal 2020 to ₹70.88 million in Fiscal 2021. This was primarily on account of a reduction in salary, wages, and bonus from ₹81.49 million in Fiscal 2020 to ₹66.90 million in Fiscal 2021 due to a reduction in the salary paid to our executive on account of a reorganisation of our business structure.

Finance costs

Our finance costs reduced by 26.79% from ₹105.68 million in Fiscal 2020 to ₹77.37 million in Fiscal 2021. This was primarily due to a reduction in the aggregate interest on borrowings from banks and others from ₹94.53 million in Fiscal 2020 to ₹67.51 million in Fiscal 2021 since the interest paid on capital to the partners of the partnership firm which operated our Manufacturing Facilities at Sarigam and Dadra & Nagar Haveli and Daman and Diu. The business of said partnership firm was acquired by our Company in May 2020.

Depreciation and amortisation expense

Our depreciation and amortisation expenses increased by 22.93% from ₹25.12 million in Fiscal 2020 to ₹30.88 million in Fiscal 2021. This was primarily on account of an increase in depreciation on property, plant, and machinery from ₹22.82 million in Fiscal 2020 to ₹28.51 million due to addition of plant and machinery aggregating ₹142.98 million.

Other expenses

Our other expenses decreased by 9.80% from ₹340.84 million in Fiscal 2020 to ₹307.45 million in Fiscal 2021. This was primarily on account of the exchange fluctuation (net) reducing from ₹32.11 million in Fiscal 2020 to 'Nil' in Fiscal 2021, which was partially off-set by an increase *inter alia* in the cost of repairs from ₹33.99 million in Fiscal 2020 to ₹39.24 million in Fiscal 2021.

Profit before tax from continuing operations

For the reasons discussed above, our profit before tax increased by 108.18% from ₹260.84 million in Fiscal 2020 to ₹543.00 million in Fiscal 2021.

Tax expenses

Our total tax expenses increased by 145.15% from ₹58.98 million in Fiscal 2020 to ₹144.60 million for Fiscal 2021.

Profit / (loss) for the year from continuing operations

For the reasons discussed above, our profit for the year increased by 97.37% from ₹201.85 million Fiscal 2020 to ₹398.39 million in Fiscal 2021.

FISCAL 2020 COMPARED TO FISCAL 2019

Income

Our total income increased marginally by 0.26% from ₹4,397.25 million in Fiscal 2019 to ₹4,409.38 million in Fiscal 2020.

Revenue from operations

Our revenue from operations increased by 0.39% from ₹4,387.58 million in Fiscal 2019 to ₹4,404.56 million in Fiscal 2020. This was primarily due to an increase in the sale of manufactured goods from ₹3,017.42 million in Fiscal 2019 to ₹3,234.40 million in Fiscal 2020 which was mostly off-set by a reduction in the sale of traded goods from ₹1,340.14 million in Fiscal 2019 to ₹1,137.35 million in Fiscal 2020.

Other income

Our other income decreased by 53.64% from ₹10.40 million in Fiscal 2019 to ₹4.82 million in Fiscal 2020 primarily since the insurance claim received and sundry balance written back reduced from ₹2.98 million to ₹0.36 million and ₹2.40 million to 'Nil', respectively.

Expenses

Our total expenses marginally reduced by 1.39% from ₹4,207.01 million in Fiscal 2019 to ₹4,148.55 million in Fiscal 2020.

Cost of materials consumed

Our cost of materials consumed increased by 2.07% from ₹2,411.91 million in Fiscal 2019 to ₹2,464.94 million in Fiscal 2020 commensurate with the increase in revenue from manufacturing operations.

Purchase of stock-in-trade

The costs from purchase of stock-in-trade decreased marginally by 14.60% from ₹1,324.46 million in Fiscal 2019 to ₹1,131.13 million in Fiscal 2020 due to conscious effort on the part of our Company to curtail its trading operations.

Changes in inventories of finished goods, stock-in-trade, and work-in-progress

Our inventories of finished goods, stock-in-trade and work-in-progress changed by 98.39% from ₹(46.38) million in Fiscal 2019 to ₹(0.75) million in Fiscal 2020. This was due to the rise in cost of raw materials and increase in inventory.

Employee benefit expenses

Our employee benefit expenses increased by 13.20% from ₹74.72 million in Fiscal 2019 to ₹84.58 million in Fiscal 2020. This was primarily on account of an increase in salary, wages and bonus from ₹72.51 million in Fiscal 2019 to ₹81.49 million in Fiscal 2020 since interest was paid on capital to the partners of the partnership firm which operated our Manufacturing Facilities at Sarigam and Dadra & Nagar Haveli and Daman and Diu. The business of said partnership firm was acquired by our Company in May 2020.

Finance costs

Our finance costs reduced by 10.28% from ₹117.79 million in Fiscal 2019 to ₹105.68 million in Fiscal 2020. This was primarily on account of a reduction in; (i) the interest on borrowings from others from ₹38.94 million in Fiscal 2019 to ₹31.69 million in Fiscal 2020 due to reduction in rate of interest on borrowings; and (ii) the loan processing fees and bank charges from ₹15.88 million in Fiscal 2019 to ₹11.14 million in Fiscal 2020.

Depreciation and amortisation expense

Our depreciation and amortisation expenses increased by 24.07% from ₹20.25 million in Fiscal 2019 to ₹25.12 million in Fiscal 2020. This was on account of an increase in depreciation on property, plant and machinery from ₹17.95 million in Fiscal 2019 to ₹22.82 million in Fiscal 2020 due to addition of plant and machinery aggregating ₹103.16 million.

Other expenses

Our other expenses increased by 12.02% from ₹304.26 million in Fiscal 2019 to ₹340.84 million in Fiscal 2020. This was primarily on account of an increase in power and fuel costs from ₹88.99 million in Fiscal 2019 to ₹113.34 million in Fiscal 2020, due to increase in cost of utility charges, especially gas, steam and electricity and an increase in the cost of repairs from ₹27.37 million in Fiscal 2019 to ₹33.99 million in Fiscal 2020.

Profit before tax from continuing operations

For the reasons discussed above, our profit before tax increased by 36.58% from ₹190.97 million in Fiscal 2019 to ₹260.84 million in Fiscal 2020.

Tax expenses

Our total tax expenses decreased by 6.33% from ₹62.97 million in Fiscal 2019 to ₹58.98 million in Fiscal 2020.

Profit / (loss) for the year from continuing operations

For the reasons discussed above, our profit for the year increased by 57.70% from ₹128.00 million in Fiscal 2019 to ₹201.85 million in Fiscal 2020.

LIQUIDITY AND CAPITAL RESOURCES

Historically, our primary liquidity requirements have been to finance our working capital and capital expenditure. We have met these requirements through cash flows from operations as well as through borrowings. As on September 30, 2021, we had a sum of; (i) ₹1.09 million in cash and cash equivalents comprising bank balance (current accounts) and cash on hand; and (ii) ₹41.89 million in other bank deposits. In addition, as on September 30, 2021, we had long term borrowings from banks and financial institutions (current and non-current borrowings) aggregating ₹925.61 million.

We believe that our anticipated cash flow from operations, committed debt facilities, and our existing cash, will be sufficient to meet our operating and capital expenditure for Fiscal 2023.

CASH FLOWS

The following table sets forth certain information in relation to our cash flows with respect to operating activities, investing activities and financing activities for the 6 month period ended September 30, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019.

(in ₹ million)

Particulars	6 month period ended September 30, 2021	Fiscal		
		2021	2020	2019
Net cash generated from (used in) operating activities **(A)**	(3.44)	95.73	279.69	167.14
Net cash generated from (used in) investing activities **(B)**	(123.20)	(133.28)	(103.73)	(118.54)
Net cash generated from (used in) financing activities **(C)**	118.80	33.00	(170.79)	(62.15)
Net increase / decrease in cash and cash equivalent (A+B+C)	**(7.84)**	**(4.55)**	**5.17**	**(13.55)**
Cash and cash equivalents at the beginning of the year	8.93	13.48	8.31	21.86
Cash and cash equivalents at year end	1.09	8.93	13.48	8.31

Operating activities

Net cash flow from operating activities comprises cash consumed / generated from operations, increase / decrease in working capital and increase / decrease in non-current / current liabilities.

Net cash flow used in from operating activities in 6 month period ended September 30, 2021 was ₹3.44 million due to increase in working capital requirements. Net cash flow generated from operating activities is reduced from ₹279.69 million in Fiscal 2020 to ₹95.73 million in Fiscal 2021 primarily due to increase in trade receivables on account of COVID-19 situation. Further, net cash flow generated from operating activities increased from ₹167.14

million Fiscal 2019 to ₹279.69 million in Fiscal 2020, primarily due to reduction in trade receivable and inflow of advances from customers and other cash generated from non-financial assets.

Investing activities

Net cash flow from investing activities comprises proceeds from purchase and sale of fixed assets including capital work-in-progress, sale/adjustment of property, plant and equipment, dividend income, receipt of interest income and bank balances not considered as cash and cash equivalents and sale and purchase of mutual fund units.

Net cash used in investing activities in the 6 month period ended September 30, 2021 was ₹123.20 million due to capital expenditure incurred and capital advances. Net cash used in investing activities increased from ₹103.73 million in Fiscal 2020 to ₹133.28 million in Fiscal 2021. Further, net cash used in investing activities reduced marginally from ₹118.54 million in Fiscal 2019 ₹103.73 million in Fiscal 2020 due to decrease in capital expenditure.

Financing activities

Net cash flow from financing activities comprises impact due to business combination, proceeds / repayment of borrowing, interest and financial charges.

Net cash generated from financing activities in the 6 month period ended September 30, 2021 was ₹118.80 million due to increase in borrowings (current and non-current). Net cash generated from financing activities increased from ₹(170.79) million in Fiscal 2020 to ₹33.00 million in Fiscal 2021 due to increase in borrowings. Further, net cash used in financing activities increased from ₹62.15 million in Fiscal 2019 to ₹170.79 million in Fiscal 2020. due to repayment of loans.

SELECTED BALANCE SHEET ITEMS

Current Assets and Current Liabilities

As at September 30, 2021

Current Assets

Particulars	Amount (in ₹ million)
(a) Inventories	545.34
(b) Financial Assets	
(i) Trade receivables	1,353.51
(ii) Cash and cash equivalents	1.09
(iii) Other bank balances	41.89
(iv) Loans	2.67
(v) Others	13.60
(c) Current Tax Assets (Net)	32.08
(d) Other current assets	251.93
Total current assets	**2,242.10**

Current Liabilities

Particulars	Amount (in ₹ million)
(a) Financial Liabilities	
(i) Borrowings	532.15
(ii) Trade payables	
(A) due to micro enterprises and small enterprises	
(B) due to other than micro enterprises and small enterprises	549.07
(iii) Other financial liabilities	16.88
(b) Other current liabilities	24.80
(c) Provisions	1.63

(d) Current Tax Liabilities (Net)	-
Total current liabilities	**1,124.53**

FINANCIAL INDEBTEDNESS

Set out below are details of our outstanding secured financial indebtedness as on February 28, 2022.

(in ₹ million)

Category of borrowing	Sanctioned Amount	Amount outstanding as on February 28, 2022*
Secured		
Fund based borrowings		
Term loans	702.81	538.20
Cash Credit/ Working capital demand loans (including stand by line of credit availed by our Company*)	405.00	320.19
Total fund based borrowings (A)	**1,107.81**	**858.39**
Non fund based borrowings		
Letter of credit/Bank Guarantee	770.00	124.16
Total non fund based borrowings (B)	**770.00**	**124.16**
Unsecured		
Demand loan	14.10	14.10
Loan Equivalent Risk (LER)	20.00	-
Total unsecured borrowings (C)	**34.10**	**14.10**
Total Borrowings (A + B +C)	**1,911.91**	**996.65**

** As certified by J.V. Vasani & Co, the statutory auditor of our Company vide certificate dated March 24, 2022.*
**The outstanding stand by line of credit amounting to ₹54.36 million and ₹58.12 million forms a sub-limit of the letters of credit availed by our Company from Axis Bank Limited and HDFC Bank Limited, respectively.*

As on February 28, 2022, we had long-term borrowings of ₹422.98 million (less current maturities of long term borrowings) and short-term borrowings of ₹449.51 million (including current maturities of long term borrowings). The following table sets forth certain information relating to our outstanding indebtedness as on February 28, 2022.

(in ₹ million)

Particulars	Payment Due by Period		
	Less than 1 year	More than 1 year	Total
Long Term Borrowings			
Secured	115.22	422.98	538.20
Unsecured	Nil	Nil	Nil
TOTAL (A)	**115.22**	**422.98**	**538.20**
Short Term Borrowings			
Secured	320.19	Nil	320.19
Unsecured	14.10	Nil	14.10
TOTAL (B)	**334.29**	**Nil**	**334.29**
TOTAL (A+B)	**449.51**	**422.98**	**874.49**

For more information regarding our financial indebtedness please see the chapters entitled *'Financial Indebtedness'* and *'Restated Financial Statements'* beginning on pages 302 and 230, respectively.

Interest Coverage Ratio

Set out in the table below is our interest coverage ratio for the 6 month period ended September 30, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019.

Particulars	6 month period ended September 30, 2021	Fiscal		
		2021	2020	2019
EBIT **(A)**	245.59	612.11	361.69	298.36
Finance Cost **(B)**	35.41	77.37	105.68	117.79

Interest coverage ratio (A/B)	6.94	7.91	3.42	2.53

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

(in ₹ million)

Particulars	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
i) Capital Commitments				
Estimated amounts of contracts remaining to executed on capital account and not provided for		-	-	-
ii) Contingent liabilities				
Guarantee Deposits with Banks	3.21	3.21	3.21	2.76
Letter of Credit not accepted till date	107.30	72.64	117.76	51.23
Income Tax Matters	2.85	2.85	-	-
Excise & GST Matters	14.30	14.30	-	-
Total	**127.66**	**93.00**	**120.98**	**53.99**

For more information, please see the chapter entitled '*Restated Financial Statements*' beginning on page 230.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our Promoters and Key Managerial Personnel on an arm's length basis. Such transactions could be for sales professional fees, salary etc. For further details of our related party transactions, please see the chapter entitled *'Restated Financial Statements – Note 48: Related Party Disclosures'* on page 265.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Summary of reservations or qualifications or matters of emphasis or adverse remarks of Statutory Auditors

Our Restated Financial Statements do not contain any qualifications, reservations and matters of emphasis by our Statutory Auditor in their audit report relating to the respective period.

Change in accounting policies

Other than as disclosed in the chapter entitled '*Restated Financial Statements'* beginning on page 230, there have been no changes in accounting policies in the last 3 Fiscals.

Quantitative and Qualitative Disclosures About Market Risk

Our Company's activities expose to a variety of financial risks: credit risk, liquidity risk and market risk.

Our Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. Our Company's risk management policies are established to identify and analyze the risks faced by our Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and our Company's activities. Our Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

Credit Risk

Credit risk is the risk of financial loss to our Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. Our Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represents the maximum credit exposure.

Trade and other receivables:

The maximum exposure to credit risk at the reporting date is primarily from trade receivables. However, the management also considers the factors that may influence the credit risk of its customer base. Customers of our Company are spread across diverse industries and geographical areas. Our Company limits its exposure to credit risk from trade receivables by establishing a maximum credit period and takes appropriate measures to mitigate the risk of financial loss from defaults. Recurring credit evaluation of credit worthiness is performed based on the financial condition of respective customer. Our Company has assessed and evaluated the expected credit loss for the year to be 'Nil'.

Liquidity risk

Liquidity risk is the risk that our Company will not be able to meet its financial obligation as they become due. Our Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our Company's reputation. Management monitors rolling forecast of our Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the management in accordance with practice and limits set by our Company.

In addition, our Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises 3 types of risk: interest rate risk, currency risk and equity price risk as discussed below:

a. Currency risk

Our Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currency of our Company. The functional currency of our Company is primarily INR. The currencies in which these transactions are primarily denominated are USD, EUR, JPY etc.

Management monitors the movement in foreign currency and our Company's exposure in each of the foreign currency. Based on the analysis and study of movement in foreign currency, our Company decides to exchange its foreign currency.

b. Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our Company's exposure to the risk of changes in market interest rates relates primarily to our Company's borrowings with floating interest rates.

c. **Equity Price risk**

There is no Equity Price risk in our Company.

Competitive Conditions

We operate in a competitive environment and face significant competition both in the Indian market and in overseas markets. For further information, please see the section entitled '*Risk Factors*' beginning on page 33, and chapters entitled *'Industry Overview'* beginning on pages 105, and chapter entitled *'Our Business – Competition'* on page 190.

Seasonality / Cyclicality of business

Our Company's business is not subject to seasonal changes and is not cyclical in nature.

Unusual or infrequent events or transaction

Except as set out in this Draft Red Herring Prospectus, there have been, to our knowledge, no unusual or infrequent events or transactions that have in the past, or may in the future, affect our business operations or future financial performance.

Segment Reporting

Our Company is engaged in the only one segment i.e., manufacturing of chemicals *viz.* Infra-tech chemicals, agro-chemicals, dyes, pigments, textile chemicals and leather chemicals. Our Board evaluates our Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segments and operating results are reviewed regularly by our Board to make decisions about resources to be allocated to the segments and assess their performance. Further, the economic environment in which our Company operates is significantly similar and not subject to materially different risk and rewards. The revenues, total expenses, and net profit as per the statement of profit and loss represents the revenue, total expenses and net profit of the sole reportable segment i.e., the chemical manufacturing industry.

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

In the 6 month period ended September 30, 2021 and for Fiscals 2021, 2020 and 2019, we generated revenues aggregating ₹155.00 million, ₹216.98 million, ₹187.23 million and ₹131.73 million, respectively, from newly developed products. We have also developed different variants of low salt naphthalene products which have a lower pH level which are capable of being manufactured on a lower cost base compared to PCE products. For further details, please see the chapter entitled *'Our Business - Strong focus on R&D'* on page 177.

Total turnover of each major industry segment in which our Company operated

Our revenues from our Application Industries are set out in chapter entitled '*Management's Discussion and Analysis of Financial Condition and Results of Operations – Application Industries'* on page 285.

Significant dependence on a single or few suppliers or customers

While revenue from any particular customer may vary between financial reporting periods depending on the nature and term of on-going contracts, historically, we have been dependent on a select group of clients for majority of our revenue. During the 6 month ended September 30, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019, our top 5 customers across our business segments have contributed 52.82%, 49.70%, 45.94% and 54.70%, respectively, to our total revenue from operations.

Significant economic changes that materially affect or are likely to affect income from continuing operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in above in this chapter. For further details please see the section entitled *'Risk Factors'* beginning on page 33 and chapter entitled *'Industry Overview'*, beginning on page 105. In particular, we derive a significant part of our revenue from operations from the infra-tech (construction) industry, and, consequently, any significant change affecting that industry would have an impact on us.

Known Trends or Uncertainties

Our business has been, and we expect will continue to be, subject to significant economic changes arising from the trends identified above under chapter entitled *'Management's Discussion and Analysis of Financial Condition and Results of Operation - Principal factors affecting our financial condition and results of operations'* on page 282 and the uncertainties described in the section entitled *'Risk Factors'* beginning on page 33. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no known trends or uncertainties, that have or had or are expected to have a material adverse impact on our revenues from continuing operations.

Future Relationships between Costs and Income

Other than as described in this chapter and in section entitled *'Risk Factors'* beginning on page 33 and chapter entitled *'Our Business'* beginning on page 173, to our knowledge, there are no known factors that may have a material adverse impact on our business, results of operations and financial condition.

New services or business segments

Except as disclosed in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new services or business segments.

Significant Developments after September 30, 2021 that may affect our results of operations

Except as disclosed below or elsewhere in this Draft Red Herring Prospectus, there are, to our knowledge, no significant developments after the date of the last financial statements contained in this Draft Red Herring Prospectus which materially and adversely affects, or is 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 in the ordinary course of its business for the purposes of capital expenditure, working capital and other business requirements. For details of the borrowing powers of our Board, please see the chapter entitled '*Our Management – Borrowing Powers of Board'* on page 206.

Our Company has obtained the necessary consents required under loan agreement entered into in connection with and for undertaking activities in relation to the Offer, including effecting a change in our capital structure, change in our shareholding pattern, change in our constitutional documents including amending the memorandum of association and articles of association of our Company, change in the management or board composition, as applicable.

The following table sets forth the details of the aggregate outstanding borrowings of our Company as on February 28, 2022:

(in ₹ million)

Category of borrowing	Sanctioned Amount	Amount outstanding as on February 28, 2022*
Secured		
Fund based borrowings		
Term loans	702.81	538.20
Cash Credit/ Working capital demand loans (including stand by line of credit availed by our Company*)	405.00	320.19
Total fund based borrowings (A)	**1,107.81**	**858.39**
Non fund based borrowings		
Letter of credit/Bank Guarantee	770.00	124.16
Total non fund based borrowings (B)	**770.00**	**124.16**
Unsecured		
Demand loan	14.10	14.10
Loan Equivalent Risk (LER)	20.00	-
Total unsecured borrowings (C)	**34.10**	**14.10**
Total Borrowings (A + B +C)	**1,911.91**	**996.65**

** As certified by J.V. Vasani & Co, the statutory auditor of our Company vide certificate dated March 24, 2022.*
**The outstanding stand by line of credit amounting to ₹54.36 million and ₹58.12 million forms a sub-limit of the letters of credit availed by our Company from Axis Bank Limited and HDFC Bank Limited, respectively.*

A brief summary of the financial indebtedness of our Company as of February 28, 2022 is set out below:

Term Loans

Set out below are brief details of our term loan facilities:

Sr. No.	Purpose	Amount Sanctioned (in ₹ million)	Amount Outstanding (as on February 28, 2022) (in ₹ million)	Rate of Interest/ Commission	Tenure / Tenor
Aditya Birla Finance Limited					
1.	For takeover of existing term loan from Religare Finvest Ltd.	9.60	7.01	Interest rate linked to long term reference rate of ABFL + / - spread	120 months from the date of first disbursement
2.	For working capital purpose	45.00	32.86	Interest rate linked to long term reference rate of ABFL + / - spread	120 months from the date of first disbursement
3.	For takeover of existing term loan from	86.40	63.10	Interest rate linked to long term	120 months from the date of first disbursement

Sr. No.	Purpose	Amount Sanctioned (in ₹ million)	Amount Outstanding (as on February 28, 2022) (in ₹ million)	Rate of Interest/ Commission	Tenure / Tenor
	Religare Finvest Ltd.			reference rate of ABFL + / - spread	
4.	For working capital purposes	49.00	35.78	Interest rate linked to long term reference rate of ABFL + / - spread	120 months from the date of first disbursement
Security	1. Charge created by way of a registered mortgage on a non-agricultural land situated at Revenue Survey N. 114/A/1A paiki 3, Moje Abrama, sub-district and registration district Valsad, admeasuring 10252 square metres, owned by Shaileshkumar Balvantrai Desai. 2. Common Security of ABFL exposure on M/s. Urmi Polymer Industries, our Company and M/s. Polysol Industries.				
5.	For general corporate purpose	170.00	102.00	10.25%	120 months from first disbursement
Security	1. Charge created by way of a registered mortgage on a non-agricultural land situated at Revenue Survey N. 114/A/1A paiki 3, Moje Abrama, sub-district and registration district Valsad, admeasuring 10252 square metres, owned by Shaileshkumar Balvantrai Desai. 2. Common Security of ABFL exposure on M/s. Urmi Polymer Industries and M/s. Polysol Industries. 3. Pledge of 100% shares of Triwal Board held by our Company. 4. Personal guarantee by Nilima Shailesh Desai.				
Axis Bank Limited					
6.	For re-imbursement of capex incurred during August 2020 to June 2021	99.00	97.35	1 year MCLR	64 months including 4 months of moratorium
7.	To take over the outstanding limit of Yes Bank	45.30	35.66	9.05%	60 months
Security	1. Charge created by way of hypothecation on plant and machinery procured from the aforementioned loan. 2. Charge created by way of hypothecation on plant and machinery i.e. already incurred capex from October 2021 to June 2021. 3. Charge created by way of a mortgage on Land and Building situated at survey no. 275/ paikee 5 situated at Valsad, Gujarat, admeasuring 9561 square metres owned by Shaileshkumar Balvantrai Desai; 4. Personal guarantees by Shaileshkumar Balvantrai Desai, Umang Shailesh Desai and Nilima Shailesh Desai.				
8.	For funding the cash flow mis-match in working capital created due to COVID-19 pandemic	51.50	49.35	1 year MCLR + 0.35%	5 years including 12 months of moratorium
9.		56.40	56.40		
Security	1. Second charge by way of hypothecation over the entire current assets including stocks, raw material, stocks in process, finished goods, consumable store and space and receivables, etc. of our Company (both current and future). 2. Second *pari passu* charge on block of plant and machinery of M/s. Urmi Polymer Industries and M/s. Polysol Industries (Presently merged with our Company) 3. Second *pari passu* charge by way of mortgage on the following properties: a. Land and Building situated at survey no. 275/ paikee 5 situated at Valsad, Gujarat, admeasuring 9561 square metres owned by Shaileshkumar Balvantrai Desai;				

Sr. No.	Purpose	Amount Sanctioned (in ₹ million)	Amount Outstanding (as on February 28, 2022) (in ₹ million)	Rate of Interest/ Commission	Tenure / Tenor
	b. Land and building situated at survey no. 319/P, residential plot no. 19 situated at Vapi, Valsad, Gujarat, admeasuring 624 square metres owned by Shaileshkumar Balvantrai Desai; c. Land and building situated at survey nos. 2933, 2934, 2935, 2936, 2937 and 2938 situated at Vapi, Valsad, Gujarat, admeasuring 2704 square metres owned by Umang Shailesh Desai; d. revenue survey no. 23/P, Umbargaon, Valsad, admeasuring 2985.88 square metres, owned by our Company; and e. Land and building along with factory building constructed thereon situated at new survey nos. 1063 and 1064, bearing old survey nos. 260/7/1/4 and 260/7/1/3 situated in the union territory of Dadra & Nagar Haveli, admeasuring 1346 square metres, owned by our Company. 4. 100% credit guarantee by National Credit Guarantee Trustee Company Limited.				
HDFC Bank Limited					
10.	For business purposes	25.00	5.43	MCLR + 1.00% p.a.	60 months, valid up to September 15, 2022
Security	1. The primary security includes commercial, plant and machinery, industrial shed, personal guarantee of PG Holders, FDR margin, LC from other bank, industrial shed, collateral security, stock, debtors and Gift City SBLC. 2. The collateral security includes LC form other bank, stock, debtors, FDR margin, plant and machinery and Gift City SBLC. 3. Letter of continuing guarantee dated July 29, 2017 executed by Shaileshkumar Balvantrai Desai, Umang Shailesh Desai and Nilima Shailesh Desai. 4. Charge by way of registered mortgage has been created on the following properties: a. Industrial Plot No. 1702/B, admeasuring 5000 square metres along with construction of shed admeasuring 2787.06 square metres consisting of survey nos. 25/P, 27/P, 106/P, 107P 110/P situated at Vapi notified industrial estate, GIDC, Valsad, owned by our Company; b. Industrial Plot no. 1734 admeasuring 4696 square metres consisting of survey no. 123/P, 125/P and 126/P situated at Vapi notified industrial estate, GIDC, Vapi, owned by our Company; c. Commercial Plot No C/6/2/B admeasuring 3196 square metres consisting of survey nos. 490, 494, 495/1 and 495/2 along with Shop No. 22, 23, 30, 31, 33, 35, 36, 38, 39, 40, 41, 42 on the ground floor and second floor admeasuring 1411.74 square metres along with FSI of third floor admeasuring 1026.03 square metres, at the building known as Express House, Vapi notified industrial estate, GIDC, Valsad, owned by Shaileshkumar Balvantrai Desai; and d. Collateral Security created on land and Building situated at survey no. 275/ paikee 5, admeasuring 9561 square metres situated at Valsad, Gujarat, owned by Shaileshkumar Balvantrai Desai.				
11.	To purchase a Honda CRV passenger car	2.83	1.18	8.70%	60 months up to December 5, 2023
12.	To purchase Porsche Macan	7.90	5.13	8.35%	60 months up to February 7, 2025
13.	To purchase Range Rover Velar	7.18	4.66	8.35%	60 months up to February 7, 2025
Security	Charge created by way of hypothecation over the respective vehicles for which the abovementioned loans were procured.				
Housing Development Finance Corporation Limited					
14.	Home Loan	47.70	42.29	Retail Prime Lending Rate *minus* spread	240 months

Sr. No.	Purpose	Amount Sanctioned (in ₹ million)	Amount Outstanding (as on February 28, 2022) (in ₹ million)	Rate of Interest/ Commission	Tenure / Tenor
Security	Flat – 1302, 13th Floor, Satguru Shlok situated at survey no. FP 271B, National College, 36th Road, Bandra (W), Mumbai.				
	TOTAL	702.81	538.20		

Working Capital Limits

Set out below are brief details of our working capital limits:

S. No.	Purpose	Amount Sanctioned (in ₹ million)	Amount Outstanding (as on February 28, 2022) (in ₹ million)	Rate of Interest/ Commission	Tenure / Tenor
Axis Bank Limited					
1.	Cash Credit - to meet day to day working capital requirements	150.00	34.27	1 year MCLR + 0.85%	Running limit for 1 year
2.	Working Capital Demand Loan (a sub-limit of cash credit) – to meet day to day working capital requirements	(100.00)	50.00	To be decided on case to case basis at the time of drawal	Maximum 180 days
3.	Letter of Credit – to purchase raw material, packing material, stores and spares, trading as required for day-to-day operations of our Company other than capital goods	350.00	69.22	Commission - 1.00% p.a. (all inclusive) plus applicable taxes, if any, payable upfront	1 year
4.	Bank Guarantee (a sub-limit of Letter of Credit) - for performance / financial in lieu of advance / security deposits in favour of sales tax excise, custom authorities, other govt. / semi govt. departments, earnest money for tenders or any other in connection with the trade / activities of borrower.	(20.00)	5.50	Commission – Performance / financial 1.00% p.a. plus taxes payable upfront	Maximum up to 3 years inclusive of claim period.

S. No.	Purpose	Amount Sanctioned (in ₹ million)	Amount Outstanding (as on February 28, 2022) (in ₹ million)	Rate of Interest/ Commission	Tenure / Tenor
5.	Stand by line of credit / Buyer Credit (a sub-limit of Letter of Credit) - for raising fund for retirement of LCs opened for purchase / import of raw materials / packaging materials / stores services etc.	(300.00)	54.36	Commission – 1.00% p.a. plus applicable, if any, payable upfront	Maximum up to 180 days from the date of shipment or within gross operating cycle inclusive of letter of credit issuance period whichever is less
Security	1. First *pari passu* charge by way of hypothecation over entire current assets including stocks of raw material, stock in process, finished goods, consumable store and spare and receivables etc. of our Company (both current and future). 2. Exclusive charge on block of plant and machineries which earlier belonged to M/s. Urmi Polymer Industries and M/s. Polysol Industries and now transferred to our Company. 3. Exclusive charge created by way of a registered mortgage on the following properties: a. Land and Building situated at survey no. 275/ paikee 5 situated at Valsad, Gujarat, admeasuring 9561 square metres owned by Shaileshkumar Balvantrai Desai; b. Land and building situated at survey no. 319/P, residential plot no. 19 situated at Vapi, Valsad, Gujarat, admeasuring 624 square metres owned by Shaileshkumar Balvantrai Desai; c. Land and building situated at survey nos. 2933,2934,2935,2936,2937 and 2938 situated at Vapi, Valsad, Gujarat, admeasuring 2704 square metres owned by Umang Shailesh Desai; d. Land and building along with industrial plot situated at plot no. C1B/106/1 to 4, survey no. 23/P, plot no. CIB/106/1 to 4, situated at sarigram notified industrial estate, consisting of revenue survey no. 23/P, Umargaon, Valsad, admeasuring 2985.88 square metres, owned by our Company; and e. Land and building along with factory building constructed thereon situated at new survey nos. 1063 and 1064, bearing old survey nos. 260/7/1/4 and 260/7/1/3 situated in the union territory of Dadra & Nagar Haveli, admeasuring 1346 square metres, owned by our Company. 4. Personal guarantee by Shaileshkumar Balvantrai Desai, Umang Shailesh Desai and Nilima Shailesh Desai.				
			HDFC Bank Limited		
6.	Cash Credit – for business use	100.00	-	MCLR + 1.00% p.a.	12 months, valid up to September 15, 2022
7.	Invoice Discounting (a sub-limit of cash credit) – for business use	(100.00)	21.37	MCLR + 1.00% p.a.	120 days, valid up to September 15, 2022
8.	Cash Credit – for business use	130.00	2.07	MCLR + 1.00% p.a.	12 months, valid up to September 15, 2022
9.	Working Capital Demand Loan (a sub-limit of cash credit) – for business use	(100.00)	100.00	7.00% p.a.	4 months from January 6, 2022

<table>
<tr><th>S. No.</th><th>Purpose</th><th>Amount Sanctioned (in ₹ million)</th><th>Amount Outstanding (as on February 28, 2022) (in ₹ million)</th><th>Rate of Interest/ Commission</th><th>Tenure / Tenor</th></tr>
<tr><td>10.</td><td>DRUL – for business use</td><td>10.00</td><td>-</td><td>MCLR + 1.00% p.a.</td><td>90 days, valid up to September 15, 2022</td></tr>
<tr><td>11.</td><td>Letter of Credit – for business use</td><td>400.00</td><td>44.43</td><td>Commission – 1.00% p.a.</td><td>120 days, valid up to September 15, 2022</td></tr>
<tr><td>12.</td><td>Stand by line of credit / Buyer Credit (a sub-limit of Letter of Credit) – for business use</td><td>(400.00)</td><td>58.12</td><td>Commission – 1.00% p.a.</td><td>120 days, valid up to September 15, 2022</td></tr>
<tr><td>13.</td><td>Term Loan for Gift City (a sub-limit for Stand by line of credit / Buyer Credit) – for business use</td><td>(400.00)</td><td>-</td><td>Commission – 1.00% p.a.</td><td>120 days, valid up to September 15, 2022</td></tr>
<tr><td>14.</td><td>Bank Guarantee (Performance) - for business use</td><td>10.00</td><td>5.01</td><td>Commission – 1.00% p.a.</td><td>109 days, valid up to September 15, 2022</td></tr>
<tr><td>15.</td><td>Letter of Credit (a sub-limit of Bank Guarantee (performance) – for business use</td><td>(10.00)</td><td>-</td><td>Commission – 1.00% p.a.</td><td>120 days, valid up to September 15, 2022</td></tr>
<tr><td>16.</td><td>PSR – for business use</td><td>25.00</td><td>-</td><td>Commission – 1.00% p.a.</td><td>180 days, valid up to September 15, 2022</td></tr>
<tr><td>Security</td><td colspan="5">1. The primary security includes commercial, plant and machinery, industrial shed, personal guarantee of PG Holders, FDR margin, LC from other bank, industrial shed, collateral security, stock, debtors and Gift City SBLC.
2. The collateral security includes LC form other bank, stock, debtors, FDR margin, plant and machinery and Gift City SBLC.
3. Letter of continuing guarantee dated July 29, 2017 executed by Shaileshkumar Balvantrai Desai, Umang Shailesh Desai and Nilima Shailesh Desai.
4. Charge by way of registered mortgage has been created on the following properties:
a. Industrial Plot No. 1702/B, admeasuring 5000 square metres along with construction of shed admeasuring 2787.06 metres consisting of survey nos. 25/P, 27/P, 106/P, 107P 110/P situated at Vapi notified industrial estate, GIDC, Valsad, owned by our Company;
b. Industrial Plot no. 1734 admeasuring 4696 square metres consisting of survey no. 123/P, 125/P and 126/P situated at Vapi notified industrial estate, GIDC, Vapi, owned by our Company;
c. Commercial Plot No C/6/2/B admeasuring 3196 square metres consisting of survey nos. 490, 494, 495/1 and 495/2 along with Shop No. 22, 23, 30, 31, 33, 35, 36, 38, 39, 40, 41, 42 on the ground floor and second floor admeasuring 1411.74 square metres along with FSI of third floor admeasuring 1026.03 square metres, at the building known as Express House, Vapi notified industrial estate, GIDC, Valsad, owned by Shaileshkumar Balvantrai Desai.
d. Collateral Security created on land and Building situated at survey no. 275/ paikee 5, admeasuring 9561 square metres situated at Valsad, Gujarat, owned by Shaileshkumar Balvantrai Desai;</td></tr>
<tr><td colspan="2">TOTAL</td><td>1,175.00</td><td>444.35</td><td></td><td></td></tr>
</table>

Principal terms of the financial arrangements entered into by our Company are disclosed below:

1. ***Penal Interest***: The terms of certain financing facilities availed by our Company prescribe penalties for non-compliance of certain obligations by our Company. These include, *inter alia*, delay in payment of or non-payment of instalments or interest, delay in creation of security, delay/ non-submission of stock/ book debts statements, Financial Follow up Reports/QIS/ audited balance sheet etc. Further, the default interest payable on the facilities availed by us typically ranges from 2% to 4% per annum.

2. ***Pre-payment***: The terms of facilities availed by us typically have prepayment provisions which allow for pre-payment of the outstanding loan amount, subject to such prepayment penalties as laid down in the facility agreements. Such prepayment terms are set out below:

ABFL

Our Company shall not, without approval of ABFL (which approval may be given subject to terms and conditions as may be stipulated by ABFL including payment of premium or interest and, or, any other charges or statutory levy, if any), prepay the outstanding principal amounts of the loan in full or in part before the relevant due dates. ABFL has, pursuant to the letter dated March 19, 2022, guided our Company that if the prepayment is made out of internal accruals/ initial public offering proceeds/ permitted mezzanine debt, our Company may prepay the entire outstanding amount or a part thereof by giving ABFL 30 days written notice of its intention to prepay and paying foreclosure charges as mutually agreed.

Axis Bank

In case of prepayment, Axis Bank will be entitled to prepayment premium of 2% of the amount prepaid except in the cases mentioned below:

a. If the prepayment is made pursuant to written instructions of Axis Bank, no prior notice will be required from our Company for prepayment;

b. If the prepayment is made out of internal accruals/ IPO proceeds/ permitted mezzanine debt, prior written notice of not less than 30 business days needs to be given by our Company to Axis Bank; and

c. In the event the interest/ spread reset rate is not acceptable to our Company, our Company will have an option to prepay the loan in full or in part subject to minimum of ₹20 million on the reset date.

HDFC Bank Limited

Our Company may prepay the entire outstanding amount (but not a part thereof) by giving HDFC Bank Limited 30 days’ written notice of its intention to prepay and paying to the bank in full the outstanding principal amount of the loan, all outstanding EMIs, interest, charges and other sums payable by our Company. Prepayment shall take effect only when cash has been paid or cheques have been realized. Further, on every prepayment, prepayment fees of 4% of the principal amount of the loan being repaid or at such rates as may be decided by the bank from time to time, would be applicable.

Vehicle Loans

Our Company may, prepay the whole or any part of the outstanding (including interest, other dues, fees and charges) by giving at least 30 days’ notice in writing to HDFC Bank Limited, of its intention to prepay the loan, unless the same has been waived in writing by HDFC Bank Limited. The prepayment shall take effect only when the actual payment has been received by the bank and interest and other charges would be leviable till the end of the month in which the prepayment is actually effected. In such an event, the bank will levy prepayment charges at (i) 5% on the part payment amount in case part prepayment is within 13-24 months from the first EMI; and (ii) 3% of the part payment in case the part pre-payment is post 24 months from the first EMI.

Housing Development Finance Corporation Limited

.

Our Company will be entitled to prepay the loan, either partly or fully, as per rules of Housing Development Finance Corporation Limited, including prepayment charges for the time being in force in that behalf.

3. ***Events of Default***: The financing arrangements entered into by our Company contain standard events of default, including:

(i) Default in performance of covenants, conditions or agreements in respect of the loan;
(ii) Default in payment of EMIs or any other amounts due to the lender;
(iii) Any unauthorized modification in the shareholding pattern of our Company including issuance of new shares in the share capital of our Company;
(iv) Any action taken or legal proceedings initiated for winding up, dissolution, or reorganisation or for appointment of receiver, trustee or similar officer of any of Company's assets;
(v) Any information provided by our Company for financial assistance is found to be misleading or incorrect in any material respect;
(vi) Any attachment or distrain is levied on the property or any part thereof and/or any certificate proceedings are taken or commenced for recovery of dues from our Company.

The details above are indicative and there are additional terms that may amount to an event of default under the financing arrangements entered into by our Company. We are required to ensure that the aforementioned events of default and other events of default, as specified under the agreements relating to the financing arrangements entered into by our Company, are not triggered.

4. ***Consequences of Events of Default:*** The financing arrangements entered into by our Company set out the consequences of occurrence of events of default, including:
(i) Obligation on part of the lender to make or continue to make the loan available, stands terminated;
(ii) The lender may demand all or any part of the amount due together with accrued interest and all other amounts accrued shall become due and payable immediately;
(iii) The lender may, without any prior notice to our Company, enforce any and/or all security created in its favour;
(iv) The lender may levy additional/ default interest;
(v) The lender may apply or appropriate or set off any credit balance standing on our Company's account with the lender towards satisfaction of any sum due;
(vi) The lender may invoke personal/ corporate guarantees of the guarantors or any other contractual comfort that may have been provided;
(vii) The lender may cancel the undrawn commitment and suspend withdrawals under the facility;
(viii) The lender will have the right to review the management structure and Board and review the conditions for appointment or re-appointment of the managing director or any other person holding substantial powers of management;
(ix) The lender will have the right to appoint a nominee and/or observer on the Board; and
(x) The lender will have the right to convert the outstanding loan into equity or other securities and our Company will be obligated to provide shareholders' resolution/ authorization allowing the lender to facilitate such conversions.

5. ***Restrictive Covenants***: Certain financing arrangements entered into by us contain restrictive covenants. An indicative list of such restrictive covenants is disclosed below. Our Company shall not without the prior approval of the lenders:

(i) Mortgage, lease, surrender or alienation of property or any part thereof;
(ii) Enter into any agreement or arrangement with any person, institution or local or government body for the use, occupation or disposal of the property or any part thereof during the pendency of the loan;
(iii) Enter into any scheme of merger, consolidation, reorganisation, scheme of arrangement or compromise or reconstruction or declare any dividend or do a buyback;
(iv) Pay any commission to its promoters, partners, designated partners, directors, managers or other persons for furnishing guarantees, counter-guarantees or indemnities or for undertaking any other liability in connection with indebtedness incurred by our Company or in connection with any other obligation undertaken by our Company;
(v) Recognize or register any transfer of shares in our Company's shareholding pattern/capital made or to be made by the promoters and their associates;
(vi) Change or cause to change its shareholding pattern/ extent and nature of holding of the body corporate and/ or its directors/ partners/ designated partner and/or its constituent documents in the nature of Memorandum of Association etc;

(vii) Permit any change in the general nature of business of our Company, ownership or control of our Company whereby the effective beneficial ownership or control of our Company shall change either directly or indirectly; and

(viii) Infuse additional equity/ capital or shareholders into our Company.

The details provided above are indicative and there may be additional terms, conditions and requirements under the specific financing arrangements entered into by our Company

Unsecured Loans

Sr. No.	Name of the Lender	Purpose	Amount Sanctioned (in ₹ million)	Amount Outstanding (as on February 28, 2022) (in ₹ million)	Rate of Interest/ Commission	Tenure / Tenor
1.	Gokul Refoils and Solvent Limited	Business purposes	14.10	14.10	Nil	Repayable on demand
2.	Axis Bank Limited	Loan Equivalent Risk - for covering the forex exposure of our Company towards foreign remittances	20.00	-	7.35%	Maximum 1 year
TOTAL			34.10	14.10		

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as disclosed in this chapter, there are no outstanding: (a) criminal proceedings involving our Company, its Directors, or its Promoters; (b) actions by any statutory or regulatory authorities involving our Company, its Directors, or its Promoters; (c) disciplinary action including penalty imposed by the SEBI or Stock Exchanges against our Promoters in the last 5 Fiscals including outstanding action; (d) claim related to any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved) involving our Company, its Directors or its Promoters; and (e) other pending litigations involving our Company, its Directors or its Promoters (other than proceedings covered under (a) to (d) above) which have been determined to be 'material' pursuant to the materiality policy approved by our Board in its meeting held on February 14, 2022 (**Materiality Policy**) (as disclosed hereinbelow).*

*In terms of the Materiality Policy, all outstanding litigations (other than those covered under (a) to (d) above) involving our Company, its Directors, or its Promoters (collectively, **Relevant Parties**), shall be considered "material" and disclosed in this Draft Red Herring Prospectus:*

(i) if the monetary amount of claim made by or against the Relevant Parties in any such pending proceeding is in excess of 1% of the total revenue of our Company, as per the last full year Restated Financial Statements included in in this Draft Red Herring Prospectus;

(ii) 1% of the total revenue of our Company for Fiscal 2021 as per the Restated Financial Statements was ₹38.04 million; or

(iii) an outcome of any such pending litigation / arbitration proceedings involving any of our Company, our Promoters or our Directors has been considered material for the purposes of disclosure in this Draft Red Herring Prospectus if the outcome of such litigation (irrespective of any amount involved in such litigation or wherein a monetary liability is not quantifiable) would materially and adversely affect the business, prospects, operations , financial position or reputation of our Company.

Further, as per the requirements of the SEBI ICDR Regulations, our Company shall also disclose such outstanding litigation involving the Group Companies which has a material impact (as determined by the Board) on our Company.

For the purposes of the above, pre-litigation notices received by our Company, our Promoters, our Directors or our Group Companies from third parties (excluding those notices issued by statutory/regulatory/ governmental/ tax authorities) have not been, unless otherwise decided by our Board, considered as an outstanding litigation for the purposes of point (e) above, until such time such party is impleaded as a defendant or respondent in proceedings before any legal/arbitral forum.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

I. Litigation involving our Company

A. Litigations against our Company

i. Criminal proceedings

Our Company received a direction bearing no. GPCB/CCA-VSD-120(3)/ID-23510/557272 dated March 13, 2020 from GPCB under Section 5 of the Environment (Protection) Act, 1986 for violation of the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016 (**Direction**). The Direction has been issued in relation to the industrial plant of our Company located at Phase-III GIDC Estate, Vapi – 396 195, Gujarat (**Vapi Unit**). As per the Direction, GPCB has directed our Company: (a) to lift all wastes sold to A.R. Traders and dispose the same in an environmentally sound manner, and submit data to Regional Office at Vapi and Head Office at Gandhinagar of GPCB; (b) to dispose all contaminated drums through registered recycler; (c) not to receive any contaminated drums from traders; and (d) to pay ₹2.67 million as an environmental damage compensation within 15 days from the date of receipt of the said Direction. Our Company paid the aforementioned environmental damage compensation on March 16, 2020 through RTGS. Subsequently, the GPCB has filed a criminal case bearing no.1544/2020 before the Principal Senior Civil Judge, Vapi on October 8, 2020 against our Company. In the said case, the GPCB has complained that during inspection of the Vapi Unit by the officer of the GPCB authorities, it was noticed that the drums were scattered and there was illegal disposal of waste, and thus, has alleged that our Company has violated the conditions stated in the consolidated consent and authorization order dated July 4, 2019. The case has been transferred to the Second Additional Civil Court *vide* order dated October 12, 2020. Further, *vide* order dated October 15, 2020, summons have been sent to our Company and Shaileshkumar Balvantrai Desai and Umang Shailesh Desai (our Promoters and Directors). The hearing is scheduled on March 28, 2022.

ii. Outstanding actions by statutory and/or regulatory authorities

An income-tax search was conducted on November 18, 2021 by the Additional Director of Income tax (Investigation) at C-5/101/4, Polysol Building, 2nd Floor, GIDC, Char Rasta, N.H 48, Vapi, District Valsad, Gujarat – 396 195, India pursuant to a search warrant dated November 15, 2021 issued against, amongst others, our Company, our Promoters, M/s. Polysol Industries and M/s. Apurva International. Panchnama in relation to the said search was filed on November 21, 2021. During the course of search: (a) ₹3.36 million cash was found and ₹0.98 million cash was seized; and (b) Certain books of accounts and documents were impounded for further investigation. On January 17, 2022, our Promoter, namely Shaileshkumar Balvantrai Desai received summons under Section 131(1) of the Income-tax Act, 1961 wherein he was requested to submit certain information and documents in relation to the search conducted at the Corporate Office of our Company on or before January 21, 2022. Consequently, *vide* letters dated January 21, 2022, January 25, 2022, January 31, 2022, February 1, 2022, February 3, 2022, February 6, 2022, February 7, 2022 and March 5, 2022, Shaileshkumar Balvantrai Desai submitted the requisite details. The matter is pending.

iii. ***Tax proceedings:***

Nature of the case	Number of cases	Total amount involved *(in ₹ million)*
Direct tax litigations	1	0.12
Indirect tax litigations	1	14.30
TOTAL	2	14.42

Nature of demand	Number of demands*	Total amount involved *(in ₹ million)*
Direct tax demands	5	2.63
Indirect tax demands	0	0
TOTAL	5	2.63

**Please note that our Company has received certain demand notices for its alleged outstanding tax liabilities in connection with which no dispute has been initiated by the tax authorities as on the date of filing of this Draft Red Herring Prospectus.*

iv. Material outstanding litigations

Nil

B. Litigation initiated by our Company

i. Criminal proceedings

Our Company has filed various complaints against its customers under Section 138 of the Negotiable Instruments Act, 188. A summary of the same is set out below.

Particulars	Number of cases*	Total amount involved* *(in ₹ million)*
Complaints filed	16	17.69

** Out of 16 complaints, our Company has received the outstanding dues with respect to 4 complaints and accordingly, have withdrawn the said complaints. However, as the concerned court is not working physically due to COVID-19, no disposal order has been issued in the said matters. As a result, such matters are still pending.*

ii. ***Material outstanding litigations***

Nil

II. Litigation involving our Directors

A. Litigation against our Directors

i. *Criminal* Proceedings

Sandhya Mahesh Borase

DRN Infrastructure Private Ltd. has filed 4 criminal complaints against MEP Infrastructure Developers Limited and its directors including Sandhya Mahesh Borase for dishonour of 4 cheques aggregating to ₹40.00 million. The said cheques were issued by MEP Infrastructure Developers Ltd.in terms of the settlement agreement dated 24 February 2021 entered between MEP Infrastructure Developers Ltd. and DRN Infrastructure Private Ltd. The next hearing in the matter is scheduled on 21 April 2022.

Vijay Gopi Kishan Agarwal

M/s. Xcell Labs has filed various complaints against Themis Medical Limited and its directors including Vijay Gopi Kishan Agarwal under Section 138 of the Negotiable Instruments Act, 188. A summary of the same is set out below.

Particulars	Number of cases	Total amount involved *(in ₹ million)*
Complaints filed	3	2.27

ii. *Outstanding* actions by statutory and/or regulatory authorities

Vijay Gopi Kishan Agarwal

1. The SEBI has issued a show cause notice dated April 20, 2017 to M/s. Birla Pacific Medspa Limited (**BPML**) and its directors including Vijay Gopi Kishan Agarwal (a non-executive independent director of BPML) stating, *inter alia*, that: (a) BPML along with its non-independent directors and certain shareholders have violated various provisions of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices in Securities Market) Regulations, 2003; (b) BPML has facilitated purchase of its own securities out of the initial public offering (**IPO**) proceeds in violation of Section 77 of the Companies Act, 1956; and (c) BPML had failed to utilize the IPO proceeds as per the objects of the issue stated in the prospectus and instead had diverted the IPO proceeds to various entities. Consequently, the said show cause notice called upon BPML and all other parties to the said notice including Vijay Gopi Kishan Agarwal to show cause as to why an inquiry should not be held against all of them and penalties be not imposed under applicable laws. On November 4, 2020, Vijay Gopi Kishan Agarwal submitted his reply to the aforementioned show cause notice stating that being an independent director he cannot be held vicariously liable for the acts and omissions of BPML or any of its directors and that he has no reason to distrust what the executive chairman presented to the board of directors about the short-term parking of the IPO proceeds pending deployment towards the objects of the IPO; and requested that the said show cause notice be disposed-off without any monetary penalty on the him. On March 10, 2021, personal hearing notice under applicable law was issued in this matter. The matter is still pending.

2. The Registrar of Companies, Tamil Nadu – Coimbatore, Ministry of Corporate Affairs, Government of India (**ROC, Tamil Nadu**) issued a notice bearing no. ROC/CBE/206(4)/6113/2022/SRN 100051632 dated January 20, 2022 to R.P.P. Infra Projects Limited (**RPP**) and its directors including Vijay Gopi Kishan Agarwal (former independent director of RPP) (**MCA Notice**). The MCA Notice has been issued in relation to: (a) the accounting of bogus expenses and bogus purchases to the tune of ₹253.39 million carried out by RPP in its books of account and financial statements; and (b) capitalization of ₹65.60 million in its books of account towards investment in Lunar Finance Private Limited against the total

expenditure of ₹164.00 million incurred on the said acquisition. Accordingly, the ROC, Tamil Nadu has sought reply from RPP and its directors on, *inter alia*, the following violations stipulated in the MCA Notice within 2 weeks from the date of the said notice: (i) contravention of the provisions of Section 128 of the Companies Act, 2013 (i.e., Section 209 of the *erstwhile* Companies Act, 1956) on account of failure of not keeping proper books of account; (ii) contravention of the provisions of Section 129 of the Companies Act, 2013 (i.e., Section 211 of the *erstwhile* Companies Act, 1956) on account of failure to disclose true and fair value of the state of affairs of RPP; (iii) contravention of the provisions of Section 129 of the Companies Act, 2013 read with Ind AS 109; and (iv) contravention of the provisions of Section 149 (8) of the Act read with Schedule IV of the Act Companies Act, 2013. Vijay Gopi Kishan Agarwal *vide* letter dated February 9, 2022 requested ROC, Tamil Nadu to grant an extension for filing a reply to the MCA Notice. On March 3, 2022, ROC, Tamil Nadu directed RPP and its directors including Vijay Gopi Kishan Agarwal (former independent director of RPP) to file a reply to the MCA Notice on or before March 10, 2022. RPP *vide* letter dated March 10, 2022 filed its reply rebutting the allegations stipulated in the MCA Notice. Vijay Gopi Kishan Agarwal *vide* letter dated March 14, 2022 filed his reply to the MCA Notice and clarified that he was not acting as an independent director of RPP for the period in relation to which the contraventions specified in the MCA Notice pertain to. The matter is still pending.

iii. ***Tax proceedings***

Vijay Gopi Kishan Agarwal

Nature of the case	Number of cases	Total amount involved *(in ₹ million)*
Direct tax litigations	0	0
Indirect tax litigations	1	4.40
TOTAL	**1**	**4.40**

iv. ***Material outstanding litigations***

Vijay Gopi Kishan Agarwal

1. The Union of India, MCA filed a petition before the National Company Law Tribunal (**NCLT**) (CP 4509/241, 242, 246/2018) on December 31, 2018, against BPML and its directors including Vijay Gopi Kishan Agarwal (a non-executive independent director in BPML) alleging fraudulent diversion and siphoning of the proceeds raised pursuant to the IPO of BPML (**Petition**). Subsequently, Mr. Yashovardhan Birla, a director of BPML, filed a writ petition bearing no. No. 5114 of 2019 before the High Court of Bombay challenging the jurisdiction of NCLT to entertain the Petition. Thereafter, the Bombay High Court *vide* its order dated May 3, 2019 in the aforementioned writ petition, granted ad-interim relief by staying the entire proceedings pending before the NCLT in the aforementioned company petition. Subsequently, the NCLT *vide* order dated May 6, 2019 adjourned the matter *sine die* under the Petition. The matter of *Yashovardhan Birla vs. Union of India & ors.* (Writ Petition No. 5114 of 2019) is still pending.

B. **Litigation initiated by our Directors**

i. ***Criminal* Proceedings**

Nil

ii. ***Material outstanding litigations***

Nil

III. **Litigation involving our Promoters**

A. **Litigation against our Promoters**

(i) ***Criminal Proceedings***

Shaileshkumar Balvantrai Desai

1. A chargesheet bearing number 919/2021 dated August 27, 2021 has been prepared and submitted to the Additional Judicial First Class, Vapi Court pursuant to a first information report (**FIR**) dated February 20, 2021 bearing no. 11200049210365. The said FIR was filed in relation to the sacks of 'neem coated karibhco urea' fertilizer (**Fertilizer**) found at the gate of the Manufacturing Facility of our Company in Vapi and from our Company's godown. *Per* the chargesheet, the accuses including our Promoter Shaileshkumar Balvantrai Desai, have violated provisions of Sections 406, 403 and 114 of the Indian Penal Code, 1860, Clause 25(1) of the Chemical Fertilizer Order, 1985 and Sections 3 and Section 7(1)(A)(2) of the Essential Commodities Act, 1955, for illegally possessing the Fertilizer. A criminal case bearing no. 8096 / 2021 has been filed before Principal Senior Judge and Additional CJM in relation to the said charge sheet. The next hearing in the matter is scheduled on March 24, 2022.

2. M/s. Anand Rathi Global Finance Limited has filed a criminal complaint bearing no. 2357/55/13 before the Court of LD. Metropolitan Magistrate, Mumbai against M/s. Apurva International and its partners including Mr. Shaileshkumar Balvantrai Desai for dishonour of 2 cheques due to "funds insufficient" drawn on HDFC Bank Limited for an amount of ₹90.16 million. The said cheques were issued by M/s. Apurva International towards repayment of the loan taken by the said partnership firm from M/s. Anand Rathi Global Finance Limited. The matter is still pending.

(ii) ***Outstanding actions by statutory and/or regulatory authorities***

Shaileshkumar Balvantrai Desai and Umang Shailesh Desai

1. Income-tax searches were conducted on November 18, 2021: (a) by the Additional Director of Income tax (Investigation) at C-5/101/4, Polysol Building, 2nd Floor, GIDC, Char Rasta, N.H 48, Vapi, District Valsad, Gujarat – 396 195; and (b) by Dy. Director of Income tax (investigation) at Plot No. 19-20, Vraj Vihar Apartment Road, Chhadwada Road, GIDC, Vapi India, pursuant to a search warrant dated November 15, 2021 issued, amongst others, against our Company, our Promoters, M/s. Polysol Industries and M/s. Apurva International. Panchnama in relation to the search was filed on November 21, 2021. During the course of search: (a) jewellery and ornaments worth of ₹31.70 million were found and jewellery and ornaments worth of ₹17.62 million were seized; and (b) ₹3.36 million cash was found and ₹0.98 million cash was seized. On January 17, 2022, our Promoter, namely Shaileshkumar Balvantrai Desai received a summon under Section 131(1) of the Income-tax Act, 1961 wherein he was requested to submit certain information and documents in relation to the search conducted at the Corporate Office of our Company on or before January 21, 2022. Consequently, *vide* letters dated January 21, 2022, January 25, 2022, January 31, 2022, February 1, 2022, February 3, 2022, February 6, 2022, February 7, 2022 and March 5, 2022, Shaileshkumar Balvantrai Desai submitted the requisite details. The matter is pending.

(iii) ***Tax proceedings***

Nil

(iv) ***Material outstanding litigations***

Nil

B. Litigation initiated by our Promoters

(i) ***Criminal proceedings***

Nil

(ii) ***Material outstanding litigations***

Nil

IV. Disciplinary action taken against our Company, Promoters and Directors in the last 5 financial years preceding the date of this Draft Red Herring Prospectus by the SEBI or Stock Exchanges

Nil

V. Litigation involving our Group Companies

Nil

VI. Outstanding dues to creditors

As of September 30, 2021, our Company had 361 creditors and the aggregate amount due by our Company to these creditors was ₹552.55 million, as detailed below:

Type of creditors	Number of creditors	Amounts involved (in ₹ million)
Micro, small and medium enterprises	Nil	Nil
Other creditors	361	552.55
Total	361	552.55

In terms of the Materiality Policy, our Board considers a creditor 'material' if amounts due to such creditor exceeds 5% of the total trade payables as per the last full year Restated Financial Statements included in the Offer Documents (**Material Creditors**). The trade payables of our Company as on March 31, 2021 was ₹879.41 million. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹43.97 million (being 5% of the total trade payables) as on March 31, 2021. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (**MSME),** the disclosure is based on information available with our Company regarding status of the creditor under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

Based on this criteria, details of outstanding dues owed to Material Creditors as on September 30, 2021 by our Company are set out below:

Particulars	Number of creditors	Amounts involved (in ₹ million)
Material Creditors	2	205.68

The details pertaining to outstanding dues to Material Creditors, along with the name and amount involved for each such Material Creditor, are available on the website of our Company at www.gujaratpolysol.com.

It is clarified that information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website www.gujaratpolysol.com would be doing so at their own risk.

VII. Material Developments since the date of the last Balance Sheet

Except as disclosed below, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability, the value of our assets, or our ability to pay our liabilities within the next 12 months:

a. We have availed working capital demand loan facilities from Axis Bank Limited and HDFC Bank Limited aggregating to ₹50.00 million and ₹100.00 million, respectively. The said facilities will be re-paid from the Net Proceeds;

b. Shaileshkumar Balvantrai Desai, our Promoter, Chairman and Managing Director, has entered into an agreement for assignment dated January 25, 2022 with our Company wherein our Company has agreed to assign the rights of exclusive use of property bearing industrial plot no. 85/F/1 admeasuring 10,696.00 sq. mts. and industrial plot no.85/F/2 admeasuring 10,007.00 sq. mts. consisting of R.S. No.810, 814, 815, 1052, 826 and 828 within Vapi Notified Industrial Area, GIDC, Vapi, Tal Vapi, Dist. Valsad, to Shaileshkumar Balvantrai Desai for a total consideration of ₹200.70 million.

c. Shaileshkumar Balvantrai Desai, our Promoter, Chairman and Managing Director, has entered into an agreement for assignment dated January 25, 2022 with our Company wherein he has agreed to assign the rights of exclusive use of the office premises on the 3rd Floor admeasuring 1,026.03 sq. of the building known as Express House situated at Vapi notified Industrial Estate, GIDC, Vapi, Gujarat to our Company for a total consideration of ₹38.65 million.

d. Our Company has entered into a memorandum of understanding dated March 2, 2022 with M/s. Bhavisha Industries, a proprietorship firm owned by Bhavisha Shaileshbhai Desai, our Whole-Time Director and member of our Promoter Group, for acquisition of the assets of M/s. Bhavisha Industries including the manufacturing facility located at Plot No.1705, Phase-III, GIDC Vapi, Taluka Vapi, District Valsad – 396 195, Gujarat, India, for a total consideration of ₹197.43 million. The transaction is subject to condition precedent including, in particular, the receipt of the consolidated consent and authorisation from GPCB in respect of 157,200 MT per annum. If the said transaction is consummated, our aggregate manufacturing capacity will increase from 130,400 MT per annum to 287,600 MT per annum;

e. An income tax search was conducted on November 18, 2021 by the Additional Director of Income Tax (Investigation) at the Corporate Office of our Company. Till date no action has been taken against us by the concerned authority in relation to the said search. For further details, please see the chapter entitled *'Outstanding Litigation and Other Material Development- Litigation against our Company'* beginning on page 311.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein and in the section entitled 'Risk Factors' beginning on page 33 (in relation to material approvals which are required but not obtained or applied for by us), our Company has received the necessary material consents, licenses, permissions and approvals from Government of India, various governmental agencies and other statutory and / or regulatory authorities required for carrying out our present business activities. We have set out below an indicative list of material consents, licenses, permissions, and approvals from various governmental, statutory and regulatory authorities in India which are considered material and necessary for the purpose of undertaking our business activities. In view of these material approvals, we can undertake this Offer and our current business activities. Unless stated otherwise, our Company has obtained necessary approvals from the relevant government authorities with respect to our business activities and such approvals are valid as on the date of this Draft Red Herring Prospectus.

In addition to these approvals which are material from the perspective of our business operations, we have also disclosed below (i) the approvals applied for, including renewal applications made, but not received; and (ii) the approvals for which applications are yet to be made by our Company.

The material approvals, consents, licenses, registrations and permits obtained by our Company which enable us to undertake our current business activities, are set out below:

I. Approvals in relation to incorporation of our Company

1. Certificate of incorporation dated October 18, 1989, issued by the RoC to our Company upon incorporation as a private limited company.

2. Fresh certificate of incorporation dated October 13, 2021 issued by the RoC to our Company upon conversion from a private limited company to a public limited company pursuant to a special resolution passed by our Shareholders on September 21, 2021. Consequently, the name of our Company changed from 'Gujarat Polysol Chemicals Private Limited' to 'Gujarat Polysol Chemicals Limited'.

II. Approvals in relation to our Company's business operations

1. Our Company is required to obtain various registrations and approvals in relation to our business. The registrations and approvals obtained by our Company in respect of our business operations include the following:

Manufacturing Facility situated at Plot No. 1734 and 1702/B, Phase-III, GIDC Vapi, Taluka Pardi, District Valsad – 396 195, Gujarat

S. No.	Particulars	Issuing Authority	Reference No.	Date of Issue / Renewal	Expiry Date
1.	Factory license in respect of factory located at Plot No. 1734 and 1702/B, Phase 3 at GIDC, Vapi, District Valsad, Gujarat	Deputy Director, Industrial Safety and Health, Valsad	3065	January 18, 2022	December 31, 2024
2.	Certificate of Stability in respect of factory located at Plot No. 1734, Phase 3 at GIDC, Vapi, Valsad, Gujarat	VMS Consultant, Consulting Civil Engineer	STB 2019-20 / VMS /55	February 1, 2020	February 1, 2025
3.	Consent to establish in respect of industrial plant located at Plot No. 1734, Phase 3 at	Gujarat Pollution Control Board	GPCB / (PCB ID. – 23510 pursuant to the application no. 151988	February 19, 2019	Valid for 7 years from date pf issue of the order

S. No.	Particulars	Issuing Authority	Reference No.	Date of Issue / Renewal	Expiry Date
	GIDC, Vapi, Valsad, Gujarat				
4.	Consolidated consent and authorization in respect of industrial plant located at Plot No. 1734, Phase 3 at GIDC, Vapi, Valsad, Gujarat under the Air Act, the Water Act and the Hazardous Wastes Rules (**Original Vapi CCA**)	Gujarat Pollution Control Board	Order No. AWH 102704 issued on July 4, 2019	July 4, 2019	March 31, 2024
5.	Amendment to Original Vapi CCA	Deputy Chief Environmental Engineer, Gujarat Pollution Control Board	Order no. AWH 109902 issued vide letter no. GPCB/CCA-VSD-120(3)/ID:23510/ dated October 23, 2020	October 23, 2020	March 31, 2024
6.	Certificate for use of a boiler	Gujarat Boiler Inspection Department	Certificate no. CA032021-20220022785; and registry no. GT-10445	May 7, 2021	May 7, 2022
7.	Certificate of Registration under Legal Meterology Enforcement Act, 2009 read with Legal Meterology (Packed Commodity) Rules, 2011	Office of Assistant Controller of Legal Meterology and Consumer Protection Officer, Vaslad	GUJ/ ACLM/ VLD/ PCR/ REG/ 23/2019	June 7, 2016	Valid until cancelled
8.	Registration certificate under the Inter-state Migrant Workmen (Regulation of Employment and Conditions of Service) Act,1979 in respect of industrial plant located at Plot No. 1734, Phase 3 at GIDC, Vapi, Valsad, Gujarat	Assistant Labour Commissioner Office, Valsad	VLS/2021/IMW/50	October 25, 2021	Valid till cancelled
9.	Certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970 in respect of industrial plant located at Plot No.	Assistant Labour Commissioner, Assistant Labour Commissioner Office- Valsad	VLS/2020/CLRA/38	November 7, 2020	Valid until cancelled

S. No.	Particulars	Issuing Authority	Reference No.	Date of Issue / Renewal	Expiry Date
	1734, Phase 3 at GIDC, Vapi, Valsad, Gujarat				
10.	Registration Certificate under ESI Act in respect of industrial plant located at Plot No. 1734, Phase 3 at GIDC, Vapi, Valsad, Gujarat	Gujarat Regional Office, Employee's State Insurance Corporation	18403-34 SF	September 8, 1993	Valid until cancelled
11.	ISO 14001:2015 in respect of industrial plant located at Plot No. 1734, Phase 3 at GIDC, Vapi, Valsad, Gujarat	RIR Certification Private Limited	0307/GUJ14A-R1	December 4, 2021	3 years from date of issue of the said certificate
12.	ISO 9001:2015 in respect of industrial plant located at industrial plant located at Plot No. 1734, Phase 3 at GIDC, Vapi, Valsad, Gujarat	RIR Certification Private Limited	0307/GUJ09A-R1	December 4, 2021	3 years from date of issue of the said certificate
13.	ISO 31010:2009 in respect of industrial plant located at industrial plant located at Plot No. 1734, Phase 3 at GIDC, Vapi, Valsad, Gujarat	Allied Quality Standard Certification	101016072020	July 16, 2020	July 15, 2023
14.	ISO 45001:2018 in respect of industrial plant located at industrial plant located at Plot No. 1734, Phase 3 at GIDC, Vapi, Valsad, Gujarat	ICV Assessment Private Limited	IN/9418567/8951	October 19, 2020	October 18, 2023
15.	Certificate for compliance of Fire Prevention and Line Safety Measures in respect of industrial plant located at Plot No. 1734, Phase 3 at GIDC, Vapi, Valsad, Gujarat.	Sai Associates, Vapi (Licensed Agency)	License No. 197NFSC	January 15, 2022	Valid until cancelled

Manufacturing Facility situated at Plot No. C1B-106/1 to 4, GIDC Sarigam, Taluka Umbargaon, District – Valsad – 396 155, Gujarat

S.No.	Description	Issuing Authority	Reference No.	Date of Issue / Renewal	Expiry Date
1.	Factory license in respect of the factory located at Plot No. C1B-106/1 to 4, GIDC Sarigam, Umbergaon, Valsad, Gujarat	Deputy Director, Industrial Safety and Health, Valsad	11114	January 13, 2022	December 31, 2023
2.	Certificate of Stability in respect of factory located at Plot No. C1B-106/1 to 4, GIDC Sarigam, Umbergaon, Valsad, Gujarat*	Mukesh G. Tiwari, B.E. Civil, Master of Valuation (Real Estate)	MGT/SG/2.22/ 18	December 24, 2018	5 years from the date of issue of the certificate
3.	Consolidated consent in respect of industrial plant located at industrial plant located at Plot No. C1B-106/1 to 4, GIDC Sarigam, Umbergaon, Valsad, Gujarat under the Air Act, Water Act and Hazardous Wastes Rules.**	Environmental Engineer, Gujarat Pollution Control Board	Order no. AWH - 86598	June 19, 2017	March 31, 2022
4.	Certificate for compliance of Fire Prevention and Line Safety Measures in respect of industrial plant located at Plot No. C1B-106/1 to 4, GIDC Sarigam, Umbergaon, Valsad, Gujarat.	Sai Associates, Vapi (Licensed Agency)	License No. 197NFSC	January 15, 2022	Valid until cancelled

** Currently, the certificate of stability in relation to the Manufacturing Facility at Sarigam stands in the name of M/s. Polysol Industries.*

***Our Company has filed an application dated January 15, 2022 with GPCB for renewal of the concerned consolidated consent and authorisation.*

Manufacturing Facility situated at Non-agricultural land bearing new survey no. 1063 (Old SRV No 260/71/1/4) and survey no. 1064 and (Old SRV No 260/71/1/3) along with factory building consisting of ground floor, first floor and second floor situated at village Dadra in the Union Territory of Dadra and Nagar Haveli & Daman & Diu.

S.No.	Description	Issuing Authority	Reference No.	Date of Issue / Renewal	Expiry Date
1.	Factory license in respect of factory located at Survey No. 260/71/1/3&4, Opp. Jindal Photo Films Ltd., Dadra Silvassa	Chief Inspector of Factories and Boiler, Administration of Dadra and Nagar Haveli	1553	December 2, 2020	December 31, 2025
2.	Certificate of stability in respect of factory located at Survey No. 260/71/1/3, Opp	Mukesh G. Tiwari, B.E. Civil, Master of Valuation (Real Estate)	MGT/SL/9.02/17	January 2, 2017	5 years from the date of issue of the certificate

S.No.	Description	Issuing Authority	Reference No.	Date of Issue / Renewal	Expiry Date
	Jindal Photo Films Ltd., Dadra Silvassa*				
3.	Consolidated consent and authorization in respect of industrial plant located at Survey No. 260/71/1/3, Opp Jindal Photo Films Ltd., Dadra Silvassa under the Air Act and the Water Act (**CCA Dadra**) issued in the name of M/s. Urmi Polymer Industries read with amendment letter dated October 6, 2021 stating that the CCA Dadra stands in the name of our Company.	Pollution Control Committee, Daman, Diu and Dadra & Nagar Haveli	CCA Dadra bearing no. PCC/DDD/O-0071/WA/AA/DB/99-00/31; and the amendment letter bearing no. PCC/DDD/O-0071/ DR/WA/AA/99-00/09	April 20, 2018	May 31, 2022
4.	Certificate for compliance of Fire Prevention and Line Safety Measures in respect of industrial plant located at Plot No. 1063 & 1064, opp. Jindal Photos Films Ltd., Gujarat.	Sai Associates, Vapi (Licensed Agency)	License No. 197NFSC	January 15, 2022	Valid until cancelled

** Currently, the certificate of stability in relation to the Manufacturing Facility at Dadra stands in the name of M/s. Urmi Polymers.*

Tax Related Approvals

S.No.	Description	Issuing Authority	Reference No.	Date of Issue / Renewal	Expiry Date
1.	Permanent Account Number	Income Tax Department, Government of India	AAACG8908Q	----	Valid until cancelled
2.	Tax deduction and collection account number	Income Tax Department, Government of India	SRTG00493GD	----	Valid until cancelled
3.	GST Registration Certificate – Vapi	Government of India	24AAACG8908Q1Z4	January 13, 2022	Valid until cancelled
4.	GST Registration Certificate – Sarigam	Government of India	24AAACG8908Q1Z4	January 13, 2022	Valid until cancelled
5.	GST Registration-Dadra	Government of India	26AAACG8908Q1Z0	December 22, 2021	Valid until cancelled

General

S.No.	Description	Issuing Authority	Reference No.	Date of Issue / Renewal	Expiry Date
1.	Industrial Entrepreneurs Memorandum under the Industries (Development and Regulation) Act, 1951	Ministry of Commerce & Industry, Department for Promotion of Industry and Internal Trade	840/SIA/IMO/2018	January 7, 2022	Valid until Cancelled
2.	Registration under the EPF Act	Employee's Provident Fund Organization	2507989347VAP	October 15, 2015	Valid until cancelled
3.	Registration Certificate under the Gujarat Shops and Establishments (Regulation Of Employment And Conditions Of Service) Act, 2019 in respect of the Corporate Office of our Company	Assistant Government Labour Officer, Vapi	75/2021	September 16, 2021	-
4.	Certificate of Importer Exporter Code	Ministry of Commerce and Industry, Office of Joint Director of Foreign Trade	3495004891	December 28, 1995	Valid until cancelled
5.	Registration cum membership Certificate of the Basic Chemicals, Cosmetics and Dye Export Promotion Council	Basic Chemicals, Cosmetics and Dye Export Promotion Council	CHEM/AHD/G-146/P-II/17-18/1817	February 21, 2018	March 31, 2022

2. Pursuant to conversion of our Company into a public limited company, our Company has filed necessary applications with concerned authorities in relation to the aforementioned approvals, registrations, permissions, licenses and / or consents, for change in name of our Company from 'Gujarat Polysol Chemicals Private Limited' to 'Gujarat Polysol Chemicals Limited'.

III. Approvals expired but not applied for by our Company

Nil

IV. Approvals required but not obtained or applied for by our Company

Nil

V. Material approvals in relation to business operations of our Subsidiaries

Our Company does not have any Subsidiary.

VI. Intellectual property related approvals

Set out below are details of the trade marks of our Company:

Sr. No.	Name applied	Type	Application Date	Application No.	Class	Status on March 23, 2022
1.	GUJARAT POLYSOL CHEMICALS	DEVICE	November 23, 2021	5218960	1	Objected
2.	GUJMOL	WORD	November 23, 2021	5218939	1	Accepted & Advertised
3.	GUJPLAST	WORD	November 23, 2021	5218958	1	Accepted & Advertised
4.	GUJTAN	WORD	November 23, 2021	5218957	1	Accepted & Advertised
5.	GUJLIQ	WORD	November 23, 2021	5218959	1	Accepted & Advertised

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorized by a resolution of the Board passed at their meeting held on February 14, 2022 and the Shareholders have approved the Fresh Issue pursuant to a special resolution passed at the EGM of our Company held on February 16, 2022. Our Board has: (i) approved the size of the Fresh Issue and the Offer for Sale pursuant to its resolution dated March 24, 2022; (ii) taken on record the consents of the Selling Shareholders in its meeting held on March 24, 2022. For further details, please see the chapter entitled *'The Offer'* beginning on page 60.

Our Board has approved this Draft Red Herring Prospectus pursuant to their resolution dated March 24, 2022.

The Selling Shareholders have, severally and not jointly, confirmed and authorized their respective participation in the Offer for Sale as set out below:

Sr. No.	***Name of the Selling Shareholder***	***Offered Shares (in terms of amount in ₹ Million)***	***Date of the consent letter to participate in the Offer for Sale***	***Date of board resolution / authorization***
1.	*Shaileshkumar Balvantrai Desai*	*1,830.00*	*[●]*	*[●]*
2.	*Umang Shailesh Desai*	*380.00*	*[●]*	*[●]*
3.	*M/s. Polysol Financial Services LLP**	*1,020.00*	*[●]*	*[●]*
4.	*M/s. Apurva International*	*40.00*	*[●]*	*[●]*

**Polysol Financial Services Limited got converted into M/s. Polysol Financial Services LLP vide certificate of registration on conversion dated March 31, 2016. M/s. Polysol Financial Services LLP is registered under Section 58(1) of the Limited Liability Partnership Act, 2018.*

Our Company has received in-principle approvals from both the BSE and the NSE for the listing of the Equity Shares pursuant to letters, both dated [●].

For details with respect to restrictions on participation in the Offer, please see the chapters entitled '*Offer Procedure*' and '*Restrictions on Foreign Ownership of Indian Securities*' beginning on pages 343 and 361.

Prohibition by the SEBI or other Governmental Authorities

Our Company, the Selling Shareholders, our Promoters, our Directors, the members of the Promoter Group, Group Companies have not been debarred from accessing or operating in capital markets under any order or direction passed by the SEBI or or any securities market regulator in any jurisdiction or any other authority/court.

The companies, with which our Promoters or our Directors are or were associated as promoters, directors or persons in control have not been debarred from accessing or operating in capital markets under any order or direction passed by the SEBI or or any securities market regulator in any jurisdiction or any other authority/court.

None of our Directors are associated with the securities market in any manner.

Except as disclosed in the chapter entitled '*Outstanding Litigations and other Material Developments*' beginning on page 311, there has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved in as promoters or directors.

There has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved in as promoters or directors.

The listing of any securities of our Company has never been refused at any time by any of the Stock Exchanges in India or abroad.

Prohibition by RBI

Neither our Company nor our Promoters, relatives (as defined under Companies Act) of our Promoters, Directors, Selling Shareholders and Group Companies have been identified as Wilful Defaulters or Fraudulent Borrowers.

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, as amended to the extent applicable.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, which states as follows:

"*An issuer shall be eligible to make an initial public offer only if:*

a) *it has net tangible assets of at least three crore rupees, calculated on a restated basis, in each of the preceding three full years (of twelve months each), of which not more than fifty per cent. are held in monetary assets:*

Provided that if more than fifty per cent. of the net tangible assets are held in monetary assets, the issuer has utilised or made firm commitments to utilise such excess monetary assets in its business or project;

Provided further that the limit of fifty per cent. on monetary assets shall not be applicable in case the initial public offer is made entirely through an offer for sale.

b) *it has an average operating profit of at least fifteen crore rupees, calculated on a restated basis, during the preceding three years (of twelve months each), with operating profit in each of these preceding three years;*

c) *it has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each), calculated on a restated basis;*

d) *if it has changed its name within the last one year, at least fifty per cent. of the revenue, calculated on a restated basis, for the preceding one full year has been earned by it from the activity indicated by its new name*."

We are an unlisted company, satisfying the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations in the following manner:

(in ₹ million, except percentage values)

Particulars	As at and for the 6 month period ended September 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Operating Profit (1)	239.72	612.11	361.69	298.36
Net Worth (2)	1,397.18	1,244.11	760.95	558.46
Net Tangible Assets (3)	1,570.42	1,417.59	935.71	733.21
Monetary Assets (4)	42.97	48.98	72.19	84.78
Monetary assets as a percentage of the net tangible assets	2.74%	3.46%	7.72%	11.56%

(1) *'Operating Profit' is defined as profit before tax excluding finance expense and other income.*

(2) *'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, as per the Restated Financial Statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.*

(3) *Net tangible assets' means the sum of all net assets (arrived at by deducting non-current liabilities, current liabilities from total assets) of our Company, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38 and deferred tax assets as defined in Ind AS 12 and excluding the impact of deferred tax liabilities as defined in Ind AS 12 issued by ICAI.*

(4) *Monetary assets are the aggregate of cash on hand, cash equivalents and balance with banks including other bank balances and interest accrued thereon.*

We are eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulation 6(1) of the SEBI ICDR Regulations. Accordingly, in accordance with Regulation 32(1) of the SEBI ICDR Regulations we are required to allocate not more than 50% of the Offer to QIBs.

Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application money shall be refunded to the Bidders.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be allotted will be not less than 1,000. Further, our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

a) Neither our Company nor the Promoters, members of the Promoter Group, the Directors or the Selling Shareholders are debarred from accessing the capital markets by the SEBI.

b) None of the Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.

c) Neither our Company nor the Promoters or Directors is a Wilful Defaulter or a Fraudulent Borrower.

d) None of our Promoters or Directors is a fugitive economic offender, under Section 12 of 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 any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

Each of the Selling Shareholders confirm that they are in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLM HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 24, 2022 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE

REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLM ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Director and the BRLM

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

The BRLM accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

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

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

The BRLM and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Selling Shareholders, our Promoters, their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoters, and their respective directors, officers, agents, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer from our Selling Shareholders

Our Selling Shareholders accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.gujaratpolysol.com, or the respective websites of our Promoters, Promoter Group or any affiliate of our Company would be doing so at his or her own risk. Each of the Selling Shareholder, its respective directors, affiliates, associates, and officers accept no responsibility for any statements made in this Draft Red Herring Prospectus other than those specifically made or confirmed by such Selling Shareholder in relation to itself as a Selling Shareholder and its proportion of the Offered Shares.

Bidders will be required to confirm and will be deemed to have represented to the Selling Shareholders and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. The Selling Shareholders 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.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized 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 authorized 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 Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to or purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Gujarat only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus had been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or our Group Companies since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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, 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 in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the 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 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.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with the SEBI at SEBI Bhavan, Western Regional Office, Panchvati 1st Lane, Gulbai Tekra Road, Ahmedabad - 380006, Gujarat and electronically on the platform provided by the SEBI.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within 6 Working Days from the Bid/Offer Closing Date or such period as may be prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

The Selling Shareholders undertake to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from the Selling Shareholders in relation to the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by the SEBI

Consents

Consents in writing of: (a) each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our CFO, Banker(s) to our Company, Statutory Auditor, legal counsel appointed for the Offer, the BRLM, the Registrar to the Offer, Bankers to our Company, in their respective capacities, have been obtained; (b) Experts to the Offer has been obtained, and (c) the Syndicate Members, the Banker(s) to the Offer/ Escrow Collection Bank(s)/ Refund Bank(s), Sponsor Bank(s) and Banker to our Company, to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Expert to the Offer

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

Our Company has received written consent dated March 24, 2022 from our Statutory Auditors namely, M/s. J. V. Vasani & Co., Chartered Accountants to include their name as an "expert" as defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act, in relation to the Restated Financial Information, the examination report dated March 24, 2022 on the Restated Financial Information, and the statement of special tax benefits dated March 24, 2022 included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated February 19, 2022 from the chartered engineer namely, C.D. Mehta and Associates to include their name as an "expert" as defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Commission and Brokerage paid on previous issues of the Equity Shares in the last 5 years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

The SEBI, by way of its circular dated March 16, 2021 as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 (**March 2021 Circular**), has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism, inter alia, in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures.

In terms of the 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 3 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. Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the 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.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank(s) for addressing any clarifications or grievances of ASBA Bidders. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLM.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Our Company, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of the Designated Intermediaries including any defaults in complying with its obligations under applicable the SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company shall obtain authentication on the SCORES in terms of the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and the SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 in relation to redressal of investor grievances through SCORES.

Our Company has not received investor complaints in relation to the Equity Shares for the 3 years prior to the filing of the Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Dipakkumar Mohanlal Sanghani, Company Secretary of our Company, as the Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related issues. For details, please see the chapter entitled '*General Information*' beginning on page 67.

Each of the Selling Shareholders has, severally and not jointly, authorized our Company Secretary and Compliance Officer of our Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of its respective portion of the Offered Shares.

Our Company has constituted a Stakeholders' Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details, please see the chapter entitled '*Our Management - Stakeholders' Relationship Committee*' beginning on page 215.

Price information of past issues handled by the BRLM

A. **Inga Ventures Private Limited**

   Nil

For details regarding the track record of the BRLM, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLM, as set forth in the table below:

Name of the BRLM	Website
Inga Ventures Private Limited	http://www.ingaventures.com

Particulars regarding public or rights issues by our Company during the last 5 years

Our Company has not made any public or rights issues during the 5 years preceding the date of this Draft Red Herring Prospectus.

Previous capital issue during the previous 3 years by listed Group Companies and Associate Company

There are no listed Group Companies and Associate Company.

Investor grievance mechanism and investor complaints for the listed Group Company

There are no listed Group Companies.

Capital Issues in the preceding 3 years

Except as disclosed in the chapter entitled '*Capital Structure*' on page 75, our Company has not made any capital issues during the 3 years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/rights issue of our Company

Our Company has not undertaken any public, including any rights issue to the public in the 5 years immediately preceding the date of this Draft Red Herring Prospectus. There has been no shortfall in terms of performance *vis-a-vis* objects for any of the previous issues of our Company.

Performance vis- à-vis objects: Public/ rights issue of the listed Subsidiaries and listed Promoters

As of the date of this Draft Red Herring Prospectus, our Company does not have a listed subsidiary company or any corporate promoters.

Exemption under securities laws

The brothers of Shaileshkumar Balvantrai Desai, one of our Promoters, have refused to provide information required to be disclosed in terms of SEBI ICDR Regulations and, consequently, our Company has been unable to obtain the requisite information in respect of these persons. Accordingly, our Company has not disclosed details of the said persons in this Draft Red Herring Prospectus. Our Company has filed 2 separate applications with SEBI, each dated March 24, 2022 (**SEBI Exemption Applications**), in terms of Regulation 300(1)(c) of the SEBI ICDR Regulations seeking exemption from: (a) disclosing the details of the said persons, and the body corporates, the entities, the firms and the HUFs associated with them (collectively, **Connected Group**) as members of the 'promoter group' and 'group companies', as the case may be, in accordance with Regulations 2(1)(pp) and 2(1)(t) of the SEBI ICDR Regulations, respectively; and (b) disclosing the information (including litigations) and confirmation with respect to the said persons and the Connected Group, as required in terms of the SEBI ICDR Regulations.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

Ranking of the Equity Shares

The Equity Shares being Allotted pursuant to 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 in respect of the right to receive dividend and voting. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see the chapter entitled *'Main Provisions of the Articles of Association'* beginning on page 363.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, please see the chapters entitled *'Dividend Policy'* and *'Main Provisions of the Articles of Association'* beginning on pages 229 and 363, respectively.

Face Value and Offer Price

The face value of each Equity Share is ₹10 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share. Cap Price shall be minimum 105.00% of the Floor Price and shall not exceed 120.00% of the Floor Price.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLM, as per applicable law and advertised in all editions of [●], all editions of [●] and Gujarat edition of [●] which are widely circulated English, Hindi and Gujarati daily newspapers respectively, at least 2 Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLM after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares issued and offered by way of Book Building Process.

The Offer

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in '*Objects of the Offer - Offer Expense*'' on page 95.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

1. Right to receive dividends, if declared;
2. Right to attend general meetings and exercise voting rights, unless prohibited by law;
3. Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
4. Right to receive offers for rights shares and be allotted bonus shares, if announced;
5. Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
6. Right of free transferability of their Equity Share, subject to applicable laws including any RBI rules and regulations; and
7. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, please see the chapter entitled '*Main Provisions of Articles of Association*' beginning on page 363.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

1. Tripartite Agreement dated March 18, 2021 between NSDL, our Company and Registrar to the Offer; and
2. Tripartite Agreement dated April 9, 2021 between CDSL, our Company and Registrar to the Offer.

Joint Holders

Subject to the provisions contained in our Articles of Association, where 2 or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Marketing lot and Trading lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is 1 Equity Share. Allotment in this Offer will be only in electronic form in multiples of 1 Equity Share subject to a minimum Allotment of [●] Equity Shares.

Compliance with disclosures and accounting norms

Our Company shall comply with all the disclosure and accounting norms as specified by the SEBI from time to time.

Jurisdiction

The courts of competent jurisdiction in India will have exclusive jurisdiction in relation to this Offer.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the rules notified thereunder, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest, in accordance with Section 72 of the Companies Act, 2013. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she 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 Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no requirement to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Offer Programme

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

** Our Company and Selling Shareholders may, in consultation with the BRLM, consider participation by Anchor Investors. The Offer period of an Anchor Investor shall be 1 Working Day prior to the Offer Opening Date in accordance with the SEBI ICDR Regulations.*

*** Our Company and Selling Shareholders, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs 1 day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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 [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

**In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100.00 per day or 15.00% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/withdrawal/deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100.00 per day or 15.00% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100.00 per day or 15.00% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding 4 Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated* *at a uniform rate of ₹100.00 per day or 15.00% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding 4 Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer BRLM shall, in its 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 the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the 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 our Company with the SCSBs, to the extent applicable.*

The above timetable, other than the Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders or the BRLM.

Whilst our Company 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 6 Working Days of the Offer Closing Date, the timetable may be extended due to various factors, extension of the Bid/Offer Period by our Company and Selling Shareholders, in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, and the SEBI Notification No. SEBI/LAD-NRO/GN/ 2022/ 63 dated January 14, 2022, our Company shall within 4 days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription. In case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares it shall refund the entire money received on application within 4 days of receipt of intimation of such rejection. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirms that it shall extend such reasonable support and co-operation required by our Company and the BRLM for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within 6 Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI.

In terms of the UPI Circulars, in relation to the Offer, the BRLM will be required to submit reports of the compliance with timelines and activities prescribed by the SEBI in connection with the allotment and listing procedure within 6 Working Day from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors)

Except in relation to Anchor Investors, Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Offer Period at the Bidding Centres, except that on the Offer Closing Date (which for QIBs may be a day prior to the Offer Closing Date for non-QIBs), Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time).

On the Offer Closing Date, the Bids shall be uploaded until:

1. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
2. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid

Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids 1 day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted on the Stock Exchange platform only during Working Days, during the Bid/ Offer Period. Further, 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.

Our Company and the Selling Shareholders in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20.00% on either side, i.e., the Floor Price may move up or down to the extent of 20.00% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least 3 additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and Selling Shareholders, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of 3 Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

On the date of closure of the Offer, if our Company does not receive (i) minimum subscription of 90.00% of the Fresh Issue and (ii) a subscription in the Offer equivalent to at least the minimum number of securities as specified under Rule 19(2)(b)(iii) of the SCRR, including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Offer Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid/ Offer Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 4 days, our Company and the Selling Shareholder, to the extent applicable, shall pay interest at the rate of 15.00% per annum including the circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, issued by the SEBI.

In the event of under subscription in the Offer, the Equity Shares will in the first instance be Allotted towards complete subscription under the Fresh Issue, and thereafter, under the Offer for Sale in a pro-rata manner, proportionate to the number of Equity Shares or amount for offer for sale respectively offered by each Selling Shareholder.

Further, in terms of Regulation 49 (1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Each of the Selling Shareholders shall reimburse, in proportion to the portion of its respective Offered Shares, any expenses and interest incurred by our Company on behalf of such Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law. Provided that no Selling Shareholder shall be responsible or liable for payment of any expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder and any expenses and interest shall be paid to the extent of its respective portion of the Offered Shares.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be 1 Equity Share.

Restrictions on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in chapter entitled '*Capital Structure*' beginning on page 75 and except as provided in the Articles of Association, there are no restrictions on transfer of Equity Shares.

Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For further details, please see the chapter entitled '*Main Provisions of the Articles of Association*' beginning on page 363.

Authority for the Offer

This Offer has been authorized by a resolution of the Board passed at their meeting held on February 14, 2022 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62(1)(c) of the Companies Act, 2013. The shareholders have authorized the Offer by a special resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the meeting of shareholders of our Company held on February 16, 2022.

The Offer for Sale has been authorized by Shaileshkumar Balvantrai Desai, Umang Shailesh Desai, M/s. Polysol Financial Services LLP and M/s. Apurva International by their consent letters each dated March 23, 2022.

Allotment only in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares in the Offer shall be Allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

Withdrawal of the Offer

Our Company and Selling Shareholders, in consultation with the BRLM, reserve the right not to proceed with the Offer after the Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within 2 days of the Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLM, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within 1 Working Day from the date of receipt of such notification and in case the Bid Amount have already been transferred to the Public Offer Account, notify the Public Offer Account Bank and Refund Bank for the purpose of refund in accordance with applicable laws. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after the Prospectus is filed with the RoC. If our Company, or the Selling Shareholders, in consultation with the BRLM withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹4,140.00 million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹870.00 million by our Company and Offer for Sale of up to [●] Equity Shares aggregating up to ₹3,2700.00 million by the Selling Shareholders. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

The face value of Equity Shares is ₹10 each. The Offer is being made through the Book Building Process.

Particulars	QIBs (1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation*(2)	Not more than [●]* Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIBs Bidders and Non - Institutional Bidders.
Percentage of Offer Size available for Allotment/allocation	Not more than 50.00% of the Offer shall be available for allocation to QIBs. However, 5.00% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs.	Not less than 15.00% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation out of which (a) one third shall be reserved for Bidders with Bids exceeding ₹200,000 up to ₹1,000,000; and (b) two-thirds shall be reserved for Bidders with Bids exceeding ₹1,000,000.* **Note: These changes will come into effect from April 1, 2022, if the Bid/Offer Opening Date is on or after April 1, 2022.*	Not less than 35.00% of the Offer or the Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation.
Basis of Allotment/allocation if respective category oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above . Up to 60.00% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third	Proportionate	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 further details please see the chapter entitled '*Offer Procedure*' beginning on page 343.

Particulars	QIBs (1)	Non-Institutional Bidders	Retail Individual Bidders
	shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.		
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹0.20 million	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹0.20 million	[●] Equity Shares
Maximum Bid	Such number of Equity Share in multiples of [●] Equity Shares so that the Bid does not exceed the Offer Size, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer Size (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹0.20 million
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Mode of allotment	Compulsory in dematerialised form		
Allotment Lot	Minimum of [●] Equity Shares and in multiples of 1 Equity Share thereafter		
Trading Lot	1 Equity Share		
Who can apply (3)(4)	Public institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs other than Category III Foreign Portfolio Investors, VCFs, AIFs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250.00 million, pension fund with minimum corpus of ₹250.00 million, in accordance with applicable law and National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance fund set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, and FPIs who are individuals, corporate bodies and family offices which are recategorized as category II FPIs and registered with the SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids(5) **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor		

Particulars	QIBs (1)	Non-Institutional Bidders	Retail Individual Bidders
	Bank(s) through the UPI Mechanism (for RIBs using the UPI Mechanism) that is specified in the ASBA Form at the time of submission of the ASBA Form.		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors)		

* *Assuming full subscription in the Offer.*

(1) *Our Company and Selling Shareholders, in consultation with the BRLM, may allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. 1/3rd of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For further details, please see the chapter entitled 'Offer Procedure' beginning on page 343.*
(2) *Subject to valid Bids being received at or above the Offer Price. The Offer is being made in accordance with Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1) of the SEBI ICDR Regulations.*
(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.*
(4) *With respect to restrictions on participation in the Offer, please see the chapters entitled 'Offer Procedure' and 'Restrictions on Foreign Ownership of Indian Securities' beginning on pages 343 and 361, respectively.*
(5) *Full Bid Amount shall be payable by the Anchor Investor at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.. For details of terms of payment applicable to Anchor Investors, please see the chapter entitled 'Offer Procedure' beginning on page 343.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see the chapter entitled '*Terms of the Offer*' beginning on page 334.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues 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 (**General Information Document**) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. 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/Applicants; (v)Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) Submission of Bid cum Application Form; (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) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications.

*The SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, 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, the SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of 3 months or launch of 5 main board public issues, whichever is later (**UPI Phase II**). Subsequently, however, the SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (**UPI Phase III**), as may be prescribed by the 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, the SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on or after May 1, 2021, and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Subsequently. The SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding 4 Working Days from the Bid/Offer Closing Date, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, the Bidder shall be compensated at a uniform rate of ₹100.00 per day for the entire duration of delay exceeding 4 Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.*

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with the SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, read with the SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Our Company, the Selling Shareholders and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable *laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.*

Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50.00% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and Selling Shareholders, in consultation with the BRLM, allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which 1/3rd shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15.00% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-thirds of such portion shall be reserved for applicants with application size of more than ₹1,000,000 provided that the unsubscribed portion in either of the sub-categories may be allocated to applicants in the other sub-category of non-institutional investors*, and not less than 35.00% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
**Note: These changes will come into effect from April 1, 2022, if the Bid/Offer Opening Date is on or after April 1, 2022.*

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and Selling Shareholders, in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Undersubscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for RIBs. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021.

Phased implementation of Unified Payments Interface

The 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 6 Working Days to up to 3 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 3 phases in the following manner:

Phase I: This phase was applicable from January 1, 2019, until March 31, 2019, or floating of 5 main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a 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 6 Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of 3 months or floating of 5 main board public issues, whichever is later. The SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be 6 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 would be reduced to 3 Working Days.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than 1 day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circulars, unless UPI Phase III of the UPI Circulars becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circulars, the same will be advertised in [●] editions of English national daily newspaper, [●], [●] editions of Hindi national daily newspaper, [●], and [●] editions of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat, where our Registered Office is located) each with wide circulation, on or prior to the Bid/ Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites. All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint 1 of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the RIBs using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Bid cum Application Form

Copies of the Bid cum Application Form and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centers, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least 1 day prior to the Offer Opening Date.

Copies of the Anchor Investor Application Form will be available with the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process.

Anchor Investors are not permitted to participate in the Offer through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism. RIBs bidding using the UPI Mechanism must provide the valid 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. Retail Individual Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI. ASBA Bidders (other than Retail Individual Bidders using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their

ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account. RIBs may also submit their ASBA Forms with the SCSBs (except RIBs using the UPI Mechanism). ASBA bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank(s), as applicable at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process. The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	**Colour of Bid cum Application Form***
Resident Indians including resident QIBs, NIBs, RIBs and Eligible NRIs applying on a non-repatriation basis.**	[●]
Non-Residents including FPIs and Eligible NRIs, FVCIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis. For restrictions on participation in the Offer, please see the chapters entitled '*Offer Procedure*' and '*Restrictions on Foreign Ownership of Indian Securities*' beginning on pages 343 and 361, respectively.***	[●]
Anchor Investors	[●]

** Excluding electronic Bid cum Application Form*
***Electronic Bid cum Application Form will be made available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)*
****Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLM.*

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall 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 shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLM for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021. For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Offer Closing Date (**Cut-Off Time**). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) 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(s) will undertake reconciliation of all

Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) 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 UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

ELECTRONIC REGISTRATION OF BIDS

1. The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

2. On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Draft Red Herring Prospectus.

3. Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

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, 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 in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the 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 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.

Participation by Promoters and members of the Promoter Group of our Company, the BRLM and the Syndicate Members

The BRLM and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLM or any associates of the BRLM (except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLM) nor (ii) any "person related to the Promoters/ Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters/ Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLM, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15.00% 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 BRLM.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and Selling Shareholders in consultation with the BRLM reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary (**NRO**) accounts or accept the UPI mandate request (in case of RIBs using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

For details of investment by NRIs, please see the chapter entitled '*Restrictions on Foreign Ownership of Indian Securities*' beginning on page 361. Participation of Eligible NRIs shall be subject to the FEMA Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

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.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50.00% or common control) must be below 10.00% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-debt Rules, the total holding by each FPI or an investor group shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 51.00%). In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, 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 is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

(a) offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure **MIM Structure**) provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments (**ODI**) which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category I FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

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 25.00% of the corpus of the VCF.

Accordingly, the holding in any company by any individual VCF or FVCIs (under Schedule I of the FEMA Non-Debt Rules) registered with SEBI in one venture capital undertaking should not exceed 25.00% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25.00% of the investible funds in one investee company. A Category III AIF cannot invest more than 10.00% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least 1 year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be 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.

Our Company, the Selling Shareholders or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by a limited liability partnership without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which, our Company and the Selling Shareholders in consultation with the BRLM reserve the right to reject any Bid by a banking company without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (**Banking Regulation Act**), and the Master Directions – RBI (Financial Services provided by Banks) Directions, 2016, as amended, is 10.00% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20.00% of the investee company's paid-up share capital and reserves. However, a banking company would be permitted to invest in excess of 10.00% but not exceeding 30.00% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on investment made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30.00% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10.00% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the RBI (Financial Services provided by Banks) Directions, 2016, as amended.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs (including FIIs), Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹250.00 million and pension funds with a minimum corpus of ₹250.00 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 must 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 reasons thereof.

Our Company and Selling Shareholders in consultation with the BRLM in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the BRLM may deem fit.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the BRLM reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (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. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time**.**

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250.00 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the BRLM reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Systematically Important Non-Banking Financial Companies

In case of Bids made by Systematically Important Non-Banking Financial Companies registered with RBI, certified copy of its last audited financial statements on standalone basis, net worth certificate from its auditors based on the last audited financial statements and certificate of registration issued by RBI is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders in consultation with the BRLM reserve the right to reject any Bid without assigning any reason. Systemically Important Non-Banking Financial Companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below:

1. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM.

2. The Bid was required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100.00 million. A Bid could not be submitted for over 60.00% 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 ₹100.00 million.

3. 1/3rd of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4. Bidding for Anchor Investors opened 1 Working Day before the Bid/Offer Opening Date and will completed on the same day.

5. Our Company and the Selling Shareholders, in consultation with the BRLM, finalised allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

   - maximum of 2 Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100.00 million;

   - minimum of 2 and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100.00 million but up to ₹2500.00 million, subject to a minimum Allotment of ₹50.00 million per Anchor Investor; and

   - in case of allocation above ₹2500.00 million under the Anchor Investor Portion, a minimum of 5 such investors and a maximum of 15 Anchor Investors for allocation up to ₹2500.00 million, and an additional 10 Anchor Investors for every additional ₹2500.00 million, subject to minimum Allotment of ₹50.00 million per Anchor Investor.

6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made, is required to be made available in the public domain by the BRLM before the Bid/Offer Opening Date, through intimation to the Stock Exchanges. Anchor Investors could not withdraw or lower the size of their Bids at any stage after submission of the Bid.

7. There shall be a lock-in of 90 days on 50% of the shares allotted to the anchor investors from the date of allotment**,** and a lock-in of 30 days on the remaining fifty per cent of the shares allotted to the anchor investors from the date of allotment.
   Note: This amendment shall come into effect from April 1, 2022.

8. Neither the BRLM nor any associate of the BRLM (except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLM) could apply in the Offer under the Anchor Investor Portion.

9. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, please see the chapter entitled '*Offer Procedure*' beginning on page 343.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable

investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus

General Instructions

***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 in the prescribed form;

4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e., bank account number or UPI ID, as applicable) and PAN in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time;

6. RIBs Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

8. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;

9. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial 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;

13. 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;

14. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

15. 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, if applicable, are submitted;

16. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

17. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

18. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for RIBs bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for RIBs bidding through UPI mechanism) 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, UPI ID (for RIBs bidding through UPI mechanism) and PAN available in the Depository database;

19. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least 1 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);

20. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank(s), 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. In case of RIBs Bidding through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

21. Ensure that the Demographic Details are updated, true and correct in all respects;

22. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;

23. Bidders (except RIBs Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Bank(s) issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

24. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a RIB Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the RIB Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;

25. RIBs bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

26. RIBs using the UPI Mechanism who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.

27. Bids by Eligible NRIs HUFs and any individuals, corporate bodies and family offices which are recategorised as Category II FPI and registered with SEBI for a Bid Amount of less than ₹0.20 million would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹0.20 million would be considered under the Non-Institutional Category for allocation in the Offer; and

28. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid Lot;

2. Do not submit a Bid using UPI ID, if you are not a RIB;

3. Do not Bid for a Bid Amount exceeding ₹0.20 million for Bids by Retail Individual Bidders;

4. 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 Intermediary;

5. Do not Bid/revise the Bid amount to less than the floor price or higher than the cap price;

6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. Do not submit the Bid for an amount more than funds available in your ASBA account;

11. 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;

12. 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;

13. 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);

14. 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 this Draft Red Herring Prospectus;

15. Do not Bid for Equity Shares more than specified by the respective Stock Exchanges for each category;

16. In case of ASBA Bidders (other than RIBs using UPI mechanism), do not submit more than 1 Bid cum Application Form per ASBA Account;

17. If you are RIB and are using UPI mechanism, do not submit more than 1 Bid cum Application Form for each UPI ID;

18. Anchor Investors should not bid through the ASBA process;

19. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;

20. 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;

21. Do not submit the GIR number instead of the PAN;

22. Anchor Investors should submit Anchor Investor Application Form only to the BRLM;

23. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

24. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Offer Closing Date;

25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are RIB and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

27. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a RIB Bidding through the UPI Mechanism. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;

28. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;

29. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;

30. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected;

31. Do not submit more than 1 Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism; and

32. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if any of the above instructions or any other condition mentioned in this Draft Red Herring Prospectus, as applicable, are not complied with.

Ground for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders were requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application

or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank(s));

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by RIBs with Bid Amount of a value of more than ₹0.20 million;

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash; and

15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, please see the chapter entitled '*General Information*' beginning on page 67.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding 4 Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100.00 per day for the entire duration of delay exceeding 4 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. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs to the extent applicable.

For helpline details of the BRLM pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the chapter entitled '*General Information – Book Running Lead Managers*' on page 68.

Names of entities responsible for finalizing the basis of allotment in a fair and proper manner

The authorized employees of the Stock Exchanges, along with the BRLM and the Registrar to the Offer, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the

Offer Document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1.00% of the Net Offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Bidders, Non – institutional investors*, and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.
**Note: These changes will come into effect from April 1, 2022, if the Bid/Offer Opening Date is on or after April 1, 2022.*

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

The allotment of specified securities to each Non-Institutional Investor shall not be less than the minimum application size, subject to the availability of shares in Non-Institutional Investors' category, and the remaining shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.*
**Note: These changes will come into effect from April 1, 2022, if the Bid/Offer Opening Date is on or after April 1, 2022.*

Payment into Escrow Account for Anchor Investors

Our Company, in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

1. In case of resident Anchor Investors: '[●]'.

2. In case of Non-Resident Anchor Investors: '[●]'.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], an English national daily newspaper; and (ii) [●] editions of and [●] editions of [●] and [●] editions of [●], a Gujarati daily newspaper, where our Registered Office is located, each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

1. Our Company and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.

2. After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

(a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹1.00 million or 1.00% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than 6 months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to 3 times such amount (provided that where the fraud involves public interest, such term shall not be less than 3 years.) Further, where the fraud involves an amount less than ₹1.00 million or 1.00% 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 5 years or with fine which may extend to ₹5.00 million or with both.

Undertakings by our Company

Our Company undertakes the following:

1. our Company shall ensure compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;

2. that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

3. 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;

4. Promoter's contribution, if any, shall be brought in advance before the Bid/Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;

5. 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 6 Working Days of the Bid/Offer Closing Date or such other time as may be prescribed;

6. 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;

7. 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;

8. 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 2 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;

9. that if our Company and the Selling Shareholder, in consultation with the BRLM, withdraw the Offer

after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company and/or the Selling Shareholder subsequently decides to proceed with the Offer thereafter;

10. that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

Undertakings by the Selling Shareholders

The Selling Shareholder undertakes the following in respect of itself and the Offered Shares:

1. that its portion of the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;

2. that it is the legal and beneficial owner of, and has clear and marketable title to the Offered Shares;

3. that it shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Offered Shares;

4. it shall deposit the Offered Shares in an escrow demat account in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;

5. that it shall provide such reasonable assistance to our Company and the BRLM in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;

6. that it shall not have recourse to the proceeds of the Offer for Sale of the Offered Shares which shall be held in escrow in its favour, until final listing and trading approvals have been received from the Stock Exchanges; and

7. that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLM in redressal of such investor grievances that pertain to the Offered Shares.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form. In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the offer:

1. Tripartite Agreement dated April 9, 2021 among CDSL, our Company and the Registrar to the Offer;

2. Tripartite Agreement dated March 18, 2021 among NDSL, our Company and the Registrar to the Offer.

Utilisation of Net Proceeds

The Board of Directors certify that:

1. all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

2. details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Net proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

3. details of all unutilised monies out of the Offer, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

Our Company and the Selling Shareholders, specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Promotion of Industry and Internal Trade (**DPIIT**) issued the Consolidated FDI Policy Circular of 2020 (**FDI Policy**), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval, along with a copy thereof, within the Offer Period.

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 state securities laws in 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 in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the 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 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 details of the aggregate limit for investments by NRIs and FPIs in our Company, please see the chapters entitled '*Offer Procedure Bids by Eligible NRIs*' and '*Offer Procedure – Bids by FPIs*' on pages 348 and 348.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Offer and

ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the Description of Equity Shares and Terms of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

Sr. No.	PARTICULARS	
1.	The regulations contained in Table "F" in the First Schedule to the Act (*as defined below*), shall not apply to the Company, except so far as such regulations are reproduced or contained in or expressly made applicable by the Articles or the Act. The regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the Act, be such as are contained in the Articles.	Table "F" not to apply
	Definitions	
2.	In the interpretation of the Articles, the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "**Act**" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof, and the rules made there under, for the time being in force.	"Act"
	(b) "**ADRs**" means American Depository Receipts representing ADSs	"ADRs"
	(c) "**ADSs**" means American Depository Shares, each of which represents a certain number of Equity Shares of the Company.	"ADSs"
	(d) "**Annual General Meeting**" means a General Meeting of the Members held in accordance with the provisions of Section 96of the Act;	"Annual General Meeting"
	(e) "**Articles**" means the Articles of Association for the time being in force or as amended, altered or modified from time to time in accordance with the provisions of the Articles and the Act.	"Articles"
	(f) "**Auditors**" means and includes those persons appointed as such for the time being, by the Company, to discharge the duties of auditors under the Act.	"Auditors"
	(g) "**Board**" or "**Board of Directors**" means the Board of Directors of the Company as constituted from time to time, in accordance with law and the provisions of these Articles	"Board or Board of Directors"
	(h) "**Board Meeting**" means any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.	"Board Meeting"
	(i) "**Beneficial Owner**" means beneficial owner as defined in Section 2(1)(a) of the Depositories Act, 1996	"Beneficial Owner"
	(j) "**Capital**" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	"Capital"

Sr. No.	PARTICULARS	
	(k) "**Chairman**" means the Chairman of the General Meetings and of the Board of Directors for the time being of the Company.	"Chairman"
	(l) "**Company**" or "**This Company**" means GUJARAT POLYSOL CHEMICALS LIMITED.	"Company or This Company"
	(m) "**Debenture**" has the meaning ascribed to it under Section 2(30) of the Act.	"Debentures"
	(n) "**Director**" means any director the Company, including alternate directors, independent directors and nominee directors appointed in accordance with law and the provisions of the Articles.	"Director"
	(o) "**Dividend/s**" has the meaning ascribed to it under Section 2(35) of the Act.	"Dividend"
	(p) "**Equity Share Capital**" means the total issued and paid-up equity share capital of the Company, calculated on a fully diluted basis.	"Equity Share Capital"
	(q) "**Equity Shares**" means the issued, subscribed and fully paid-up equity shares of the Company having the face value as set out in the Memorandum of Association, as amended from time to time.	"Equity Shares"
	(r) "**Executor**" or "**Administrator**" means a person who has obtained a probate or letter of administration, as the case may be from a court of competent jurisdiction and shall include a holder of a succession certificate authorizing the holder thereof to negotiate or transfer the share or shares of the deceased Member and shall also include the holder of a certificate granted by the Administrator General under Sections 29 or 30 of the Administrator General Act, 1963.	"Executor or Administrator"
	(s) "**Extra-Ordinary General Meeting**" means an Extraordinary General Meeting of the Members duly called and constituted in accordance with the provisions of the Act and any adjourned holding thereof.	"Extra-Ordinary General Meeting"
	(t) "**Financial Year**" has the meaning ascribed to it under Section 2(41) of the Act.	"Financial Year"
	(u) "**GDRs**" means the registered Global Depositary Receipts, representing GDSs.	"GDRs"
	(v) "**GDSs**" means the Global Depository Shares, each of which represents a certain number of Equity Shares of the Company.	"GDSs"
	(w) "**In writing**" and "**Written**" includes printing, lithography, electronic communications and facsimile and other modes of representing or reproducing words in a visible form.	"In Writing and Written"
	(x) "**Independent Directors**" means a Director appointed in accordance with Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	"Independent Directors"
	(y) "**Legal Representative**" means a person who in law represents the estate of a deceased Member.	"Legal Representative"
	(z) "**Members**" has the meaning ascribed to it under Section 2(55) of the Act.	"Members"

Sr. No.	PARTICULARS	
	(aa) "**Meeting**" or "**General Meeting**" means a general meeting of the Members, whether an Annual General Meeting or an Extra-ordinary General Meeting.	"Meeting or General Meeting"
	(bb) "**Memorandum of Association**" means the Memorandum of Association of the Company as amended, altered or modified from time to time;	"Memorandum of Association"
	(cc) "**Month**" means a calendar month.	"Month"
	(dd) "**National Holiday**" means and includes a day declared as National Holiday by the Central Government.	"National Holiday"
	(ee) "**Office**" means the registered Office for the time being of the Company.	"Office"
	(ff) "**Ordinary Resolution**" has the meaning given in Section 114 of the Act.	"Ordinary Resolution"
	(gg) "**Person**" includes corporations, firms as well as individuals.	"Person"
	(hh) "**Proxy**" means an instrument whereby any person is authorized to attend a meeting and vote for a Member at the General Meeting or poll and includes attorney duly constituted under a power of attorney.	"Proxy"
	(ii) "**Rules**" means any rules made under the provisions of the Act.	"Rules"
	(jj) "**Register of Members**" means the Register of Members to be kept pursuant to Section 88 of the Act.	"Register of Members"
	(kk) "**Registrar**" means the Registrar of the Companies of the State in which the registered office of the Company is for the time being situated.	"Registrar"
	(ll) "**Seal**" means the common seal for the time being of the Company.	"Seal"
	(mm) "**Securities**" means securities as defined under Section 2(h) of the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force.	"Securities"
	(nn) "**Secretary**" means a Company Secretary within the meaning of Section 2(1)(c) of the Company Secretaries Act, 1980 who is appointed to perform the functions of a company secretary under the Act.	"Secretary"
	(oo) "**Section**" means a section of the Act.	"Section"
	(pp) "**Share**" has the meaning ascribed to it under Section 2(85) of the Act.	"Share"
	(qq) "**Special Resolution**" has the meaning given in Section 114 of the Act	"Special Resolution"
	(rr) "**SEBI Listing Regulations**" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	"SEBI Listing Regulations"
	(ss) "**Year**" means the Financial Year.	"Year"
	Interpretation and Construction	
3.	Unless the context of the Articles otherwise requires, the following rules of interpretation shall apply to the Articles:	

Sr. No.	PARTICULARS	
	(a) Words or expressions contained in the Articles shall bear the same meaning as in the Act or Rules or any statutory modification thereof in force on the date on which the Articles become binding on the Company.	
	(b) The sub-headings hereto shall not affect the construction hereof.	
	(c) Words importing the singular number include where the context admits or requires the plural number and *vice versa*, and words importing a gender shall include each of the masculine, feminine and neuter genders.	
	(d) For the purpose of these Articles, all the capitalized terms used but not defined herein will have the meanings given to them in the Act or any statutory modifications thereof for the time being in force.	
	Share Capital	
4.	The authorized share capital of the Company shall be such amount as stated in the Company's Memorandum of Association from time to time, with such rights, privileges and conditions attaching thereto as may be determined by the Company in General Meeting, and if no direction be given, as the Directors may determine.	Authorized Share Capital
5.	The Company may, subject to the Articles, in General Meeting, from time to time by Ordinary Resolution, increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential, deferred or qualified right to Dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Company shall comply with the provisions of Section 64 of the Act.	Increase of Capital
6.	Except in so far as otherwise provided by the conditions of issue or by the Articles, any capital raised by the creation of new Shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	New Capital same as Existing Capital
7.	Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue preference shares and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption. An issue of further redeemable preference shares or the redemption of preference shares shall not be deemed to be an increase or, as the case may be, a reduction of share capital within the meaning of the Act.	Redeemable Preference Shares
8.	On the issue of redeemable preference shares under the provisions of Article 7hereof, the following provisions shall take effect: (a) No such Shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of proceeds of a fresh issue of shares made for the purposes of the redemption. (b) No such Shares shall be redeemed unless they are fully paid. (c) the premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the Shares are redeemed. (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall, out of profits, which would otherwise have	Provisions to apply on issue of Redeemable Preference Shares

Sr. No.	PARTICULARS	
	been available for Dividend, be transferred to a reserve fund, to be called “the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed and the provisions of the Act, relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company. (e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Board may think fit. (f) Whenever the Company shall redeem any redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar as required by Section 64 of the Act.	
9.	The Company may (subject to the provisions of Section 66and other applicable provisions, if any, of the Act and the Articles), from time to time by Special Resolution reduce: (a) the share capital;(b) any capital redemption reserve account; or(c) any securities premium account, in any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.	Reduction of capital
10.	Subject to the provisions of Section 61(1)(b), (d) and (e) of the Act and the Articles, the Company in a General Meeting may from time to time by an Ordinary Resolution alter its Memorandum to: (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (b) Sub-divide its shares or any of them into shares of smaller amount than fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on such reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and (c) Cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this clause shall not be deemed to be reduction of share capital within the meaning of the Act. Whenever the Company shall do any one or more of the things provided for in the foregoing sub-clauses (a), (b) and (c), the Company shall within 30 (thirty) days thereafter give notice thereof to the Registrar as required by Section 64 of the Act, specifying, as the case may be, the shares consolidated, divided, sub-divided or cancelled.	Consolidation, Division, Sub-Division and Cancellation of Shares
11.	(a) Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourth of the issued shares of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of that class. The provisions of these Articles relating	Modification of Rights

Sr. No.	PARTICULARS	
	to General Meetings shall *mutatis mutandis* apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourth of such other class of shareholders shall also be obtained and the provisions of this clause shall apply to such variation.	
	(b) The rights conferred upon the holders of the shares (including preference share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking *pari passu* therewith.	
	Shares and Certificates	
12.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Section 39 of the Act and in the form and manner prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014.	Restrictions on Allotment and Return of Allotment
13.	(a) Where at any time, it is proposed to increase the subscribed capital of the Company by issue of further shares, such shares shall be offered: i. to 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 paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely: A. the offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen (15) days or such lesser number of days as may be prescribed under the Act and not exceeding thirty (30) days from the date of the offer, within which the offer, if not accepted, shall be deemed to have been declined; B. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub-clause (A) above shall contain a statement to that effect; C. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company; ii. to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under law; or	Further Issue of Shares

Sr. No.	PARTICULARS	
	iii. to any persons, if it is authorized by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the to the compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed. The notice referred to in clause (a)(i)(A) above shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three (3) days before the opening of the issue.	
	(b) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loans raised by the Company to convert such Debentures or loans into shares in the Company. Provided that the terms of issue of such Debentures or the terms of such loans containing such an option have been approved before the issue of the Debentures or the raising of the loans by a Special Resolution passed by the Company in a General Meeting.	
	(c) The provisions contained in this Article shall be subject to the provisions of the Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.	
14.	Subject to the provisions of the Articles and Section 62 of the Act and other applicable provisions of the Act, the Shares in the capital of the Company for the time being (including any Shares forming part of any increased capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same to such persons, in such proportion and on such terms and conditions either at a premium, or at par, or subject to the Act, and at such time, as they may from time to time think fit, subject to the sanction of the Company in the General Meeting to give to any Person the option to call for or be allotted shares of any class of the Company either at par or at premium subject to the provisions of Sections 52,53 and 54 of the Act, and such option being exercisable for such time and for such consideration as the Directors think fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any shares 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 the option or right to call shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.	Shares under control of the Directors
15.	(a) Where the Company issues shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount of the premium on the shares shall be transferred to an account, to be called “The Securities Premium Account” and the provisions of the Act, relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the securities premium account were paid up share capital of the Company	Application of Premium received on Shares
	(b) The securities premium account may, notwithstanding anything in Article15(a) hereof be applied by the Company: i. towards the issue of unissued shares of the Company, to the Members of the Company, as fully paid bonus shares; ii. in writing off the preliminary expenses of the Company;	

Sr. No.	PARTICULARS	
	iii. in writing off the expenses of or the commission paid or discount allowed on any issue of shares or debentures of the Company; iv. in providing for the premium payable on the redemption of any redeemable preference shares or of any Debentures of the Company; or v. for the purchase of its own shares or other securities under Section 68 of the Act.	
16.	(a) The Company may issue shares at a discount only in the manner provided in Section 54 of the Act. The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act and the Rules made there under of a class of shares already issued subject to the following conditions: i. The issue of sweat equity shares is authorized by a Special Resolution passed by the Company in a General Meeting; and ii. The resolution specifies the number of shares, their current market value, consideration if any, and the class or classes of directors or employees to whom such equity shares are to be issued.	Sweat Equity Shares
	(b) The Company may also issue shares to employees including its Directors, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in a General Meeting subject to the provisions of the Act and the rules and applicable guidelines made thereunder, by whatever name called.	
	(c) The rights, limitations, restrictions and provisions as are for the time being applicable to Equity Shares shall be applicable to the sweat equity shares issued under Section 54 of the Act and the holders of such shares shall rank *pari passu* with other equity shareholders.	
17.	If by the conditions of allotment of any share the whole or part of the amount or issued price thereof shall be payable in instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative and shall for the purposes of the Articles, be deemed to be payable on the date fixed for payment of interest and expenses and all the other relevant provisions of the Articles shall apply as if such instalments were a call duly made and notified as hereby provided.	Instalment on shares to be duly paid
18.	Subject to the provision of the Act and the Articles, the Board may allot and issue shares in the Capital of the Company as payment of any property sold or transferred or for services rendered to the Company in the conduct of its business or in satisfaction of any shares, which may be so issued as fully paid-up shares and if so issued, shall be deemed to be fully paid-up shares.	The Board may Issue Shares as Fully Paid-up
19.	An application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of the Articles and every person who thus or otherwise accepts any shares and whose name is therefore placed on the Register of Members shall for the purposes of this Articles, be a Member.	Acceptance of Shares

Sr. No.	PARTICULARS	
20.	The money, if any, which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such share, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	Deposit and call etc. to be a debt payable immediately
21.	The Shares shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no Share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	Shares should be numbered progressively and no share to be sub-divided.
22.	Subject to the provisions of the Act and the Articles, the Directors may allot and issue shares in the capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	Directors may allot shares as full paid-up
23.	Every Member or his heirs, Executors, Administrators or legal representatives to the extent of the assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's requisitions, require on date fixed for the payment thereof.	Liability of Members
24.	(a) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognize any benami, trust or equity or equitable, contingent, future or partial or other claim or claims or right to or interest such share in the part of any other person whether or not it shall have express or limited notice thereof.	Registration of Shares
	(b) Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	
25.	(a) The shares or other interest of any member in the Company shall be movable property, transferable in the manner provided by these Articles. (b) 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 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 two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month 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 amount paid-up thereon and shall be in such form as the Directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the	Share and Shares Certificate

Sr. No.	PARTICULARS	
	Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and two Directors or one Director and the Secretary shall sign the share certificate. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue. (c) 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 anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rs. 50/-. The Company shall comply with the provisions of Section 39 of the Act. (d) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose. (e) No share certificate(s) shall be issued for shares held in a dematerialized form.	
26.	If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, 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, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of a new certificate 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. Provided that notwithstanding what is stated above, the Board shall comply with the Act and such Rules or regulation or requirements of any stock exchange or rules made under the Securities Contracts (Regulation) Act, 1956, or any other applicable act, or rules, including any statutory modification or re-enactment thereof, for the time being in force. The provisions of this Article shall *mutatis mutandis* apply to debentures of the Company.	Issue of new certificates in place of those defaced, lost or destroyed
27.	If any share stands in the names of two or more persons, the person first named in the Register shall, as regard receipts of Dividends or bonus or service of notice and all or any other matter connected with the Company except voting at meeting and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a	The first named joint holder deemed sole holder

Sr. No.	PARTICULARS	
	share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Articles.	
28.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound 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 shares, or (except only as is by the Articles otherwise expressly provided) any other right in respect of a share other than an absolute right to the entirety, thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	Company not bound to recognize any interest in share other than that of registered holders
29.	Subject to the provisions of Section 71 of the Act, the rules made thereunder and other Applicable Law, 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.	Debentures
30.	Notwithstanding anything contained in these articles but subject to the provisions of Sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.	Buy-back of shares
31.	No funds of the Company shall, except as provided by Section 67 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of Section 66 of the Act and the Articles or in giving either directly or indirectly and whether by means of a loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any share in the Company or in its holding company.	Funds of Company not to be applied in purchase of shares of the Company
32.	The Company may, subject to the applicable provision of the Act and Rules framed thereunder, compliance with all laws and the consent of the Board, have power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board	ADRs / GDRs
	Underwriting and Brokerage	
33.	Subject to the provisions of Section 40 of the Act, the Company may at any time pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or securities of the Company, but so that the commission shall not exceed the maximum rates laid down by the Act and the Rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or debentures as the case may be or partly in one way and partly in the other.	Commission
34.	Subject to the provisions of the Act, the Company may on any issue of shares or debentures or on deposits pay such brokerage as may be reasonable and lawful.	Brokerage

Sr. No.	PARTICULARS	
	Calls	
35.	Subject to the provisions of Section 49 of the Act, the Board may, from time to time, by a resolution passed at a meeting of the Board (and not by a circular resolution), make such calls as it thinks fit, upon the Members in respect of all the monies unpaid on the shares, whether on account of the nominal value of the shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to the person or persons and at the time and places appointed by the Board. A call may be made payable in instalments. A call may be revoked or postponed at the discretion of the Board.	Directors may make calls
36.	Not less than 14 (Fourteen) days' notice in writing of any call shall be given by the Company specifying the time and place of payment to the person or persons by whom such call shall be paid.	Notice of Calls
37.	A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at the meeting of the Board and may be made payable by the Members, whose names appear on the Register of Members, on such date or at the discretion of the Board on such subsequent date as may be fixed by Board.	When call deemed to have been made
38.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	Calls on uniform basis
39.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time to call on any of the Members, the Board may deem fairly entitled to such extension, but no Member shall be entitled to such extension as of right except as a matter of grace and favour.	Directors may extend time
40.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or instalment accordingly.	Amount payable at Fixed Time or by Instalments to be treated as Calls
41.	If the sum payable in respect of any call or instalment be not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest on the same at such rate not exceeding 10% per annum as the Board shall fix from the day appointed for the payment thereof up to the time of actual payment but the Board may waive payment of such interest wholly or in part.	When Interest on Call or Instalment Payable
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	Evidence in Actions by Company against Shareholder

Sr. No.	PARTICULARS	
43.	Neither a judgment nor a decree in favour of the Company for calls or other monies due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	Judgment, decree, partial payment motto proceed for forfeiture
44.	The Board may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any Member willing to advance the same, all or any part of the amounts due upon his shares held by him beyond the sums actually called for and upon the monies so paid in advance or so much thereof, from time to time, which exceeds the amount of the calls then made upon its shares on account of which such advances are made, the Board may pay or allow interest, at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, 10% per annum 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 3 (three) months' notice in writing. Money so paid in advance of the number of calls shall not confer a right to Dividend or to participate in profit. 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. The provisions of this Article shall *mutatis mutandis* apply to calls on Debentures issued by the Company.	Payments in Anticipation of Calls may carry interest
	Lien	
45.	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 monies (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 is to have full effect. And any such lien shall extend to all Dividends and bonuses from time to time declared in respect of such shares/debentures, provided that the Board may, at any time declare any share/ debenture to be wholly or in part exempt from the provisions of this Article. 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.	Company to have Lien on shares
46.	For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as it shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfilment of discharge of such debts, liabilities or engagements for 7 (seven) days after such notice. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Board shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned.	Enforcing lien by sale
47.	The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, after adjusting costs and expenses, if any, incurred shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable existed on the shares before the sale).	Application of proceeds of sale
	Forfeiture and Surrender of Shares	

Sr. No.	PARTICULARS	
48.	If any Member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board may, at any time thereafter, during such time as the call for instalment or any part thereof remains unpaid, or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or instalment of such part thereof or other monies as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any monies shall remain unpaid in respect of any call or instalment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	If call or instalment not paid, notice maybe given
49.	The notice shall name a day (not being less than 14 (fourteen) days from the date of service of the notice) and a place or places on and at which such call or instalment and such interest thereon as the Board may determine from the day on which such call or instalment ought to have been paid, and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.	Form of notice
50.	If the requirements of any such notice as aforesaid are not complied with, any share or shares in respect of which such notice has been given, may at any time thereafter but before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.	In default of payment, shares to be forfeited
51.	When any shares shall have been forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.	Notice of forfeiture to a Member
52.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	Forfeited shares to be property of the Company
53.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of such moneys or any part thereof, if it thinks fit, as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	Members still liable to pay money
54.	The forfeiture of a share shall involve the extinction at the time of the forfeiture of all interest in all claims and demand against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by the Articles are expressly saved.	Effect of forfeiture
55.	A declaration in writing that the declarant is a Director or Secretary and that shares in the Company have been duly forfeited in accordance with the Articles 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 shares.	Evidence of Forfeiture

Sr. No.	PARTICULARS	
56.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. The person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, instalments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends interests or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee 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 the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	Declaration of Forfeiture and Title of Purchaser of Forfeited shares
57.	Upon any sale, re-allotment or other disposal under the provisions of the Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.	Cancellation of share certificate in respect of forfeited shares
58.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Board, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	Forfeiture may be remitted.
59.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint a person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be affected by the irregularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	Validity of sale
60.	The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Board may think fit.	Surrender of shares
61.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	Issue of discount etc. or with special privileges
	Transfer and Transmission of Shares	
62.	The Board shall not issue or register a transfer of any shares for a minor (except in case when they are fully paid) or insolvent or person of unsound mind.	No Transfer to Minor
63.	The instrument of transfer of any share shall be in writing in the prescribed form in accordance with the requirements of Section 56 of the Act and the Rules made thereunder.	Form of Transfer
64.	(a) An application for registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act. Where the application is made	Application for transfer

Sr. No.	PARTICULARS	
	by the transferor and relates to partly paid-up shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two (2) weeks from the receipt of the notice. (b) For the purpose of Article 64(a)above, notice to the transferee shall in the prescribed form and shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post	
65.	(a) The instrument of transfer of any share in or debenture of the Company shall be duly stamped and executed by or on behalf of both the transferor and transferee and shall be attested. The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	Execution of Transfer
66.	The Company shall not register a transfer in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	Transfer not to be registered except on production of instrument of transfer
67.	If the Company refuses to register the transfer of any share or debentures or transmission of any right therein, the Company shall within 1 (one) month from the date on which the instrument of transfer or intimation of transmission was delivered with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, giving reasons for such refusal and thereupon the provisions of Section 58 of the Act or any statutory modification thereof for the time being in force, shall apply.	Notice of refusal to be given to transferor and transferee
68.	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.	No fee on transfer
69.	The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty-five days in each year as it may seem expedient to the Board.	Closure of Register of Members or debenture holder or other security holders
70.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Board may decline to register shall on demand be returned to the persons depositing the same. The Board may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	Custody of transfer Deeds
71.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee	Application for transfer of partly paid shares

Sr. No.	PARTICULARS	
	and the transferee makes no objection to the transfer within 2 (two) weeks from the receipt of the notice.	
72.	For this purpose, the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	Notice to transferee
73.	(a) 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 person recognized by the Company as having any title to his interest in the shares. (b) Before recognizing any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate. (c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	Recognition of legal representative
74.	The Executors or Administrators of a deceased Member or holders of a succession certificate or the legal representatives in respect of the shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Member, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or legal representative shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of probate or letters of administration or succession certificate and register Shares standing in the name of a deceased Member, as a Member. However, the provisions of this Article are subject to Sections 72 of the Act.	Titles of Shares of deceased Member
75.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	Notice of application when to be given
76.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share as a consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Board(which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Board shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Board registered as a Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	Registration of persons entitled to share otherwise than by transfer. (Transmission Clause)

Sr. No.	PARTICULARS	
77.	Subject to the provisions of the Act and the Articles, the Board shall have the same right to refuse or suspend a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	Refusal to register nominee
78.	Every transmission of a share shall be verified in such manner as the Board may decide and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Board at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Board to accept any indemnity.	Board may require evidence of transmission
79.	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 or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same 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 or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them 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.	Company not liable for disregard of a notice prohibiting registration of transfer
80.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be in Form no. SH-4 hereof as circumstances permit.	Form of transfer Outside India
	Nomination	
81.	(a) Notwithstanding anything contained in the Articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Act shall apply in respect of such nomination. (b) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Act read with relevant Rules. (c) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination. (d) lf the holder(s) of the securities survive(s) a nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.	Nomination
82.	A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either- (a) to be registered himself as holder of the security, as the case may be; or (b) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;	Transmission of Securities by nominee

Sr. No.	PARTICULARS	
	(c) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects, and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be; (d) a nominee shall be entitled to the same Dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided further 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 or debenture, 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 or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.	
	Dematerialisation of Shares	
83.	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	Dematerialization of Securities
	Joint Holder	
84.	Where two or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	Joint Holders
85.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	Joint and several liabilities for all payments in respect of shares.
	(b) On the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	Title of survivors
	(c) Any one of two or more joint holders of a share may give effectual receipts of any Dividends or other monies payable in respect of share; and	Receipts of one sufficient
	(d) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	Delivery of certificate and giving of notices to first named holders
	(e) The Company shall not be bound to register more than three persons as the joint holders of any share.	Maximum number of joint holders
	Share Warrants	
86.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as	Power to issue share warrants

Sr. No.	PARTICULARS	
	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 persons 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.	
87.	(a) 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 call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member 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 Share included in the deposit warrant. (b) Not more than one person shall be recognized as depositor of the Share warrant. (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.	Deposit of share warrants
88.	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. (b) 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 Share included in the warrant, and he shall be a Member of the Company.	Privileges and disabilities of the holders of share warrant
89.	The Board may, from time to time, make bye-laws as to 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.	Issue of new share warrant coupons
	Conversion of Shares into Stock	
90.	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	Conversion of shares into stock or reconversion
91.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	Transfer of stock
92.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	Rights of stockholders
93.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.	Regulations

Sr. No.	PARTICULARS	
	Borrowing Powers	
94.	Subject to the provisions of the Act and the Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board, raise or borrow money by way of deposits, loans, overdrafts, cash creditor by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, anybody corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed provided that the total amount borrowed by the Company (apart from temporary loans obtained from its bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid-up capital of the Company and its free reserves.	Power to borrow
95.	The payment and/or repayment of monies borrowed as aforesaid or any monies owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	Payment or repayment of monies borrowed
96.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	Bonds, Debentures etc. to be under the control of the Directors
97.	If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may, subject to the provisions of the Act and the Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	Mortgage of uncalled Capital
98.	Subject to the provisions of the Act and the Articles, if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may 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 person so becoming liable as aforesaid from any loss in respect of such liability.	Indemnity may be given
	Meetings of Members	
99.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	Distinction between Annual General Meeting and Extra-ordinary General Meeting
100.	(a) The Company shall in each year hold, in addition to any other Meeting, a General Meeting as its Annual General Meeting in accordance with the provisions of Section 96 of the Act and shall specify the meeting as such in the notice calling it. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. In the case where the Registrar, has given an extension of time for holding any Annual General Meeting, of the Company and that of the next, provided that if the Registrar shall have for special reason, extended	Annual General Meeting and the Persons Entitled to Attend

Sr. No.	PARTICULARS		
		the time within which any Annual General Meeting shall be held such Annual General Meeting may be held within the additional time.	
	(b)	Every Annual General Meeting shall be called for any time during business hours, on a day that is not a National Holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated for the time being.	
	(c)	Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.	
101.	At every Annual General Meeting of the Company there shall be laid on the table the Board's Report and audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the proxy register with proxies and the Register of Directors, Shareholdings which latter Register shall remain open and accessible during the continuance of the meeting.		Report Statement and Registers to be laid before the Annual General Meeting
102.	(a)	The Board may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the Members	Extra-Ordinary General Meeting by Board and by requisition
	(b)	If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by the Articles and the continuing Directors fail or neglect to increase the number of Directors to that number required to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	
103.	(a)	A General Meeting of the Company may be called by giving not less than 21 (twenty-one) days' notice in writing or in electronic mode, for which the day of sending the Notice and the day of Meeting shall not be counted. Further in case the company sends the Notice by post or courier, an additional (2) two days shall be provided for the service of Notice.	Notice of Meeting
	(b)	A General Meeting may be called after giving shorter notice than that specified in Article 103(a)hereof, if consent is accorded thereto: i. in the case of Annual General Meeting by all the Members entitled to vote there at; and ii. in the case of any other meeting, by Members of the Company holding not less than 95% of such part of the paid up share capital of the Company as gives a right to vote at the meeting, provided that where any Members of the Company are entitled to vote only one some resolution or resolutions to be moved at a meeting and not on the others, those Members shall be taken into	

Sr. No.	PARTICULARS			
			account for the purpose of his clause in respect of the former resolution or resolutions and not in respect of the later.	
104.	(a)	Every notice of a meeting of the Company shall specify the place, the day and the hour of the meeting and shall contain a statement of the business to be transacted thereat.		Contents and Manner of Services of Notice
	(b)	Subject to the provisions of the Act, notice of every General Meeting shall be given:		
		i.	to every Member of the Company in any manner authorized by Section 20 of the Act;	
		ii.	to the persons entitled to a share in consequence of the death or insolvency of a Member, be sending it through the post in a prepaid letter addressed to them by name or by the title of representative of the deceased or assigned of the insolvent or by like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and	
		iii.	to the Auditor or Auditors for the time being of the Company in any manner authorized by Section 20 of the Act in the case of Members of the Company.	
	(c)	Any Member of a Company entitled to attend and vote at a meeting of Company shall be entitled to appoint another person (whether Member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting, provided that unless where the proxy is appointed by a body corporate a proxy shall not be entitled to vote except on a poll.		
105.	(a)	In the case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed special, with the exception of business relating to:		Special and Ordinary Business and Explanatory Statement
		i.	the consideration of the Accounts, Balance Sheet and the Reports of the Board of Directors and Auditor;	
		ii.	the declaration of Dividend;	
		iii.	the appointment of Directors in the place of those retiring; and	
		iv.	the appointment of and the fixing of the remuneration of the Auditors.	
	(b)	In the case of any other meeting, all business shall be deemed special.		
	(c)	Where any items of business to be transacted at the meeting of Company are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director or Manager, if any or Key Managerial Personnel or their respective relatives where any item of special business relates to or affects any other company, the extent of		

Sr. No.	PARTICULARS	
	shareholding interest in that other company of every Director or Manager or Key Managerial Personnel or their respective relatives, if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company.	
	(d) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.	
106.	The accidental omission to give such notice as aforesaid to or non-receipt thereof by any Member of other person to whom it should be given, shall not invalidate the proceedings of any such meeting	Omission to give Notice not to Invalidate Proceeding
107.	No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices convening the meeting.	Notice of Business
108.	Members entitled to vote and present in person, in such numbers as per the Act, shall be quorum for General Meeting. No business shall be transacted at the general meeting unless the quorum requisite be present at the commencement of the meeting. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act. The President of India or the Governor of a State being a member of the Company shall be deemed to be personally present if he is presented in accordance with Section 112 of the Act.	Quorum
	If within half-an-hour minutes from the time appointed for holding a meeting of the Company a quorum is not present, the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also a quorum is not present with half-an-hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.	
109.	Where a resolution is passed at an adjourned meeting of the Company, the resolution for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.	Resolutions passed at Adjourned Meeting
110.	The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting or if there is no such Chairman or if at any meeting he is not present within 15 (fifteen) minutes after the time appointed for holding such meeting or shall decline to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair, then the Members present shall elect 1 (one) of the members to be the Chairman of the meeting in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provision. If some other person is elected Chairman as a result of the poll he shall be Chairman for the rest of the meeting.	Chairman of General Meeting
111.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the chair is vacant.	Business confined to election of Chairman whilst chair is vacant
112.	(a) 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. (b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.	Chairman may adjourn meeting

Sr. No.	PARTICULARS	
	(c) When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. (d) 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.	
113.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have a casting vote in addition to the vote or votes to which he may be entitled as a Member.	Chairman's casting vote
114.	Every question submitted to a general meeting shall be decided in the first instance by show of hands unless the poll is demanded as provided in the Articles.	How Question to be Decided at Meetings
115.	A declaration by the Chairman of the meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof, of the number or proportion of votes cast in favour of or against such resolution.	Chairman's Declaration of Result of Voting on Show of Hands
116.	Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by the Members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power or holding Equity Shares on which an aggregate sum of not less than five lakh rupees has been paid-up. The demand for a poll may be withdrawn at any time by the person or persons who make the demand.	Demand of poll
117.	A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as Chairman of the meeting may direct and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.	Time of Taking of Poll
118.	The Board shall appoint one scrutinizer, who may be Chartered Accountant in practice, Cost Accountant in practice, or Company Secretary in practice or an Advocate, or any other person who is not in employment of the Company and is a person of repute, who can scrutinize the voting and remote electronic voting process in a fair and transparent manner. The scrutinizer shall provide his consent for being appointed as the scrutinizer for the particular meeting/postal ballot. The scrutinizer shall submit the results of voting to the Chairman of the meeting or any other person authorized by him. Where a poll is to be taken, the Chairman of the Meeting shall appoint such number of persons, as he may deem necessary, to scrutinize the poll process and to report thereon to him.	Appointment of Scrutinizer
119.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	In what case poll taken without adjournment
120.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	Demand for poll not to prevent transaction of other business
121.	Where, by any provision contained in the Act or the Articles, special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than 14 (fourteen days) before the meeting at which it is to be moved, exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the meeting or if that is not practicable, shall give them notice thereof, either by advertisement	Special Notice

Sr. No.	PARTICULARS	
	in a newspaper having an appropriate circulation or in any other mode allowed by those presents not less than seven days before the meeting.	
	Votes of Members	
122.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	Members in arrears not to vote
123.	Subject to the provision of the Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member not disqualified by the last preceding Article and holding any equity share capital and otherwise entitled to vote, shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have 1 (one) vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	Number of votes each member entitled
124.	On a poll taken at a meeting of the Company, a Member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	Casting of votes by a member entitled to more than one vote
125.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor, 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.	Vote of member of unsound mind and of minor
126.	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. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	Votes of joint members
127.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly authorized as mentioned in the Articles.	Votes may be given by proxy or by representative
128.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorize such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or any class of Members of the Company or at the any meeting of the creditors of the Company or debentures holders of the Company.	Representation of a body corporate
	A person authorized by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual Member, creditor or holder of debentures of the Company. The production of a copy of the resolution referred above, certified by Director or the Secretary of such body corporate before the commencement of the meeting shall be accepted by the Company as sufficient evidence of the validity of the said representative's appointment and his right to vote thereat.	

Sr. No.	PARTICULARS	
	Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be, the Governor may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of Members of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President or as the case may be the Governor could exercise as a Member of the Company.	
129.	A Member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	Members not prohibited if share not held for any specified period
130.	Any person entitled under Article 76(transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased or insolvent members
131.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly authorized under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	No votes by proxy on show of hands
132.	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 forholding 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.	Appointment of a Proxy
133.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.	Form of proxy
134.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the registered office before the meeting or adjourned meeting at which the proxy is used.	Validity of votes given by proxy notwithstanding death of a member
135.	No objection shall be made to the qualification of any vote or to the validity of a vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered and very vote, whether given personally or by proxy, not disallowed at such meeting shall be valid for all purposes and such objection made in due time shall be referred to the Chairman of the meeting.	Time for objections to votes
136.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.	Chairman of the Meeting to be the judge of validity of any vote
137.	If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If	Custody of Instrument

Sr. No.	PARTICULARS	
	embracing other objects, copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.	
138.	Notwithstanding anything contained in the provisions of the Act, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	Postal Ballot
139.	The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other law, if applicable to the Company.	Electronic voting
	Directors	
140.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act and other applicable provisions of the Act, the number of Directors shall not be less than 3 (three) and not more than 15 (fifteen). The Company may appoint more than 15 (fifteen)Directors after passing a special resolution.	Number of Directors
	The first Directors of the Company shall be: (a) Shri Shailesh B. Desai; (b) Shri Shirish B. Desai; and (c) Shri Sanjay B. Desai	
	The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by law from time to time	
141.	Subject to the provisions of the Act, at least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year.	182 days
142.	Subject to the provisions of Section 152 of the Act, the Company shall appoint one-third of the total number of Director or Directors not liable to retire by rotation.	Director/s Not Liable to Retire
143.	The provisions of Articles145, 146 and 147are subject to the provisions of Section 152 of the Act and number of such Directors appointed under Article 146 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office	Limit on Number of Retiring Directors
144.	Subject to Section 161 of the Act, the Board may appoint an Alternate Director to act for a Director (Original Director) during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	Appointment of alternate Director
145.	Subject to the Articles, the Directors shall also have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board which	Directors power to fill casual vacancies

Sr. No.	PARTICULARS	
	shall be subsequently approved by the Members in the immediate next General Meeting. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.	
146.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.	Additional Director
147.	A Director need not hold any qualification shares.	Qualification Share
148.	(a) Subject to the provisions of the Act and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a Director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement. (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled. (c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The financial institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board. (d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in the Articles, be at liberty to disclose any information obtained by him/them to the financial institution appointing him/them as such Director/s.	Nominee Director/s
149.	(a) Subject to the provisions of the Act, a Director including any whole-time director and a Managing Director may be paid remuneration as provided in Sections 197 of the Act and Schedule V of the Act either by way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.	Remuneration of Directors
	(b) Subject to the provisions of Section 197 of the Act, the remuneration of a Director for his service shall be such sum as may be fixed by the Board of Directors from time to time and the remuneration payable to a director determined aforesaid shall be inclusive of the remuneration payable to him for the services rendered by him in any other capacity, provided that any remuneration for services rendered by any such director in other capacity shall not be so included if— i. the services rendered are of a professional nature; and ii. in the opinion of the Nomination and Remuneration Committee, if the company is covered under Section 178(1) of the Act or the Board of Directors in other cases, the director possesses the requisite qualification for the practice of the profession.	

Sr. No.	PARTICULARS	
	(c) A Director may receive remuneration by way of a fee for attending meeting of the Board or a committee thereof or for any other purpose whatsoever as may be decided by the Board.	
	(d) Independent Directors shall be paid in the manner as provided in Section 149 and Section 197(5) of the Act.	
150.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	Sitting Fees
151.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	Travelling expenses incurred by Director on Company's business.
152.	The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by the Articles, for a meeting of the Board of Director or Directors may act for the purpose of increasing the number of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.	Director may act notwithstanding Vacancy
153.	A person shall not be capable of being appointed Director of the Company if: (a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force; (b) he is an undischarged insolvent; (c) he has applied to be adjudged an insolvent and his application is pending; (d) he has been convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not been elapsed from the date of expiry of the sentence; (e) he has not paid any call in respect of shares of the Company held by him whether alone or jointly with others and 6 (six) months have elapsed from the last day fixed for the payment of the call; (f) an order disqualifying him for appointment as Director has been passed by a court or tribunal in pursuance of Section 164 of the Act and is in force; (g) he has been convicted of the offence dealing with related party transactions under Section 188 of the Act at any time during the last preceding five years; (h) he has not complied with Section 152(3) of the Act; or (i) he has not complied with the provisions of Section 165(1) of the Act.	Disqualification of Director
154.	Subject to the provisions of Sections 167 of the Act, the office of a Director shall become vacant if: (a) he incurs any of the disqualifications specified in Article 153;	Vacation of Office by Directors

Sr. No.	PARTICULARS		
	(b)	he absents himself from all the meetings of the Board of Directors held during a period of 12 months, with or without obtaining leave of absence from the Board;	
	(c)	he acts in contravention of the provisions of Section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;	
	(d)	he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Act;	
	(e)	he becomes disqualified by an order of the court or the tribunal;	
	(f)	he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months;	
	(g)	he is removed by an Ordinary Resolution of the Company before the expiry of his period of office;	
	(h)	if, by notice in writing to the Company, he resigns his office; or	
	(i)	having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.	
155.	(a)	The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act and the Articles by Ordinary Resolution remove any Director, not being a Director appointed by the tribunal in pursuance of Section 242 of the Act, before the expiry of his period of office. Provided that an independent director re-appointed for second term under Section 149(10) of the Act shall be removed by the Company only by passing a Special Resolution.	Removal of Directors
	(b)	Special notice as provided by Articles hereof or Section 169 of the Act, shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.	
	(c)	On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of the Company) shall be entitled to be heard on the resolution at the meeting.	
	(d)	Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and request their notification to Members of the Company, the Company shall, unless the representations are received by it too late for it, to do so (a) in the notice of the resolution given to the Members of the Company state the fact of the representation having been made and (b) send a copy of the representations or every Member of the Company to whom notice of the meeting is sent (before or after the representation by the Company) and if a copy of the representation is not sent as aforesaid because they were received too late or because of the Company's default	

Sr. No.	PARTICULARS		
		the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting, provided that copies of the representations need not be sent or read out at meeting, if on the application either of the Company or of any other person who claims to be aggrieved the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.	
	(e)	A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 145 or Section 161 of the Act, be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under this Article 155. A Director so appointed shall hold office until the date up to which his predecessors would have held office if he had not been removed as aforesaid.	
	(f)	If the vacancy is not filled under Article155(e) hereof, it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 152 or Section 161 of the Act and all the provisions of the Article and section shall apply accordingly.	
	(g)	A Director who was removed from office under this Article shall not be reappointed as Director by the Board of Directors.	
	(h)	Nothing contained in this Article shall be taken: i. as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director; or ii. as derogating from any power to remove a Director which may exist apart from this Article.	
156.	Every Director of the Company who is in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors in the manner provided in Section 184 of the Act. (a) In the case of proposed contract or the arrangement, the disclosure required to be made by a Director under this Article shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if the Director was not at the date of that meeting concerned or interested in the proposed contract or arrangement at the first meeting of the Board held after he be so concerned or interested. (b) In case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement. (c) For the purpose of this Article, a general notice given to the Board by a Director to the effect that he is a Director or a Member of a specified body corporate or is a Member of a specified firm and is to be regarded as interested in any contract or arrangement which may, after the date of the		Disclosure of Interest by Director

Sr. No.	PARTICULARS	
	notice, be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made. (d) Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for further period of one financial year at a time by a fresh notice given in which it would otherwise expires. (e) No such general notice and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board or the Directors concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given. (f) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where and one or more of the Director of the Company together holds or hold not more than two percent of the paid-up share capital in the other company.	
	Retirement and Rotation of Directors	
157.	If a Director of the Company is appointed as a director of any company promoted by the Company or in which it may become interested as a vendor, shareholder or otherwise, such Director shall not be accountable for any benefits received as a director or shareholder of such Company except in so far as Section 197 (14) or Section 188, of the Act may be applicable.	Directors may be Directors of the Companies Promoted by the Company
158.	Not less than two thirds of the total number of Directors shall (a) be persons whose period of the office is liable to determination by retirement of Directors by rotation; and (b) save as otherwise provided in the Act, Directors be appointed by the Company in the General Meeting.	Rotation of Directors
159.	Subject to the provisions of Section 152 of the Act and Article 143, at every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is neither three nor a multiple of three the number nearest to one-third, shall retire from office. The Managing Directors, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In the Articles, a "Retiring Director" means a Director retiring by rotation.	Retirement of Directors
160.	Subject to Section 152 of the Act, the Directors to retire by rotation under Article 159 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.	Ascertainment of Directors Retiring by Rotation and Filling of Vacancies
161.	A retiring Director shall be eligible for re-election and shall act as a Director throughout and till the conclusion of the meeting at which he retires.	Eligibility for Re-election
162.	Subject to Sections 152 and 169 of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacancy by appointing the retiring Director or some other person thereto.	Company to Fill Vacancies
163.	(a) If the vacancy of retiring Directors in not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.	Provision in Default of Appointment

Sr. No.	PARTICULARS	
	(b) If at the adjourned meeting also, the vacancy of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless: i. at that meeting or the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost; ii. the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed; iii. he is not qualified or is disqualified for appointment; iv. a resolution, whether special or ordinary, is required for his appointment or reappointment by virtue of any provisions of the Act; or v. Section 162 of the Act is applicable to the case.	
164.	Subject to the provisions of Section 149 and 152 of the Act, the Company may, by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualification.	Company may Increase or Reduce Number of Directors or Remove any Director
165.	(a) No motion at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a Single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.	For the purpose of this Article, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment
	(b) A resolution moved in contravention of Article165(a) hereof shall be void, whether or not objection was taken at the time of it being, so moved, provided where a resolution so moved is passed, no provisions for the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.	
	(c) For the purpose of this Article, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.	
166.	(a) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has at least 14 (fourteen) days before the meeting left at the office of the Company a notice in writing under his hand signifying his candidature for the office of a Director or the intention of such Member to propose him a Director for that office as the case may be along with a deposit of one lakh rupees or such higher amount as may be prescribed as per the Section 160of the Act as amended from time to time, which shall be refunded to such person or as the case may be, to the Member if the person proposed gets elected as a Director or gets more than twenty-five per cent. of total valid votes cast either on show of hands or on poll on such resolution.	Notice of Candidature for office of Director except in Certain Cases

Sr. No.	PARTICULARS	
	(b) The Company shall inform its Members of the candidature of the person for the office of Director or the intention of a Member to propose such person as a candidature for that office by serving individual notice on the Members not less than 14 (fourteen) days before the meeting provided that it shall not be necessary for the Company to serve individual notice upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least 2 (two) newspapers circulating in the place where the registered office of the Company is located of which one is published in the English language and the other in the regional language of the place.	
	(c) Every person (other than a Director retiring by rotation or otherwise or person who has left at the office of the Company a notice under Section 160 of the Act, signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.	
	(d) A person other than: i. Director re-appointed after retirement by rotation or immediately on the expiry of his term of office; or ii. an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 149 of the Act appointed as a Director, reappointed as an Additional or Alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.	
167.	Every Director shall, in accordance with the provisions of Section 184 of the Act and the Companies (Meeting of Board and its Powers) Rules, 2014, disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules. Any such notice shall be given in writing and if it is not given at a meeting of the Board, the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board next after it is given.	Disclosure by Directors of their Holdings of Shares and Debentures
	Managing and Whole-Time Directors	
168.	(a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.	Powers to appoint Managing/Whole time Directors

Sr. No.	PARTICULARS	
	(b) Subject to provisions of the Act and these Articles, the Managing Director can also be appointed as a Chairman of the Company.	
169.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	Remuneration of Managing or Whole-time Director
170.	(a) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board. (b) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers. (c) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles. (d) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit. (b) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.	Powers and duties of Managing Director or Whole-time Director
	Proceeding of the Board of Directors	
171.	The Board may meet together as a Board for the dispatch of business from time to time and meeting of the Board of Directors shall be held at least once in every 3 (three) calendar months and at least 4 (four) such meetings shall be held in every year in such a manner and not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board. The provision of this Article shall not be deemed to have been contravened merely by reason of that fact that the meeting of the Board which has been called in compliance with the terms of this Article could not be held for want of a quorum. The participation of the Directors in a meeting of the Board may be either in person or through video conferring or	Meetings of Directors

Sr. No.	PARTICULARS	
	audio-visual means or teleconferencing, as may be prescribed by the Act and the Rules made thereunder.	
172.	Notice of every meeting of the Board of Directors shall be given in writing or by electronic means to every Director for the time being in India and at his usual address in India to every other Director. At least 7 (seven) days' notice in writing shall be given to Directors specifying the time and place of the meeting. Subject to the provisions of Section 173(3) of the Act, a meeting may be called at shorter notice.	Notice of Meeting
173.	Subject to the provisions of Section 173 and other applicable provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, a Director may at any time and the Secretary upon the request of a Director made at any time shall convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India and at his usual address in India to every other Director.	When Meeting to be Convened
174.	(a) Subject to Section 174 of the Act and the Articles, the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the total strength, the number of the remaining Directors (that is to say, the number of remaining who are not interested) present at the meeting being not less than two shall be the quorum during such time. The presence of Directors by video conferencing or by other audio-visual means shall also be counted for the purposes of calculating quorum.	Quorum
	(b) For the purpose of Article 174(a): i. "Total strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act, after deducing there from number of the Directors, if any, whose places may be vacant at the time; and ii. "Interested Directors" means any Director whose presence cannot by reason of Section 184of the Actor any other provisions of the Act, count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.	
175.	Subject to the Articles, if a meeting of the Board could not be held for want of quorum within sixty minutes of the specified time in the notice calling for the Board meeting, then the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place, unless otherwise adjourned to a specific date, time and place.	Procedure when Meeting Adjourned for Want of Quorum
176.	(a) The Directors from among their number may elect a Chairman of the Board of Directors. If at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose one of their numbers to be the Chairman of such meeting. (b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.	Chairman

Sr. No.	PARTICULARS	
177.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	Questions at Board meeting how decided
178.	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.	Continuing Directors may act notwithstanding any vacancy in the Board
179.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	Directors may appoint committee
180.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article. Quorum for the Committee meetings shall be 2 (two).	Meetings of the Committee to be governed
181.	(a) A committee may elect a chairperson of its meetings. (b) If no such chairperson is elected, or if at any meeting the chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairperson of the meeting.	Chairperson of Committee Meetings
182.	(a) A committee may meet and adjourn as it thinks fit. (b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	Meetings of the Committee
183.	(a) A resolution passed by circulation without a meeting of the Board or a Committee of the Board shall subject to the provisions of Article 183(b)hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of the Directors or of a Committee duly called and held.	Circular Resolution
	(b) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with necessary papers, if any, to all the Directors or to all the Members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or Members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or Members of the Committee and has been approved by such of the Directors or Members of the Committee as are then in India or by a majority of such of them as are entitled to vote on the resolution.	

Sr. No.	PARTICULARS	
184.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	Acts of Board or Committee shall be valid notwithstanding defect in appointment
	Powers of the Board	
185.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However, no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	Powers of the Board
186.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the provisions of the Act and the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say:	Certain powers of the Board
	(a) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorized to carry on, in any part of India.	To acquire any property, rights etc.
	(b) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	To take on Lease
	(c) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	To erect & construct
	(d) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	To pay for property

Sr. No.	PARTICULARS		
	(e)	To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	To insure properties of the Company
	(f)	To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	To open Bank accounts
	(g)	To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	To secure contracts by way of mortgage
	(h)	To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	To accept surrender of shares
	(i)	To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	To appoint trustees for the Company
	(j)	To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	To conduct legal proceedings
	(k)	To act on behalf of the Company in all matters relating to bankruptcy insolvency.	Bankruptcy &Insolvency
	(l)	To make and give receipts, release and give discharge for monies payable to the Company and for the claims and demands of the Company.	To issue receipts &give discharge
	(m)	Subject to the provisions of the Act, and these Articles to invest and deal with any monies of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realize such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company’s own name.	To invest and deal with money of the Company
	(n)	To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company’s property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	To give Security by way of indemnity

Sr. No.	PARTICULARS	
	(o) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	To determine signing powers
	(p) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	Commission or share in profits
	(q) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	Bonus etc. to employees
	(r) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing Dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital monies of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.	Transfer to Reserve Funds
	(s) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	To appoint and remove officers and other employees

Sr. No.	PARTICULARS		
	(t)	At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorized by the Board the power to make loans and borrow monies) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	To appoint Attorneys
	(u)	Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	To enter into contracts
	(v)	From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	To make rules
	(w)	To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	To effect contracts etc.
	(x)	To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	To apply & obtain concessions licenses etc.
	(y)	To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	To pay commissions or interest
	(z)	To redeem preference shares.	To redeem preference shares
	(aa)	To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	To assist charitable or benevolent institutions

Sr. No.	PARTICULARS	
	(bb) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.	
	(cc) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(dd) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of monies, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
	(ee) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trademark, patent, invention or technical know-how. (ff) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products. (gg) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient. (hh) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate. (ii) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose of, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested. (jj) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.	

Sr. No.	PARTICULARS	
	(kk) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid. (ll) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.	
	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer	
187.	(a) 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. (b) A provision of the Act or these regulations requiring or authorizing 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.	Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer
	Minutes	
188.	(a) The Company shall cause minutes of all proceedings of General Meetings of shareholders and creditors and every resolution by Postal Ballot and of all proceedings of every meeting of the Board of Directors or of every committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered	Minutes to be made
	(b) Each page of every such books shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed: i. in the case of minutes of proceedings of a meeting of Board or of a committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting; ii. in the case of minutes of proceedings of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman, within that period by a Director duly authorized by the Board for the purpose.	
	(c) In no case minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.	
	(d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereof.	

Sr. No.	PARTICULARS	
	(e) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.	
	(f) In the case of a meeting of the Board of Directors or a committee of the Board the minutes shall contain: i. the names of the Directors present at the meeting; and ii. in the case of each resolution passed at meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.	
	(g) Nothing contained in Articles 188(a) to 188(f) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: i. is or could reasonably be regarded as defamatory of any person; ii. is irrelevant or immaterial to the proceeding; or iii. is detrimental to the interest of the Company.	
	(h) The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in Article 188(g).	
189.	The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or of every committee kept in accordance with the provisions of Section 118 of the Act shall, subject to Section 175 of the Act, be evidence of the proceedings recorded therein.	Minutes to be Evidence of the Proceedings
190.	Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 118 of the Act, until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place subject to Section 175 of the Act and in particular all appointments of Directors, key managerial personnel, auditors or company secretary in practice made at the meeting shall be deemed to be valid.	Presumptions
	THE SEAL	
191.	(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. (b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.	The seal, its custody and use
192.	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 authorized by it in that behalf, and except in the presence of at least two Directors and of the secretary or such other person as the Board may appoint for the purpose; and those two Directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	Deeds how executed
	Dividends and Reserves	

Sr. No.	PARTICULARS	
193.	(a) 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. (b) 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.	Division of profits
194.	The Company in General Meeting may declare Dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 123 of the Act, but no Dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller Dividend in general meeting.	The company in General Meeting may declare Dividends
195.	No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Actor out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both, subject to the provisions of Section 123 of the Act. No Dividend shall be declared or paid by the Company from its reserves other than free reserves subject to the provisions of Section 123 of the Act.	Dividend out of Profits Only
196.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	Interim Dividend
197.	The Directors may retain any Dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	Debts may be deducted
198.	The Board of Directors may retain the Dividend payable upon shares in respect of which any person under the Articles entitled to become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	Retention of dividends until completion of transfer under Articles
199.	Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to Dividend or to participate in profits.	Capital paid up in advance not to earn dividend
200.	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 Dividends as from a particular date such share shall rank for Dividend accordingly.	Dividends in proportion to amount paid-up
201.	Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or Dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or Dividend payable to any member all such sums of money so due from him to the Company.	No Member to receive Dividend whilst indebted to the company and the Company's right of reimbursement thereof
202.	Subject to Section 126 of the Act, a transfer of shares does not pass the right to any Dividend declared thereon before the registration of the transfer.	Effect of transfer of shares
203.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all Dividends or bonus and payments on account of Dividends in respect of such share.	Dividend to joint holders

Sr. No.	PARTICULARS	
204.	The Dividend payable in cash may be paid by cheque or warrant sent through post direct to registered address of the shareholder entitled to the payment of the Dividend or in case of joint holders, to the registered address of that one of the joint holders which is first named on the Register of Members or to such person and to such address as the holders or the joint holder may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any Dividend lost to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the Dividend by any other means.	Dividends how remitted
205.	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.	Notice of Dividend
206.	The Board may, before recommending any Dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing Dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	Transfer to reserves
207.	No unclaimed Dividend shall be forfeited before the claim becomes barred by law and no unpaid Dividend shall bear interest as against the Company.	No interest on Dividends
208.	No Dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing duly paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by Members of the Company.	Dividend in Cash
209.	Where any instrument of transfer of shares has been delivered to any company for registration and the transfer of such shares has not been registered by the Company, it shall notwithstanding any of this contained in any other provision of the Act: (a) Transfer the Dividend in relation to such shares to the special account referred to in Section 124 unless the Company is authorized by the registered holder of such share in writing to pay such Dividend to the transferee specified in such instrument of transfer; and (b) Keep in abeyance in relation to such shares any offer of right shares under clause (a) of sub-section (1) of Section 62 and any issue of fully paid-up bonus shares in pursuance of the first proviso to sub-section (5) of Section 123.	Dividend, Right Shares and Bonus Shares to be held in Abeyance
	Capitalization	
210.	(a) The Company in General Meeting may, upon the recommendation of the Board, resolve: i. 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 ii. that such sum be accordingly set free for distribution in the manner specified in Article 210(b)amongst the members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.	Capitalization

Sr. No.	PARTICULARS	
	(b) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in Article 210(c)either in or towards: i. paying up any amounts for the time being unpaid on any shares held by such members respectively; ii. 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; or iii. partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).	
	(c) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.	
	(d) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.	
211.	(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall — i. make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and ii. generally, to do all acts and things required to give effect thereto.	Fractional Certificates
	(b) The Board shall have full power - i. to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and ii. 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 the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.	
	(c) Any agreement made under such authority shall be effective and binding on all such members.	
	(d) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.	
	Accounts	

Sr. No.	PARTICULARS		
212.	(a)	The Company shall prepare and keep at its Office proper books of account, other relevant books and papers and financial statements for every financial year which would give a true and fair view of the state of affairs of the Company, including that of its branch office or offices, if any and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting and in respect of: i. all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place; ii. all sales and purchases of goods by the Company; iii. the assets and liabilities of the Company; and iv. such particulars relating to utilization of material or labour or to other items of cost as may be prescribed by Section 148 of the Act; Provided that all or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides, the Company shall, within seven (7) days of the decision file with the Registrar a notice in writing giving the full address of that other place. The Company may also keep such books of account or other relevant papers in electronic mode in accordance with the provisions of the Act.	Books to be Kept
	(b)	Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of this Article if proper books of account relating to the transactions effected at the branch office are kept at that branch office and proper summarized returns, made up to date at intervals of not more than three (3) months, are sent by the branch office to the Company at its Office or the other place referred to in Article 212(a). The books of account and other books and papers shall be open to inspection by any Director during business hours.	
	(c)	The Company shall preserve in good order the books of account relating to a period of not less than eight (8) years preceding the current year.	
213.	(a)	The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being Directors.	Inspection of Accounts
	(b)	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.	
	Registers		
214.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders or holders of other Securities or Beneficial Owners residing outside India, and the		Foreign Register

Sr. No.	PARTICULARS	
	Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	
215.	The Company shall keep and maintain at its registered office all statutory registers for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as may be prescribed by the Act and the Rules. The registers and copies of Annual Return shall be open for inspection during the business hours on all working days at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.	Statutory Registers
216.	The registers and returns and the minutes of all proceedings of the Board and General Meetings shall be kept at the Office of the Company and shall be open during business hours, for such periods, not being less in the aggregate than two hours in each day, as the Board determines for inspection of any Member without charge. In the event such Member conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee of Rs.10/- per page or any part thereof.	Inspection of Registers, Return and Minutes
	Documents and Service of Notices	
217.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorized by the Board for such purpose and the signature may be written or printed or lithographed.	Signing of documents & notices to be served or given
218.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other authorized officer of the Company and need not be under the Common Seal of the Company.	Authentication of documents and proceedings
	Winding Up	
219.	Subject to the provisions of Chapter XX of the Act and rules made thereunder— (a) 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. (b) 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. (c) 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.	Winding-up
	Indemnity	
220.	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted	Directors' and Others' right to indemnity

Sr. No.	PARTICULARS		
	to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.		
221.	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any monies, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.		Director, Officer not responsible for Acts of Others
	Secrecy		
222.	(a)	Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading 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 matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	Secrecy
	(b)	No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	Access to property information etc.

SECTION IX: 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 or contracts entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus / Prospectus which will be delivered to the RoC. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days and shall also be available on the web link – https: www.gujaratpolysol.com from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts

1. Offer Agreement dated March 24, 2022 entered between our Company, the Selling Shareholders and the BRLM.

2. Registrar Agreement dated February 17, 2022 entered between our Company and the Registrar to the Offer.

3. Service Provider Agreement dated March 23, 2022 entered between our Company and Adfactors Advertising LLP and Adfactors PR Private Limited.

4. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLM, the Escrow Collection Bank(s), the Public Offer Bank(s), the Refund Bank(s) and the Sponsor Bank.

5. Share Escrow Agreement dated [●] entered into among the Selling Shareholders, our Company and the Share Escrow Agent

6. Syndicate Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLM, and the Syndicate Members.

7. Underwriting Agreement dated [●], 2022 between our Company, the Selling shareholders and Underwriters.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company, as amended.

2. Certificate of incorporation dated October 18, 1989 under the name of ‘Gujarat Polysol Chemicals Private Limited’.

3. Fresh certificate of incorporation dated October 13, 2021 consequent upon conversion into a public limited company issued to our Company by the RoC from ‘Gujarat Polysol Chemicals Private Limited’ to ‘Gujarat Polysol Chemicals Limited’.

4. Resolution of our Board dated February 14, 2022 authorizing the Offer.

5. Resolution of our Shareholders dated February 16, 2022 authorizing the Fresh Issue.

6. Resolution of our Board dated March 24, 2022 taking on record the approval for the Offer for Sale by the Selling Shareholders.

7. Resolution of the Board of Directors dated March 24, 2022 approving this Draft Red Herring Prospectus for filing with the SEBI and the Stock Exchanges.

8. Copies of annual reports of our Company for the last three Fiscals audit report of 6 month ended on September 30, 2021.

9. Written consent dated March 24, 2022 from Statutory Auditor, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "Expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated March 24, 2022 on our Restated Financial Information;(ii) the statement of tax benefits dated March 24, 2022 from our Statutory Auditors.

10. Consent letters from each of the Selling Shareholders consenting to participate in the Offer for Sale.

11. Scheme of compromise, arrangement or merger of Triwal Board Private Limited with our Company in accordance with the provisions of Section 233 of the Companies Act, 2013, sanctioned by the Regional Director, Ahmedabad *vide* confirmation order dated August 28, 2018.

12. Business transfer agreement dated May 29, 2020, pursuant to which our Company acquired from M/s. Polysol Industries its manufacturing unit located at Plot No. C1 B 106 1 to 4, Polysol Industries, Sarigam, GIDC Sarigam, Valsad – 396155, Gujarat and other assets and liabilities on a going concern basis.

13. Business transfer agreement dated May 29, 2020, pursuant to which our Company acquired from M/s. Urmi Polymer Industries its manufacturing unit located at SRV. No. 260/71/1/3,4, Demani Road, Dadra, Dadra & Nagar Haveli – 396230, Gujarat and other assets and liabilities on a going concern basis.

14. Agreement of assignment dated January 25, 2022, pursuant to which our Company has agreed to assign the rights of exclusive use of property bearing industrial plot no. 85/F/1 admeasuring 10,696.00 sq. mts. And industrial plot no.85/F/2 admeasuring 10,007.00 sq. mts. Consisting of R.S. No.810, 814, 815, 1052, 826 and 828 within Vapi Notified Industrial Area, GIDC, Vapi, Tal Vapi, Dist. Valsad to Shaileshkumar Balvantrai Desai.

15. Agreement of assignment dated January 25, 2022, pursuant to which Shaileshkumar Balvantrai Desai, our promoter, has agreed to assign the rights of exclusive use of the office premises on the 3rd Floor admeasuring 1,026.03 sq. of the building known as Express House situated at Vapi notified Industrial Estate, GIDC, Vapi to our Company.

16. Company entered into a memorandum of understanding dated March 2, 2022 with M/s. Bhavisha Industries for acquisition of the assets of M/s. Bhavisha Industries including the manufacturing facility located at Plot No.1705, Phase-III, GIDC Vapi, Taluka Vapi, District Valsad – 396 195, Gujarat, India and operated by M/s. Bhavisha Industries..

17. Consents of the Directors, BRLM, Statutory Auditors, Syndicate Members, Sponsor Bank, Share Escrow Agent, Legal Counsel to our Company, Registrar to the Offer, Escrow Collection Bank(s), Bankers to our Company, Chief Financial Officer, Company Secretary and Compliance Officer, as referred to in their specific capacities.

18. Consent letter dated March 15, 2022 from Frost & Sullivan (India) Private Limited and the report entitled '*Independent Market Report – India Chemicals and Specialty Chemicals Market'* dated March 15, 2022.

19. SEBI Exemption Applications dated March 24, 2022 made by our Company to SEBI;

20. Tripartite agreement dated March 18, 2021 entered between NSDL, our Company and Registrar to the Offer.

21. Tripartite agreement dated April 9, 2021 entered between CSDL, our Company and Registrar to the Offer.

22. Due diligence certificate to the SEBI from BRLM, dated March 24, 2022.

23. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.

24. The SEBI final observations letter no. [●] dated [●].

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shaileshkumar Balvantrai Desai
Chairman and Managing Director

Place: Vapi
Date: March 24, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Umang Shailesh Desai
Whole-Time Director

Place: Vapi
Date: March 24, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Bhavisha Shaileshbhai Desai
Whole-Time Director

Place: Vapi
Date: March 24, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Jagdish Lalbhai Shah
Independent Director

Place: Vapi
Date: March 24, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Sandhya Mahesh Borase
Independent Director

Place: Mumbai
Date: March 24, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Vijay Gopi Kishan Agarwal
Independent Director

Place: Vapi
Date: March 24, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Dipakkumar Mohanlal Sanghani
Chief Financial Officer

Place: Vapi
Date: March 24, 2022

DECLARATION BY SELLING SHAREHOLDER

I, Shaileshkumar Balvantrai Desai, in my capacity as a Selling Shareholder, certify and confirm that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or specifically in relation to myself as a Selling Shareholder and the portion of Equity Shares offered by me in the Offer for Sale are true and correct.

____

Shaileshkumar Balvantrai Desai

Place: Vapi
Date: March 24, 2022

DECLARATION BY SELLING SHAREHOLDER

I, Umang Shailesh Desai, in my capacity as a Selling Shareholder, certify and confirm that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or specifically in relation to myself as a Selling Shareholder and the portion of Equity Shares offered by me in the Offer for Sale are true and correct.

____

Umang Shailesh Desai

Place: Vapi
Date: March 24, 2022

DECLARATION BY SELLING SHAREHOLDER

We, M/s. Polysol Financial Services LLP, in our capacity as a Selling Shareholder, certify and confirm that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or specifically in relation to ourselves as a Selling Shareholder and the portion of Equity Shares offered by us in the Offer for Sale are true and correct.

____

M/s. Polysol Financial Services LLP

Place: Vapi
Date: March 24, 2022

DECLARATION BY SELLING SHAREHOLDER

We, M/s. Apurva International, in our capacity as a Selling Shareholder, certify and confirm that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or specifically in relation to ourselves as a Selling Shareholder and the portion of Equity Shares offered by us in the Offer for Sale are true and correct.

M/s. Apurva International

Place: Vapi
Date: March 24, 2022