HEMANI INDUSTRIES LIMITED

Corporate Identity Number: U2411MH1994PLC076416

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
3rd floor, 301, C Wing, Neelkanth Business Park, Kirol Village, Nr. Vidhyavihar Bus Depot, Mumbai, Mumbai City 400 086	3rd floor, 301, C Wing, Neelkanth Business Park, Kirol Village, Nr. Vidhyavihar Bus Depot, Mumbai, Mumbai City 400 086	Dipti Samant *Company Secretary and Compliance Officer*	cs@hemanigroup.com; +91 22 6140 7600	www.hemanigroup.com

PROMOTERS OF OUR COMPANY ARE: JAYESH MOHAN DAMA, MOHAN SUNDERJI DAMA AND MINAL MOHAN DAMA

DETAILS OF OFFER TO PUBLIC, PROMOTERS/ PROMOTER SELLING SHAREHOLDERS

Type	Fresh Issue Size	Offer for Sale size	Total Offer size	Eligibility – 6(1) / 6(2) & Share Reservation among QIB, NII &RII
Fresh Issue & Offer for Sale	Up to ₹5,000.00 million	Up to ₹15,000.00 million	Up to ₹20,000.00 million	The Offer is being made pursuant to Regulation 6(1) of SEBI ICDR Regulations. For details in relation to share reservation among Qualified Institutional Buyers, Non-Institutional Investors and Retail Individual Investors, please see "Offer Structure" on page 441.

Details of Offer for Sale by Promoter(s)/ Promoter Group/ Promoter Selling Shareholders

NAME OF PROMOTER(S)/ PROMOTER GROUP/ PROMOTER SELLING SHAREHOLDERS	TYPE	NUMBER OF SHARES OFFERED/ AMOUNT	WEIGHTED AVERAGE COST OF ACQUISITION ON A FULLY DILUTED BASIS (IN ₹ PER EQUITY SHARE)^
Jayesh Mohan Dama	Promoter Selling Shareholder	[•] Equity Shares aggregating up to ₹5,000.00 million	0.75
Mohan Sunderji Dama	Promoter Selling Shareholder	[•] Equity Shares aggregating up to ₹5,000.00 million	1.53
Minal Mohan Dama	Promoter Selling Shareholder	[•] Equity Shares aggregating up to ₹5,000.00 million	0.12

^As certified by Statutory Auditors vide certificate dated March 28, 2022.

RISKS IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is ₹ 5. The Floor Price, Cap Price and Offer Price determined by our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 108 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 an 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 SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 27.

COMPANY'S AND PROMOTER SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. For the purposes of the Offer, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS

Name of the BRLM and logo	Contact Person	Email and Telephone
JM FINANCIAL LIMITED	Prachee Dhuri	**Tel:** +91 22 6630 3030/3262 **E-mail:** hemani.ipo@jmfl.com
KOTAK MAHINDRA CAPITAL COMPANY LIMITED	Ganesh Rane	**Tel:** +91 22 4336 0000 **E-mail:** Hemaniindustries.ipo@kotak.com

REGISTRAR TO THE OFFER

Name of the Registrar	Contact Person	Email and Telephone
LINK INTIME INDIA PRIVATE LIMITED	Shanti Gopalkrishnan	**Tel:** +91 22 4918 6200 **E-mail:** mumbai@linkintime.co.in

BID/OFFER PERIOD

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

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

*** Our Company and the Promoter Selling Shareholders may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

DRAFT RED HERRING PROSPECTUS
Dated March 28, 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

HEMANI INDUSTRIES LIMITED

Our Company was originally incorporated as 'Hemani Intermediates Private Limited' at Maharashtra, Mumbai as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated February 3, 1994 issued by the RoC. Our Company was converted from a private limited company to a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on March 7, 2011 and the name of our Company was changed to 'Hemani Intermediates Limited''. Consequently, a fresh certificate of incorporation dated April 15, 2011 was issued by the RoC. Thereafter, the name of our Company was changed to 'Hemani Industries Limited' and a fresh certificate of incorporation dated May 3, 2011 was issued by the RoC. For details in relation to the changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 196.

Registered and Corporate Office: 3rd floor, 301, C Wing, Neelkanth Business Park,
Kirol Village, Nr. Vidhyavihar Bus Depot, Mumbai, Mumbai City 400 086
Telephone: +91 22 6140 7600; **Contact Person**: Dipti Samant, Company Secretary and Compliance Officer
E-mail: cs@hemanigroup.com; **Website**: www.hemanigroup.com
Corporate Identity Number: U2411MH1994PLC076416

PROMOTERS OF OUR COMPANY: JAYESH MOHAN DAMA, MOHAN SUNDERJI DAMA AND MINAL MOHAN DAMA

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH ("EQUITY SHARES") OF HEMANI INDUSTRIES LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹20,000.00 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹5,000.00 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹5,000.00 MILLION BY JAYESH MOHAN DAMA, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹5,000.00 MILLION BY MOHAN SUNDERJI DAMA AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹5,000.00 MILLION BY MINAL MOHAN DAMA (TOGETHER, THE "PROMOTER SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES OFFERED BY THE PROMOTER SELLING SHAREHOLDERS, THE "OFFERED SHARES") AGGREGATING UP TO ₹15,000.00 MILLION (THE "OFFER FOR SALE").

OUR COMPANY MAY CONSIDER A PRIVATE PLACEMENT OF UP TO [●] EQUITY SHARES FOR CASH CONSIDERATION AGGREGATING UP TO ₹1,000.00 MILLION, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE AMOUNT RAISED FROM THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO THE OFFER COMPLYING WITH RULE 19(2)(B) OF THE SCRR.

THE FACE VALUE OF EQUITY SHARES IS ₹5 EACH. 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 PROMOTER SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITIONS OF [●], A MARATHI DAILY NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of 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 Promoter Selling Shareholders in consultation with the Book Running Lead Managers, may for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("**SCSBs**"), other 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 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**", and such portion as "**QIB Portion**"), provided that our Company and the Promoter Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to 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 domestic Mutual Funds at or above the 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, 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. 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 Retail Individual Bidders ("**RIBs**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" beginning on page 443.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹5. The Floor Price, Cap Price and Offer Price (determined and justified by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Offer Price*" beginning on page 108) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or 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 Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" beginning on page 27.

COMPANY'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC for filing in accordance with Section 26(4) and Section 32 of the Companies Act. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page 473.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
JM Financial Limited 7th floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai, 400 025 Maharashtra, India Tel: +91 22 6630 3030/3262 E-mail: hemani.ipo@jmfl.com Investor Grievance E-mail: grievance.ibd@jmfl.com Website: www.jmfl.com Contact Person: Prachee Dhuri SEBI Registration Number: INM000010361	**Kotak Mahindra Capital Company Limited** 1st Floor, 27 BKC Plot No. C-27, 'G' Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 E-mail: Hemaniindustries.ipo@kotak.com Investor Grievance E-mail: kmccredressal@kotak.com Website: https://investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration Number: INM000008704	**Link Intime India Private Limited** C 101, 247 Park L.B.S. Marg Vikhroli (West) Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6200 E-mail: mumbai@linkintime.co.in Investor Grievance E-mail: hemani.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration Number: INR000004058

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

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

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications or policies shall be to such legislations, acts, regulations, rules, guidelines or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation framed, from time to time, under such provision.

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

The terms not defined herein but used in "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "Restated Financial Information", "Outstanding Litigation and Material Developments","Offer Procedure", and "Main Provisions of Articles of Association" beginning on pages 111, 114, 190, 224, 419, 443 and 461, respectively, shall have the meanings ascribed to such terms in the relevant section.

General terms

Term	Description
"our Company" or "the Issuer" or "the Company"	Hemani Industries Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at 3rd floor, 301, C Wing, Neelkanth Business Park, Kirol Village, Nr. Vidhyavihar Bus Depot, Mumbai, Mumbai City 400 086
"we" or "us" or "our" or "Group"	Unless the context otherwise indicates or implies, our Company together with its Subsidiaries, on a consolidated basis

Company related terms

Term	Description
"Articles of Association" or "AoA" or "Articles"	Articles of association of our Company, as amended from time to time
Audit Committee	Audit committee of our Board, as described in "*Our Management - Committees of the Board*" beginning on page 207
"Board" or "Board of Directors"	Board of directors of our Company or a duly constituted committee thereof
"Chief Financial Officer" or "CFO"	Chief Financial Officer of our Company, namely, Mahesh Mukundrai Tanna
Committee(s)	Duly constituted committee(s) of our Board of Directors
"Compliance Officer" or "Company Secretary"	Company Secretary and Compliance officer of our Company, namely, Dipti Samant
"Corporate Social Responsibility Committee" or "CSR Committee"	Corporate social responsibility committee of our Board, as described in "*Our Management - Committees of the Board*" beginning on page 207
Director(s)	Director(s) on the Board of our Company
Equity Shares	Unless otherwise stated, equity shares of our Company bearing face value of ₹5 each
Executive Directors	Executive directors on our Board, including our Managing Director, Joint Managing Director and Whole-time Directors of our Company
"Frost & Sullivan" OR "F&S"	Frost & Sullivan (India) Private Limited
"Frost & Sullivan Report" or "F&S Report"	The report titled "Industry Report for India Specialty Chemicals and Agrochemicals Market", released in March 2022 prepared and released by Frost & Sullivan, commissioned and paid for by our Company pursuant to a letter agreement executed on October 29, 2021.
Group Company	Our group company namely, Freightbridge Logistics Private Limited. See *"Group Company"* on page 221
HAPL	Hemani Australia PTY Limited
HCCPL	Hemani Crop Care Private Limited
HKL	Hemani Korea Limited
Independent Director(s)	Independent director(s) on our Board. For details of the Independent Directors, see "*Our Management*" beginning on page 202
IPO Committee	The IPO committee of our Board
Joint Managing Director	Jayesh Mohan Dama

Term	Description
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, as described in "*Our Management - Key Managerial Personnel*" beginning on page 215
Managing Director	Mohan Sunderji Dama
"Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended from time to time
"Nomination and Remuneration Committee" or "NRC Committee"	Nomination and remuneration committee of our Board, as described in "*Our Management - Committees of the Board*" beginning on page 207
Non-executive Directors	Non-executive directors on our Board
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 217
Promoters	Promoters of our Company, being, Jayesh Mohan Dama, Mohan Sunderji Dama, and Minal Mohan Dama
Promoter Selling Shareholder(s)	Jayesh Mohan Dama, Mohan Sunderji Dama, and Minal Mohan Dama
Registered and Corporate Office	The registered and corporate office of our Company located at 3rd floor, 301, C Wing, Neelkanth Business Park, Kirol Village, Nr. Vidhyavihar Bus Depot, Mumbai, Mumbai City 400 086
"Registrar of Companies" or "RoC"	Registrar of Companies, Maharashtra at Mumbai
Restated Consolidated Financial Information	The restated consolidated financial information of our Company and its subsidiaries comprising the restated consolidated statements of assets and liabilities as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and the restated consolidated statements of profit and loss, cash flow statement and changes in equity for the six month period ended September 30, 2021, September 30, 2020 and for the years ended March 31, 2021 and March 31, 2020 of our Company together with the statement of significant accounting policies, and other explanatory information thereon, each prepared in accordance with Ind AS, and restated in accordance with the section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI
Restated Financial Information	The restated financial information of our Company, comprising (i) our Restated Standalone Financial Information, and (ii) our Restated Consolidated Financial Information
Restated Standalone Financial Information	The restated standalone financial information of our Company comprising the restated standalone summary statements of assets and liabilities as at September 30, 2021 , September 30, 2020 , March 31, 2021, March 31, 2020 and March 31, 2019 and the restated standalone statements of profit and loss, cash flow statement and changes in equity for the six month period ended September 30, 2021 , September 30, 2020 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 of our Company together with the statement of significant accounting policies, and other explanatory information thereon, each prepared in accordance with Ind AS, and restated in accordance with the section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI
Risk Management Committee	Risk management committee of our Board, as described in "*Our Management - Committees of the Board*" beginning on page 207
Scheme of Amalgamation	Scheme of amalgamation between Hemani Organics and Chemicals Private Limited and Hemani Intermediates Private Limited (*now Hemani Industries Limited*) approved vide order of the High Court of Judicature at Bombay on March 16, 2007 and order of the High Court of Gujarat at Ahmedabad dated June 11, 2007.
Shareholder(s)	Shareholder(s) of our Company from time to time
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Board, as described in "*Our Management - Committees of the Board*" beginning on page 207
Statutory Auditors	The statutory auditors of our Company, being KPB & Associates
Subsidiary(ies)	The subsidiaries of our Company, namely, HCCPL, HAPL and HKL

Offer related terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares offered pursuant to the Fresh Issue and transfer of the respective portion of the Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock

Term	Description
	Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers during the Anchor Investor Bid/Offer Period
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 Bid/Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to the Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be 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 Promoter Selling Shareholders in consultation with the Book Running Lead Managers
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and Promoter Selling Shareholder in consultation with the Book Running Lead Managers, 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 authorising 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 an RIB which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
ASBA Bid	A Bid made by an 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, Escrow Collection Bank(s), Public Offer Bank(s), Sponsor Bank(s), and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer as described in "*Offer Procedure*" beginning on page 443
Bid	An indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period 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 Bidder, as the case may be, upon submission of the Bid.
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of [●], an English national daily newspaper, in all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation. Our Company, and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended

Term	Description
	Bid/Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and shall also be notified on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank(s), which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations.Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding ten Working Days.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs, and Designated CDP Locations for CDPs
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely, JMFL and Kotak
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid/ Offer Period
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be atleast 105% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	Agreement dated [●] to be entered amongst our Company, the Promoter Selling Shareholders, the BRLMs, Syndicate Members, the Bankers to the Offer and Registrar to the Offer for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	The 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 SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of the SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE, as updated from time to time
Cut-off Price	The Offer Price, finalised by our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which funds from the Escrow Account(s) are transferred to the Public Offer Account(s) or the Refund Account(s), as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Offer Account(s) and /or are unblocked, as applicable, in terms of the Red Herring

Term	Description
	Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares may be Allotted to successful Bidders in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. 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), as updated from time to time
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated March 28, 2022 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer and includes any addenda or corrigenda thereto
Eligible NRI(s)	NRI(s) 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 and Sponsor Bank Agreement	Agreement to be entered amongst our Company, the Promoter Selling Shareholders, the Book Running Lead Managers, Syndicate Members, the Bankers to the Offer and Registrar to the Offer, *inter alia*, for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, remitting refunds of the amounts collected from Bidders, on the terms and conditions thereof
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Accounts will be opened, in this case being [●]
First Bidder or Sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹5,000.00 million by our Company. Our Company may consider a private placement of up to [●] Equity Shares for cash consideration aggregating up to ₹1,000.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the offer complying with rule 19(2)(b) of the SCRR.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
"General Information Document" or "GID"	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Managers
JM Financial/JMFL	JM Financial Limited
Kotak	Kotak Mahindra Capital Company Limited
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement dated [●] to be entered into between our Company and the Monitoring Agency
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" beginning on page 92
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
"Non-Institutional Bidders" or	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an

Term	Description
"Non-Institutional Investors"	amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	Person resident outside India, as defined under FEMA and includes a non-resident Indian, FVCIs and FPIs
Offer	The initial public offer of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share aggregating up to ₹20,000.00 million comprising of the Fresh Issue and offer for sale by the Promoter Selling Shareholders of the Offer.
Offer for Sale	The offer for sale of the Offered Shares, at the Offer Price aggregating up to ₹15,000.00 million, by the Promoter Selling Shareholders in the Offer
Offer Agreement	Agreement dated March 28, 2022 entered amongst our Company, the Promoter Selling Shareholders, and the Book Running Lead Managers, pursuant to which certain arrangements have been agreed to in relation to the Offer
Offer Price	₹ [●] per Equity Share, being the final price, within the price band, at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, which will be decided by our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Promoter Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" beginning on page 92
Offered Shares	Up to [●] Equity Shares aggregating up to ₹15,000.00 million being offered by the Promoter Selling Shareholders in the Offer for Sale
Pre-IPO Placement	The private placement of up to [●] Equity Shares for cash consideration aggregating up to ₹1,000.00 million, which may be undertaken by our Company, at its discretion, to be completed prior to filing of the Red Herring Prospectus with the RoC at a price as the Board may determine in accordance with the Companies Act, and other applicable laws. In the event such private placement is completed, the relevant details will be included in the Red Herring Prospectus. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the offer complying with rule 19(2)(b) of the SCRR.
Price Band	The 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 size for the Offer will be decided by our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, and will be advertised, at least two Working Days prior to the Bid/Offer Opening Date, in all editions of [●], an English national daily newspaper, in all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation, 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 Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with 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	Bank account to be opened with the Public Offer Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Offer Bank	The bank with which the Public Offer Account(s) will be opened, for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer comprising [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price
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	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the 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 three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date

Term	Description
Refund Account	Account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI and the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of the SEBI circular number CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated March 28, 2022 entered by and amongst our Company, the Promoter Selling Shareholders, and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar pertaining to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
"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)
Retail Portion	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 (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 Bid cum Application Forms 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 can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time. In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35as updated from time to time. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors 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
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered amongst our Company, the Promoter Selling Shareholders and the Share Escrow Agent in connection with the transfer of the respective portion of Offered Shares by the Promoter Selling Shareholders and credit of such Offered Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate shall accept Bid cum Application Forms from Bidders
Sponsor Bank(s)	[●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
Stock Exchanges	Collectively, BSE Limited, and National Stock Exchange of India Limited
"Syndicate" or "Members of the Syndicate"	Together, the Book Running Lead Managers and the Syndicate Members
Syndicate Agreement	Agreement to be entered amongst our Company, the Promoter Selling Shareholders, the Book Running Lead Managers, the Registrar, and the Syndicate Members, in relation to collection of Bids by the Syndicate

Term	Description
Syndicate Members	Intermediaries registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, [●].
Underwriters	[●]
Underwriting Agreement	Agreement to be entered amongst our Company, the Promoter Selling Shareholders, the registrar and the Underwriters to be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB using the UPI Mechanism initiated by the Sponsor Bank(s) to authorise blocking of funds on the UPI application equivalent to Bid Amount in the relevant ASBA Account and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&int mId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
UPI Mechanism	The bidding mechanism that may be used by an RIB in accordance with the UPI Circulars to make an ASBA Bid in the Issue
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes any company whose director or promoter is categorised as such
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, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai, India 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 the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI

Technical, industry related terms or abbreviations

Term	Description
ANFDs	Agitated nutsche filters and dryer
Ankleshwar Facility	Manufacturing facility of the Company located in Ankleshwar, Gujarat
CMAC	Cypermethrin Acid Chloride
CRAMS	Contract research and manufacturing services
CRM	Customer relationship management
Dahej Facility	Manufacturing facility of the Company located in Dahej, Gujarat
ERP	Enterprise Resource Planning
Formulations	The end use chemical products that contain specific proportions of Technicals, solvents and other auxiliary chemicals.
Incoterms	International Commercial Terms
Intermediates	The specialty chemicals used to produce active ingredients
IT	Information Technology
Moody's	Moody's Investors Service

Term	Description
MPBD	Meta Phenoxy Benzaldehyde
OPPTS	United States' EPA Office of Pollution Prevention and Toxic Substances
R&D	Research and development
RCVD	Reactive chemical vapor deposition
Saykha Facility	Manufacturing facility of our Subsidiary, Hemani Crop Care Private Limited, located in Saykha, Gujarat
Technicals	The chemical active ingredients which are used for manufacturing of end use products

Conventional and general terms or abbreviations

Term	Description
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupees
AGM	Annual general meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
"AS" or "Accounting Standards"	Accounting standards issued by the ICAI
AY	Assessment year
"Bn" or "bn"	Billion
BSE	BSE Limited
CAGR	Compounded annual growth rate
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CIBRC	Central Insecticides Board and Registration Committee
CIN	Corporate Identity Number
Companies Act or Companies Act, 2013	Companies Act, 2013, as applicable, along with the relevant rules, regulations, clarifications, and modifications framed thereunder
Companies Act, 1956	Companies Act, 1956, along with the relevant rules, regulations, clarifications, and modifications framed thereunder
Competition Act	Competition Act, 2002
CY	Calendar Year
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DDT	Dividend Distribution Tax
DP ID	Depository Participant's Identification
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India *(formerly known as Department of Industrial Policy and Promotion)*
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
EBLR	External Benchmark based Lending Rate
EGM	Extraordinary general meeting
Environmental Act	The Environmental Protection Act, 1986
EPS	Earnings per share
FDI	Foreign direct investment

Term	Description
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT under DPIIT File Number 5(2)/2020-FDI Policy dated the October 15, 2020, effective from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Regulations	The FEMA NDI Rules, the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable
"Financial Year" or "Fiscal" or "Fiscal Year" or "FY"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAP	Generally Accepted Accounting Principles
GAAR	General anti-avoidance rules
Gazette	Official Gazette of India
GDP	Gross domestic product
GIDC	Gujarat Industrial Development Corporation
GPCB	Gujarat Pollution Control Board
"GoI" or "Government" or "Central Government"	Government of India
GST	Goods and services tax
IBC	The Insolvency and Bankruptcy Code, 2016
Operating EBITDA	Sum of (i) profit before tax, (ii) financial costs and (iii) depreciation and amortization expense, reduced by other income
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income-tax Act, 1961
"Ind AS" or "Indian Accounting Standards"	Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
Indian Penal Code	The Indian Penal Code, 1860
Insecticides Act	The Insecticides Act, 1968
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended
IST	Indian Standard Time
IT	Information technology
IT Act	The Information Technology Act, 2000
KYC	Know Your Customer
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal Cost of Funds based Lending Rate
MIM	Multiple Investment Managers
"Mn" or "mn"	Million
Ministry of Agriculture	Department of Agriculture, Co-operation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Government of India
MoEF	Ministry of Environment, Forest and Climate Change, Government of India
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

Term	Description
NACH	National Automated Clearing House
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
NAV	Net asset value
NBFC	Non-Banking Financial Companies
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
NGT	National Green Tribunal, Western Zone
NPCI	National Payments Corporation of India
NR	Non-resident
NRE Account	Non-resident external rupee account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in 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
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of 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 invest in the Offer
ODI	Off-shore Derivate Instruments
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit after tax
P/E Ratio	Price to Earnings Ratio
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
RoCE	Return on capital employed
RoE	Return on equity
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEBSE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

Term	Description
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Systemically Important NBFC	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TAN	Tax deduction account number
Trusts Act	The Indian Trusts Act, 1882
U.S. Securities Act	United States Securities Act of 1933, as amended
"U.S." or "USA" or "United States"	The United States of America, its territories and possessions, any State of the United States and the District of Columbia
"USD" or "US$"	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to the "U.S.", "US", "U.S.A" or "United States" are to the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

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

Financial Data

Unless stated otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Financial Information. Our Restated Financial Information comprise of our Restated Standalone Financial Information and Restated Consolidated Financial Information, which have been prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations, as amended from time to time, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI. For further information on our Company's financial information, see *"Restated Financial Information"* beginning on page 224.

The Restated Consolidated Financial Information for the six months ended September 30, 2021 and September 30, 2020 is not indicative of full year results, and accordingly, such information is not comparable to the Restated Consolidated Financial Information for Fiscal ended March 31, 2021 and March 31, 2020. Similarly, the Restated Standalone Financial Information for the six month periods ended September 30, 2021 and September 30, 2020 is not indicative of full year results, and is not comparable to the Restated Standalone Financial Information for the Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019.

Additionally, our Company did not have any subsidiary or associate company or joint venture in the Fiscal ended March 31, 2019, and accordingly, our Company has not prepared consolidated financial statements for that Fiscal. Accordingly, no comparative financial information for Fiscal ended March 31, 2019 has been presented to the Restated Consolidated Financial Information for the Fiscals ended March 31, 2021 and March 31, 2020. Further, the Restated Consolidated Financial Information for Fiscal 2021 and Fiscal 2020 and the six months ended September 30, 2021 and September 30, 2020 is not directly comparable with the Restated Standalone Financial Information for Fiscals 2019, 2020 and 2021 and the six months ended September 30, 2020 and September 30, 2021, given that we incorporated a subsidiary in such later period.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12-month period ended on March 31 of that particular calendar year.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. 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. For risks relating to significant differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Draft Red Herring Prospectus"* beginning on page 56.

Unless the context otherwise indicates, any percentage amounts (excluding certain operational metrics), relating to the financial information of our Company in "*Risk Factors*", "*Basis for Offer Price*", "*Our Business*", "*Other Financial information*", "*Capitalisation Statement*" and "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" beginning on pages 27, 108, 163, 369, 418 and 372 respectively, have been calculated on the basis of our Restated Financial Information.

Non-GAAP Financial Measures

Certain non-GAAP financial measures relating to our financial performance such as, EBITDA, EBITDA margin, operating EBITDA, operating EBITDA margin, RoCE, RoE, return on net worth, working capital, net worth, net asset value per share and debt equity ratio have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" are to United States Dollar, the official currency of the United States;
- "EUR" or "€" are to EURO, the official currency of the Eurozone;
- "AUD" or "A$" are to Australian Dollar, the official currency of Australia; and
- "KRW" or "₩" are to South Korean Won, the official currency of Korean Republic.

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

However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus in such denominations as provided in the respective sources.

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 derived from our Restated Financial Information in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to one decimal place. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal places as provided in such respective sources.

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 exchange rates presented here may not be comparable with those presented and considered for the purpose of consolidation of foreign subsidiaries of our Company in the audited Consolidated Ind AS financial statements.

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

(amount in ₹, unless otherwise specified)

Currency	As at*				
	September 30, 2021	March 31, 2021	September 30, 2020	March 31, 2020	March 31, 2019**
1 USD	74.26	73.50	73.80	75.39	69.17
1 AUD	53.50	55.80	52.39	46.19	49.19
1 KRW	0.06	0.06	0.06	0.06	0.06
1 EUR	86.33	85.96	86.25	83.04	77.75

(Source: www.rbi.org.in, wwe.fbil.org.in, www1.oanda.com)

* *If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*

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

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled "Industry Report for India Specialty Chemicals and Agrochemicals Market", released in March 2022 prepared by Frost & Sullivan ("**F&S Report**") which report has been commissioned and paid for by our Company pursuant to a letter agreement executed on October 29, 2021, for the purposes of confirming our understanding of the industry in connection with the Offer and publicly available information as well as other industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Accordingly, no investment decisions should 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. Such data involves risk, uncertainties, and assumptions, and is subject to change based on various factors. Accordingly, investment decisions should not be based solely on such information. For details in relation to the risks involving the F&S Report, see "*Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from the F&S Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks"* beginning on page 52.

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 business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Disclaimer of Frost & Sullivan

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

"Industry Report for India Specialty Chemicals and Agrochemicals Market" *(the "**Report**")" has been prepared for the proposed initial public offering of equity shares (the "**Offer**") by (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 transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction."

Notice to Prospective Investors in the United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A) in accordance with Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act and (b) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "expect", "estimate", "intend", "objective", "plan", "propose", "project", "seek", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans, or goals 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.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India and other overseas jurisdictions 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:

- risks involving our manufacturing facilities and processes, such as slowdown, shutdown or under-utilization of our manufacturing facilities or labour problems such as strikes and work stoppages;
- compliance with environmental, safety, health and labour laws and other applicable regulations as well as risks involving any notices, litigation, penalties, or cancellation or suspension of our operating licenses by any regulatory authorities;
- the COVID-19 pandemic and the uncertainty regarding its future impact on our business, results of operations and financial condition;
- our reliance on a combination of trade mark, trade secret, copyright law and contractual restrictions to protect our intellectual property;
- any adverse changes in regulations governing our business, products and the products of our customers;
- risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances and dangerous machinery and chemical processes;
- obtaining and maintaining certain approvals and licenses for our products manufactured and sold in India as well as for exports to other jurisdictions; and
- our reliance on certain industries for a significant portion of our sales.

For further details regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 27, 163 and 372 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.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders 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 Promoters, our Directors, the Promoter Selling Shareholders, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company and the Book Running Lead Managers will ensure that the Bidders in India are informed of material developments from the date of the Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

In accordance with regulatory requirements including requirements of SEBI and as prescribed under applicable law, each of the Promoter Selling Shareholders shall, severally and not jointly, ensure that the Bidders in India are informed of material developments from the date of the Draft Red Herring Prospectus, in relation to statements and undertakings specifically undertaken or confirmed by it in relation to itself and its respective portion of the Offered Shares in the Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

SUMMARY OF THE OFFER DOCUMENT

*The following is a general summary of the terms of the Offer 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 in "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", "Restated Financial Information", "Offer Procedure", "Outstanding Litigation and Material Developments" and "Main Provisions of Articles of Association" beginning on pages 27, 62, 79, 92, 114, 163, 217, 224, 443, 419, and 461 respectively. Industry and market data used in this section has been derived from a report "Industry Report for India Specialty Chemicals and Agrochemicals Market", released in March 2022 (the "**F&S Report**") prepared and issued by Frost & Sullivan which has been commissioned and paid by us in connection with the Offer.*

Summary of the business of our Company

We are an Indian chemical company focused on the manufacturing and marketing of a range of agrochemicals and specialty chemicals. We have a presence across the entire value chain, Technicals, Formulations and Intermediates. The end uses of our products include crop protection (insecticides, herbicides and fungicides) as well as products used for wood protection, veterinary, household and public health applications. We are an export-focused business, and we sold our products in over 60 countries in Fiscal 2021. We operate three modern manufacturing facilities in Gujarat, located in Dahej, Ankleshwar and Saykha, which are strategically located near the Hazira Port.

Summary of the industry in which our Company operates (Source: F&S Report)

The global agrochemicals market was valued by Frost & Sullivan at US$ 66.6 billion in CY2020 and is forecast to reach USD 91.7 billion by CY2025 growing at a CAGR of 6.5%. In addition, according to the F&S Report, in the crop protection segment, the demand for agrochemical Intermediates is likely to grow at a CAGR of approximately 5.2% between CY2020 and CY2025 and reach a market size of US$78 billion by CY2025. (*Source: F&S Report, March 2022).*

Our Promoters

Jayesh Mohan Dama, Mohan Sunderji Dama and Minal Mohan Dama are our Promoters. For details, see "*Our Promoters and Promoter Group*" beginning on page 217.

Offer Size

The following table summarizes the details of the Offer size:

Offer of Equity Shares(1)(2)#	Up to [●] Equity Shares aggregating up to ₹20,000.00 million
of which:	
(i) Fresh Issue(1)	Up to [●] Equity Shares aggregating up to ₹5,000.00 million
(ii) Offer for Sale(2)	Up to [●] Equity Shares aggregating up to ₹15,000.00 million

A Pre-IPO Placement may be undertaken by our Company for an aggregate amount not exceeding ₹1,000.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the offer complying with rule 19(2)(b) of the SCRR.

(1) *The Offer has been authorised by our Board of Directors pursuant to the resolutions passed at their meeting dated January 29, 2022 and the Fresh Issue has been authorised by our Shareholders pursuant to the resolutions passed at their meeting held on February 2, 2022.*

(2) *Each of the Promoter Selling Shareholders have severally and not jointly confirmed that the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. For details on the confirmation by each of the Promoter Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 425.*

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

For further details, see "*Offer Structure*" and "*The Offer*" beginning on pages 441 and 62.

Objects of the Offer

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

Objects	Amount* (in ₹million)
Funding the capital expenditure requirement for the capacity expansion at Saykha industrial estate(1)	1,297.19
Repayment/prepayment of certain borrowings of our Company	483.44
Investment in our wholly owned Subsidiary, HCCPL, for the repayment/prepayment of certain borrowings of HCCPL	938.78
Funding the long term working capital requirement of our Company	1,500.00
General corporate purposes(2)	[●]

* *Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Offer prior to completion of the Offer.*

(1) *No amounts have been deployed by our Company towards this object. The costs incurred by our Company for acquisition of land do not form part of the*

total estimated cost of the Proposed Expansion.

(2) *To be finalized 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.*

For further details see "*Objects of the Offer*" on page 92.

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

a) Promoters and Promoter Group

S. No.	Category	No. of Equity Shares	% of total pre-Offer paid up Equity Share capital
(A) Promoters and Promoter Selling Shareholders			
1.	Jayesh Mohan Dama	26,783,710	29.74
2.	Mohan Sunderji Dama	33,723,150	37.45
3.	Minal Mohan Dama	29,550,600	32.81
Total (A)		**90,057,460**	**100.00***
(B) Promoter Group			
1.	Bhanji Sunderji Dama	-	-
2.	Bhanu Mulraj Bhanushali	-	-
3.	Bharat Mithubhai Bhanushali	-	-
4.	Harsh Navin Bhanushali	-	-
5.	Jairaj Jayesh Dama	-	-
6.	Jashoda Umarshi Gajara	-	-
7.	Karsandas Sunderji Dama	-	-
8.	Laxami Kumar Bhanushali	-	-
9.	Madhu Navin Bhanushali.	-	-
10.	Mahesh Mithubhai Bhanushali	-	-
11.	Manali Jayesh Dama	10	Negligible
12.	Meyuri Hiren Shethia	10	Negligible
13.	Navin Ramji Bhanushali	-	-
14.	Shakriben Ramji Khichada	-	-
15.	Shital Navin Bhanushal	-	-
16.	Veera Jayesh Dama	-	-
17.	Bhanu Packaging	-	-
18.	Automative Rubber Sealing and Coatings	-	-
19.	Odhav Containers	-	-
20.	Mehi Industries Private Limited	-	-
21.	Jayesh Mohan Dama HUF	-	-
22.	Breeze Intermediates Private Limited	-	-
23.	Trinity Creative Homes LLP	-	-
24.	Mohan Sunderji Dama HUF	-	-
25.	Jay Engineers	-	-
26.	Odhavkrupa Developers	-	-
27.	Veera International Eximp	-	-
28.	Hemani International	-	-
29.	Jaydeep Realspaces LLP	-	-
Total (B)		**20**	**Negligible**
Total (A+B)		**90,057,480**	**100.00**

* *The shareholding of other Shareholders is negligible.*

Summary of Restated Financial Information

The following details are derived from the Restated Standalone Financial Information:

(in ₹ million other than share data)

Particulars	For the six months ended September 30, 2021	For the six months ended September 30, 2020	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2020	As at and for the Financial Year ended March 31, 2019
Equity Share capital	90.06	90.06	90.06	90.06	90.06
Net worth (equity attributable to the owners)	7,051.87	4,910.19	5,908.62	4,204.22	2,854.98
Total Net worth	7,141.93	5,000.24	5,998.68	4,294.28	2,945.03
Profit after tax (attributable to owners)	1,143.96	704.87	1,703.01	1,356.32	759.77
Basic and diluted earnings per share (₹/ share)					
- Basic (in ₹)	12.70*	7.83*	18.91	15.06	8.26

Particulars	For the six months ended September 30, 2021	For the six months ended September 30, 2020	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2020	As at and for the Financial Year ended March 31, 2019
- Diluted (in ₹)	12.70*	7.83*	18.91	15.06	8.26
Net asset value per Equity Share (basic) (in ₹)	793.04	555.23	666.09	476.84	327.02
Total borrowings (as per balance sheet)	1,244.45	469.48	960.37	1,369.48	1,239.74
EBITDA	1,680.47	1085.97	2573.71	2,168.88	1,531.33

**not annualized*

Notes: The ratios have been computed as under:

1. *Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
2. *EBITDA: EBITDA stands for Restated profit/ (loss) for the year + tax expense + exceptional items+ Finance costs + depreciation and amortization.*
3. *"Total Net worth" means aggregate of share capital and other equity.*

For details, see "*Restated Standalone Financial Information*" on page 225.

The following details are derived from the Restated Consolidated Financial Information:

(in ₹ million other than share data)

Particulars	For the six months ended September 30, 2021	For the six months ended September 30, 2020	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2020
Equity Share capital	90.06	90.06	90.06	90.06
Net worth (equity attributable to the owners)	7,021.64	4,886.78	5,888.25	4,181.26
Total Net worth	7,111.70	4,976.84	5,978.31	4,271.31
Profit after tax (attributable to owners)	1,127.64	683.44	1,694.14	1,334.69
Basic and diluted earnings per share (₹/ share)				
- Basic (in ₹)	12.52*	7.59*	18.81	14.82
- Diluted (in ₹)	12.52*	7.59*	18.81	14.82
Net asset value per Equity Share (basic) (in ₹)	789.81	552.66	663.89	474.30
Total borrowings (as per balance sheet)	2,629.53	977.53	1,972.48	1530.81
EBITDA	1,708.29	1,065.38	2,594.43	2,147.75

**not annualized*

Notes: The ratios have been computed as under:

1. *Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
2. *EBITDA: EBITDA stands for Restated profit/ (loss) for the year + tax expense + exceptional items+ Finance costs + depreciation and amortization.*
3. *"Total Net worth" means aggregate of share capital and other equity.*

For details, see "*Restated Consolidated Financial Information*" on page 296.

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

The Restated Financial Information does not contain any qualifications by the Statutory Auditors.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, Promoters, Directors and Subsidiaries as on the date of this Draft Red Herring Prospectus, is provided below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved *(₹ in million) (to the extent quantifiable)*
Company						
By the Company	3	Nil	Nil	Nil	Nil	1.90
Against the Company	4	3	2	Nil	Nil	41.46
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	2	Nil	Nil	Nil	Nil	Nil
Promoters						

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved *(₹ in million) (to the extent quantifiable)*
Company						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	2	Nil	Nil	Nil	Nil	Nil
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigation proceedings involving our Group Company which may have a material impact on our Company as on the date of this Draft Red Herring Prospectus.

For further details of the outstanding litigation proceedings involving our Company and Promoters, see "*Outstanding Litigation and Material Developments*" beginning on page 419.

Risk Factors

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

Summary of contingent liabilities

Except as stated below, our Company has no contingent liabilities as per Ind AS 37 as at September 30, 2021.

(in ₹ million)

Particulars	As at September 30, 2021
In respect of Guarantee given to GPCB	7.23
In respect of Letter of Credit outstanding	16.58
In respect of Guarantee given by the holding company on behalf of subsidiaries	1,870.00
In respect of Guarantee given to GSPC Gas	-
In respect of Guarantee given to Central Excise Department	0.10
Capital Commitments	202.18
Total	**2,096.09**

For further details, see "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities*" on pages 224 and 387.

Summary of Related Party Transactions

A summary of the related party transactions and balances as per Ind AS 24-Related Party Disclosures read with SEBI ICDR Regulations and derived from the Restated Standalone Financial Information is as follows:

(in ₹ million)

Name of Related Party	Nature of relationship	Nature of transaction	Six month period ended September 30, 2021	Six month period ended September 30, 2020	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020	Financial Year ended March 31, 2019
B.K. Enterprise	Enterprise in which relative of Director have significant influence	Purchase of Goods / Services/Land*	7.57	2.79	19.22	12.19	9.55
Bhanu Barrel Suppliers	Enterprise in which relative of Promoter have significant influence	Purchase of Goods / Services/Land*	0.90	1.55	2.06	4.26	-
Bhanu Packaging	Enterprise in which relative of Director have	Purchase of Goods / Services/Land*	-	4.50	6.60	7.36	5.32

Name of Related Party	Nature of relationship	Nature of transaction	Six month period ended September 30, 2021	Six month period ended September 30, 2020	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020	Financial Year ended March 31, 2019
	significant influence						
Dinanath Ramayan Rai	Director of the Company	Remuneration/Salary	2.68	2.22	4.63	3.75	3.01
Dhavaldeep Industrial Syndicate	Enterprise in which relative of Director have significant influence	Purchase of Goods / Services/Land*	15.16	0.76	15.52	6.75	12.31
Freightbridge Logistics Private Limited.	Enterprise in which relative of Director have significant influence	Purchase of Goods / Services/Land*	108.44	30.77	101.25	63.90	-
Hemani Australia Pty Ltd	Subsidiary	Interest paid/(received)	(1.94)	(1.67)	(3.86)	(0.87)	-
		Loan given outstanding	72.11	72.63	73.19	70.96	-
		Investment in equity shares	-	-	-	-	-
		Sale of Goods / Services*	87.36	97.42	253.79	27.83	-
Hemani Korea Ltd	Subsidiary	Interest paid/(received)	(0.19)	(0.14)	(0.33)	-	-
		Loan given outstanding	8.06	7.68	7.87	-	-
		Investment in equity shares	-	-	-	6.21	
		Sale of Goods / Services*	66.07	17.50	78.97	-	-
Hemani Crop Care Private Limited	Subsidiary	Investment in equity share	-	-	0.01	0.07	-
		Investment in preference shares	300	-	-	-	-
		Sale of Goods / Services*	175.60	0.41	58.98	-	-
		Purchase of Goods / Services/Land*	258.26	2.28	260.98	63.38	-
Hemani Intermediates Private Limited	Enterprise in which KMP have significant influence	Transfer Of Undertaking	-	-	-	-	105.00
		Rent Received					(0.75)
Hemani Life Science Limited	Enterprise in which KMP have significant influence	Transfer of rights of Lease hold Land	-	-	-	-	168.66
Jayesh Mohan Dama	Promoter of the Company	Interest paid/(received)	0.54	0.45	0.56	2.33	-
		Unsecured loan received outstanding	19.26	3.56	1.67	20.60	20.05
		Rent Paid	0.87	0.79	1.58	1.43	-
		Remuneration/Salary	18.00	14.00	32.00	24.00	45.50
Kush Shipping Agency	Enterprise in which relative of Director have significant influence	Purchase of Goods / Services/Land*	1.32	0.44	1.74	2.14	1.66
Mahesh Mukundrai Tanna	CFO of the Company	Remuneration/Salary	0.25	-	-	-	-

Name of Related Party	Nature of relationship	Nature of transaction	Six month period ended September 30, 2021	Six month period ended September 30, 2020	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020	Financial Year ended March 31, 2019
Manali Jayesh Dama	Relative of the Promoter	Remuneration/Salary	2.10	1.52	3.53	3.05	2.22
Meyuri Hiren Shethia	Relative of the Promoter	Professional Fees/Commission	-	7.72	6.78	29.88	28.11
		Remuneration/Salary	8.24	4.12	8.24	-	-
Minal Mohan Dama	Promoter of the Company	Interest paid/(received)	2.87	1.23	1.23	5.25	1.43
		Unsecured loan received outstanding	111.93	10.94	10.94	13.78	49.69
		Rent Paid	0.87	0.79	1.58	1.43	-
		Remuneration/Salary	9.00	7.00	16.00	12.00	-
Mohan Sunderji Dama	Promoter of the Company	Interest paid/(received)	3.39	2.39	4.75	4.80	1.69
		Unsecured loan received outstanding	80.31	41.57	43.75	39.86	82.79
		Remuneration/Salary	30.00	22.00	52.00	36.00	63.00
		Rent Paid	0.87	0.79	1.58	1.43	-
Nitin Karsandas Dama	Director of the Company	Remuneration/Salary	0.66	0.64	1.30	1.21	1.09
Veera International EXIMP	Enterprise in which Promoter have significant influence	Purchase of Goods / Services/Land*	71.97	68.34	188.26	153.90	135.98
		Sale of Goods / Services*	9.81	33.02	60.22	-	-

Inclusive of tax

A summary of the related party transactions and balances as per Ind AS 24-Related Party Disclosures read with SEBI ICDR Regulations and derived from the Restated Consolidated Financial Information is as follows:

(in ₹ million)

Name of Related Party	Nature of relationship	Nature of transaction	Six month period ended September 30, 2021	Six month period ended September 30, 2020	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020
B.K. Enterprise	Enterprise in which relative of Director have significant influence	Purchase of goods/services*	7.57	2.79	38.92	12.19
Bhanu Barrel Suppliers	Enterprise in which relative of Promoter have significant influence	Purchase of goods/services*	0.90	1.55	2.06	4.26
Bhanu Packaging	Enterprise in which relative of Director have significant influence	Purchase of goods/services*	-	4.50	6.60	7.36
Bhaskara Sai Chander Yarrapotu	Director of foreign Subsidiary	Remuneration/Salary	22.09	17.01	29.95	12.20
Chang-Kun-Shin	Director of foreign Subsidiary	Remuneration/Salary	3.77	1.88	4.06	3.75
Dinanath Ramayan Rai	Director of the Company	Remuneration/Salary	2.68	2.22	4.63	3.75
Dhavaldeep Industrial Syndicate	Enterprise in which relative of Director have significant influence	Purchase of goods/services*	15.16	0.76	18.73	6.75
Freightbridge Logistics Private Limited	Enterprise in which relative of Director have significant influence	Purchase of goods/services*	111.67	30.77	102.03	63.90
Jayesh Mohan Dama	Promoter of the Company	Remuneration/Salary	18.00	14.00	32.00	24.00
		Interest Paid	0.54	0.45	0.56	2.33
		Unsecured loan received	19.26	3.56	20.47	20.60

Name of Related Party	Nature of relationship	Nature of transaction	Six month period ended September 30, 2021	Six month period ended September 30, 2020	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020
		outstanding				
		Rent Paid	0.87	0.79	1.58	1.43
Kush Shipping Agency	Enterprise in which relative of Director have significant influence	Purchase of goods/services*	1.34	0.44	1.77	2.14
Mahesh Mukundrai Tanna	CFO of the Company	Remuneration/Salary	0.25	-	-	-
Manali Jayesh Dama	Relative of the Promoter	Remuneration/Salary	2.10	-	3.53	3.05
Meyuri Hiren Shethia	Relative of the Promoter	Remuneration/Salary	8.24	4.12	8.24	-
		Professional fees / Commission	-	7.72	6.78	29.88
Minal Mohan Dama	Promoter of the Company	Remuneration/Salary	9.00	7.00	16.00	12.00
		Interest Paid	2.87	1.23	1.23	5.25
		Unsecured loan received outstanding	111.93	10.94	114.61	47.78
		Rent Paid	0.87	0.79	1.58	1.43
Mohan Sunderji Dama	Promoter of the Company	Remuneration/Salary	30.00	22.00	52.00	36.00
		Interest Paid	3.39	2.39	4.75	4.80
		Unsecured loan received outstanding	80.31	41.57	87.25	83.36
		Rent Paid	0.87	0.79	1.58	1.43
Nitin Karsandas Dama	Director of the Company	Remuneration/Salary	0.66	0.64	1.30	1.21
Veera International Eximp	Enterprise in which Promoter have significant influence	Sale of goods/services*	9.81	33.02	60.22	-
		Purchase of goods/services*	71.97	68.34	188.26	153.90

**Inclusive of Tax*

Issuances of Equity Shares made in the last one year for consideration other than cash or by way of bonus issue

Except as stated below, our Company has not issued any Equity Shares through bonus issue or for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus:

Pursuant to Board and Shareholders resolutions dated December 18, 2021 and December 23, 2021, respectively, our Company has issued and allotted 72,046,000 Equity Shares through a bonus issue in the ratio of 4:1, i.e., 4 Equity Shares for every 1 Equity Share held by the Shareholders whose names appear in the register of members as on December 18, 2021. For details, see "*Capital Structure – Notes to the Capital Structure - Equity Share capital history of our Company*" beginning on page 79.

Financing Arrangements

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

Details of price at which specified securities were acquired in the last three years preceding the date of this Draft Red Herring Prospectus

The details of the price at which specified securities were acquired in the last three years preceding the date of this Draft Red Herring Prospectus, by our Promoter, Promoter Group, Promoter Selling Shareholders and Shareholders with nominee director or other rights is disclosed below:

S. No.	Name of the acquirer/shareholder	Date of acquisition of Equity Shares	Number of Equity Shares acquired	Acquisition price per Equity Share
Promoters and Promoter Selling Shareholders				
1.	Jayesh Mohan Dama	December 27, 2021	21,426,968	Nil
2.	Mohan Sunderji Dama	December 27, 2021	26,978,520	Nil
3.	Minal Mohan Dama	December 27, 2021	23,640,480	Nil
Promoter Group				
1.	Manali Jayesh Dama	December 27, 2021	8	Nil
2.	Meyuri Hiren Shethia	December 27, 2021	8	Nil

The above details have been certified by Statutory Auditors by way of their certificate dated March 28, 2022.

Note:

1) None of the Shareholders are entitled with the right to nominate directors or any other rights.

Weighted average price at which specified securities were acquired by our Promoters and the Promoter Selling Shareholders

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

Except as disclosed below, no other Shareholder has acquired Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus. The weighted average price at which Equity Shares acquired by the Shareholders in the one year preceding the date of this Draft Red Herring Prospectus is as follows:

a) Promoters and Promoter Selling Shareholders

S. No.	Name of the Promoter	Number of specified securities^ acquired in the one year preceding the date of this Draft Red Herring Prospectus	Weighted average price per specified security (in ₹)*
Promoter and Promoter Selling Shareholders			
1.	Jayesh Mohan Dama	21,426,968	Nil
2.	Mohan Sunderji Dama	26,978,520	Nil
3.	Minal Mohan Dama	23,640,480	Nil

^ *Specified securities include Equity Shares.*

* *As certified by our Statutory Auditors by way of their certificate dated March 28, 2022.*

Average Cost of Acquisition for Promoters and Promoter Selling Shareholders

The average cost of acquisition per Equity Share acquired by our Promoters and the Promoter Selling Shareholders, as on the date of this Draft Red Herring Prospectus is:

a) Promoters and Promoter Selling Shareholders

S. No.	Name of the Promoter	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)*#
1.	Jayesh Mohan Dama	26,783,710	0.75
2.	Mohan Sunderji Dama	33,723,150	1.53
3.	Minal Mohan Dama	29,550,600	0.12

* *As certified by our Statutory Auditors by way of their certificate dated March 28, 2022.*

 # Computed based on the equity shares acquired/allotted/purchased (including acquisition pursuant to transfer). However, the equity shares disposed of have not been considered while computing number of Equity Shares held)

Details of pre-IPO placement

Our Company may consider a private placement of up to [●] Equity Shares for cash consideration aggregating up to ₹1,000.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC.

If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the offer complying with rule 19(2)(b) of the SCRR.

Split or Consolidation of Equity Shares in the last one year

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

Date	Particulars
December 23, 2021	Each equity share of face value of ₹10 each was split into 2 Equity Shares of face value of ₹5 each

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

We have made an exemption application dated March 28, 2022 under Regulation 300(1)(c) of the SEBI ICDR Regulations to SEBI along with the Draft Red Herring Prospectus, (a) for excluding an immediate relative of our Promoters, (i) Premji Sunderji Hemani (ii) the body corporates where he, his relatives, or the HUFs and firms where he or his relatives are members, hold 20% or more equity share capital; (iii) any body corporate where the entities mentioned in (ii) above hold 20% or more equity share capital and (iv) any HUF or firm in which he along with his relatives hold 20% or more of its total capital from being considered as part of the "promoter group" of our Company and (b) for not classifying Hemani Intermediates Private Limited as a 'group company" of the Company and disclosing information as required under SEBI ICDR Regulations. Our Company undertakes to update the disclosures included above in the Red Herring Prospectus based on the outcome of the exemption application.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below before making an investment in the Equity Shares.

We have described the risks and uncertainties that we consider material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. For more details on our business and operations, see "Our Business", "Industry Overview", "Key Regulations and Policies in India" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 163, 114, 190 and 372, respectively, as well as other financial information included elsewhere in this Draft Red Herring Prospectus. In making an investment decision, you must rely on your own examination of us and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward- looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see "Forward-Looking Statements" on page 17.

Unless otherwise indicated, industry and market data used in this section has been derived from the F&S Report prepared and released by Frost & Sullivan *and commissioned and paid for by us in connection with the Offer. 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.*

Our fiscal year ends on March 31 of each year, and references to a particular fiscal period are to the twelve months ended March 31 of that year. References in this section to a "six month period" or "Half Year" refers to the six months ended September 30 of a particular fiscal year.

Unless otherwise stated, references to "the Company", "our Company", "we", "us", and "our" are to Hemani Industries Limited and its subsidiaries.

Unless otherwise specified or as the context requires, financial and operational information contained in this section for the six months ended September 30, 2021, Fiscal 2021 and Fiscal 2020 is provided on a consolidated basis and derived from our Restated Consolidated Financial Statements, and financial information contained in this section for Fiscal 2019 is provided on a standalone basis and derived from our Restated Standalone Financial Statements.

Internal Risks

Risks Relating to our Business

1. ***Our business is dependent and will continue to depend on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or under-utilization of our manufacturing facilities, strikes, work stoppages or increased wage demands by our employees that could interfere with our operations also could have an adverse effect on our business, results of operations and financial condition.***

We operate three modern manufacturing facilities in Gujarat, our Dahej Facility, Ankleshwar Facility and Saykha Facility. Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery, our equipment, our reactors, our automation systems, our IT systems or any other part of our manufacturing processes or systems (together, our "**Manufacturing Assets**") may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair Manufacturing Assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate Manufacturing Assets to replace them. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections, customer audits and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

As on December 31, 2021, we had 882 employees (excluding trainees) and more than 552 temporary and retainership employees. The success of our operations depends on availability of labour and good relationships with our labour force. As of the date of this Draft Red Herring Prospectus, employees at our Ankleshwar Facility are members of Rajya General Kamdar Mandal labour union, and our employees at our other facilities are not members of any organised labour unions. Shortage of skilled or unskilled personnel or increased wage demands could have an adverse effect on our business and results of operations. In addition, work stoppages caused by disagreements with employees like strikes and lockouts may adversely affect our operations. We have had instances of strikes and labour disputes at our Ankleshwar Facility in 1998. We may experience strikes or lockouts on account of labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, results of operations and financial condition. In addition, we also may face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

Further, we may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved.

We have experienced significant disruptions at our manufacturing facilities in the past, and we cannot assure you that there will not be any disruptions in our operations in the future. In June 2020, we had an explosion and fire incident at our Ankleshwar Facility, which resulted in three employee fatalities and injuries to six other employees, as well as significant damage to our property. Due to this incident, our Ankleshwar Facility was required to shut down for 23 days during which production at our Ankleshwar Facility was halted. We made a claim of ₹255.00 million under our insurance policies in connection with this explosion and fire incident in June 2020 as well as ₹15.00 million for a claim of goods damaged at the job worker premises in June, 2020, each of which was covered excluding deductibles and mandatory deductions. We may experience similar or more severe disruptions in the future. Events like these could result in liabilities, or adversely affect our reputation with suppliers, customers, regulators, employees and the public, which could in turn affect our financial condition and business performance. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition.

2. ***Our operations are subject to environmental, safety, health and labour laws and other applicable regulations. We have received notices from regulatory authorities in the past; and in particular from the environmental authorities, which may result in litigation, penalties, fines or cancellation or suspension of our operating licenses. We may incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incident of non-compliance of environmental and other similar laws and regulations which may adversely affect our business, results of operations and financial condition.***

Our operations are subject to extensive environmental and hazardous waste management laws and regulations in India, including the Environmental Protection Act, 1986, as amended (the "**Environment Act**"), the Air Act, the Water Act, the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended, and other regulations promulgated by the Ministry of Environment, Forest and Climate Change, Government of India ("**MoEF**") and various statutory and regulatory authorities and agencies in India. The agrochemical industry is subject to strict regulations with respect to a range of environmental matters including limitations on land use, licensing requirements, management of materials used in manufacturing activities, the storage of inflammable and hazardous substances and associated risks, the storage, treatment and disposal of wastes, remediation of contaminated soil and groundwater, air quality standards, water pollution and discharge of hazardous materials into the environment. For details of the key regulations applicable to our business in India, see "*Key Regulations and Policies in India*" on page 190.

As a result, our operations, particularly at our manufacturing plants, are subject to stringent scrutiny, inspection and audit from third party environmental agencies, including governmental authorities. During the course of and post such audits and inspections, we receive routine notices from the environmental authorities, in connection with each of our manufacturing plants. Certain such notices received are industry-wide notices that are dispatched by the authorities and are not specific to us. We routinely reply to each such notice received. Additionally, we have, from time to time, also received show cause notices from the environmental authorities to which we seek to provide adequate responses. Typically, such notices require us to provide the regulatory authorities with information such as production data during a period, power and water consumption data, amongst others. Furthermore, if the authorities deem that our responses do not sufficiently address the concerns raised in these notices, there is also a possibility that the environmental authorities may cancel, suspend or withdraw the approvals, permits or consents granted to us or may order the closure of the manufacturing unit until the concerns are sufficiently addressed or remedied. In the event that such environmental notices result in litigations, fines or the cancellation of our licenses, it could adversely affect our business, results of operations and financial condition.

We handle and use hazardous materials in our R&D and manufacturing activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. Any accident at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. We may experience similar or more severe accidents in the future. Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines. Any of the foregoing could subject us to legal proceedings, which could lower our profits in the event we were found liable and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

For example, the Aryavart Foundation has filed a petition against our Company before the National Green Tribunal, Western Zone ("the **NGT**") under Sections 18(1) read with Sections 14, 15 and 17 of the National Green Tribunal Act, 2010, alleging non-compliance of environmental obligations set out in the consent to establish and consolidated consent and authorization with respect to Dahej Facility by alleged discharge of untreated trade effluents into the drainage system of the Gujarat Industrial Development Corporation (the "**GIDC**') since 2010. The NGT through its order dated August 16, 2021 had issued a notice to our Company. Further, through its order dated October 4, 2021, NGT has directed Gujarat Pollution Control Board or any other organization to conduct a survey for environmental damage caused by release of effluents by the Company in GIDC Dahej to undertake inspection of the industrial units falling under "red category" and find out whether they discharge untreated/partly treated effluents. The matter is currently pending. Also, we have paid fines and penalties in past. For example, on February 22, 2021, we paid a fine of ₹10 million to the Gujarat Pollution Control Board in respect of explosion and fire incident at our Ankleshwar Facility in June 2020. We cannot assure you that other notices that we may receive will not culminate in legal proceedings in the future, neither can we assure you that further fines, penalties or damages will not be imposed on us pursuant to such notices. Please also, see "*Outstanding Litigation and Material Developments*" on page 419.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. In the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, we have incurred ₹67.89 million, ₹233.70 million, ₹145.86 million and ₹91.73 million in compliance costs, respectively, which have amounted to 0.95%, 1.99%, 1.46% and 1.04% of our revenue from operations in such respective periods. We have also made and expect to continue making capital expenditures on an on-going basis to comply with all applicable environmental, health and safety and labour laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. We cannot assure you that we will not be found to be in non-compliance with, or remain in compliance with all applicable environmental, health and safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of production.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental, health and safety and labour laws are difficult to predict.

3. The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition.

In December 2019, a human infection was traced to a novel strain of coronavirus (also known as COVID-19) and has since spread to over 200 countries and territories. The outbreak of COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020, and as of the date of this Draft Red Herring Prospectus, it is still ongoing and rapidly evolving. The GoI initiated a nation-wide lockdown from March 24, 2020 that lasted until May 31, 2020 and has been extended periodically by varying degrees by state governments and local administrations. Although the nationwide lockdown was lifted on June 1, 2020, restrictions on non-essential activities and travel were imposed until August 31, 2020 in multiple states across specific districts that were witnessing increases in COVID-19 cases. The second wave of COVID-19 infections impacted India in April, May and June 2021. The second wave resulted in significant strain on the health infrastructure in the country resulting in several states announcing lockdown measures. The second wave also resulted in a large part of the population working from home and implementing social distancing measures. In June 2021, the COVID-19 reported cases from the second wave declined and the GoI and state governments started gradually easing some of the strict precautionary measures.

Globally, border controls, travel restrictions and quarantine measures have been imposed by various countries in an effort to contain the spread of the COVID-19 outbreak, which have resulted in a period of business disruption as well as restrictions on business activity and the movement of people comprising a significant portion of the world's population, and a decrease in economic activity in a number of countries, including India. Moreover, there is no assurance that such measures will be effective in ending or restricting the spread of COVID-19, and many countries have experienced further COVID19 outbreaks even after such measures had been eased.

The COVID-19 pandemic has also resulted in economic challenges driven by labour shortage, logistics disruptions and reduced demand. As a result, many industries have been exposed to disruptions in carrying out business operations, resulting in loss of business and reduction in cash flows, which has created stress in different sectors of the economy. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operation, financial condition and prospects.

Our manufacturing has been impacted during the COVID -19 pandemic as set forth below.

- Due to the nation-wide lockdown, our Ankleshwar Facility was shut down on March 26, 2020 but reopened on March 31, 2020 after being deemed engaged in essential services, our Dahej Facility was shut down on March 25, 2020 but reopened on March 31, 2020 after being deemed engaged in essential services.

  Any future restrictions on our workforce's access to any of our manufacturing facilities and the health and availability of our workforce could limit our ability to meet customer orders and have a material adverse effect on our business, results of operations and financial condition.

- Due to COVID-19 lockdowns, the majority of our management and administrative employees worked from their homes remotely and faced technology constraints as their homes may not have been well-equipped to work like they were in the office, including access to networks, information systems, applications and other tools available to them. The continuation of work-from-home measures introduces additional operational risk, especially cybersecurity risk. These cyber risks include greater phishing, malware, and other cybersecurity attacks, vulnerability to disruptions of our information technology infrastructure and telecommunications systems for remote operations, increased risk of unauthorized dissemination of confidential information, limited ability to restore systems in the event of a systems failure or interruption, and a greater risk of a security breach resulting in destruction or misuse of valuable information.

- Some of our employees have also been infected with the COVID-19 virus during the pandemic. Accordingly, we may lose key management and employee personnel hours due to COVID-19-related illness and related issues in the future.

- We rely on many suppliers and contractors. During Fiscal 2021 and Fiscal 2022, we have faced several challenges and continue to face challenges to obtain materials and supplies and some materials and supplies are now often at higher prices than in the past year. Increases in prices of raw materials could have a material adverse effect on our business, results of operations and financial condition. In addition, global logistics disruptions have resulted in an increase in our freights and logistics costs and may continue to do so.

- Our business may be affected by a variety of external factors that may affect the price or marketability of our products and services, including disruptions in the capital markets, changes in interest rates that may increase our funding costs and reduced demand for our products due to economic conditions. The COVID-19 pandemic has significantly increased economic and demand uncertainty and has led to disruption and volatility in the global and domestic capital markets, which could increase the cost of capital and adversely impact access to capital. A period of extremely volatile and unstable market conditions would likely increase our funding costs and negatively affect market risk mitigation strategies. Furthermore, the volatility in global and domestic capital markets may cause increased volatility in currency exchange rates reducing our ability or increase the costs to mitigate these risks. Any depreciation of the Indian rupee could result in increased costs of our imports of raw materials.

The extent to which the COVID-19 pandemic, and the related global economic impact, affect our business, results of operations and financial condition will depend on future developments that are highly uncertain and cannot be predicted, including the spread, scope and duration of the COVID-19 pandemic and any recovery period, the effectiveness of further steps taken by the GoI and the RBI to mitigate the economic impacts in response to the pandemic, the effects on our customers, counterparties, employees and third-party service providers, and the time it takes for economic activities to return to pre-pandemic levels. As of the date of this Draft Red Herring Prospectus, there is significant uncertainty relating to the severity of long-term adverse impact of the ongoing COVID-19 pandemic on the domestic and global economy, domestic and global financial markets, and we are unable to accurately predict the long-term impact of the COVID-19 pandemic on our business. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this section.

4. We rely on a combination of trade mark, trade secret, copyright law and contractual restrictions to protect our intellectual property. We do not own any patents. If we are unable to protect our intellectual property rights, our business, results of operations and financial condition may be adversely affected.

The protection of our intellectual property is crucial to the success of our business. We rely on a combination of trademark, trade secret, and copyright law and contractual restrictions to protect our intellectual property.

We do not own any patents. While our agreements with our employees and consultants who develop our intellectual property including our proprietary intermediates and specialty chemical products, technology, systems and processes on our behalf include confidentiality provisions and provisions on ownership of intellectual property developed during employment or specific assignments, as applicable, these agreements may not effectively prevent unauthorized use or disclosure of our confidential information, our intellectual property including our proprietary products, technology, systems and processes and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information or infringement of our intellectual property. Despite our efforts to protect our proprietary rights, unauthorized parties may copy aspects of our proprietary products, technology, systems and processes and use information that we consider proprietary. In addition, unauthorized parties may also attempt, or successfully endeavor, to obtain our intellectual property, confidential information, and trade secrets through various methods, including through cybersecurity attacks, and legal or other methods of protecting this data may be inadequate. In addition, our trade secrets may become known or independently developed by our competitors, and in such cases, we may no longer enjoy the exclusive use of some of our formulations or maintain the confidentiality of information relating to our products.

We have obtained trademark registrations in India for 33 product names. For further information, see "*Our Business – Intellectual Property*" on page 187. We, however, do have trademark registrations for our brand names in the international markets where our products are exported. The measures we take to protect our intellectual property rights include applying for registration of our brand names, which may not be granted, due to various reasons such as similarity with any other registered trademark and prior usage. We have had trademark registrations for 11 product names refused, objected or opposed.

Accordingly, our efforts to protect our intellectual property may not be adequate.

An agreement dated June 12, 2018 ("**the Family Arrangement**") was entered into by the Promoters and Mohan Sunderji Dama HUF ("**Mohan Group**") with Premji Sunderji Hemani, Naina Premji Hemani, Jailesh Premji Hemani, Premji Sunderji Hemani HUF (hereinafter referred to as "**Premji Group**") and our Company, Hemani Chemiorganic Pvt. Ltd., Ideal Dye-Chem Industries (a partnership firm), Premonit International Eximp (a partnership firm) and Hemani Intermediates Private Limited, pursuant to which our Company is entitled to use the brand name "Hemani" for its business. In accordance with the Family Arrangement, the Premji Group companies may also use "Hemani" in their company names and brands. Any misuse of the "Hemani" brand by companies in Premji Group or negative publicity associated with their businesses could adversely affect our brand. For further details regarding the Family Arrangement, see "*History and Certain Corporate Matters-Family Arrangement*" beginning on page 198. We also may need to litigate to protect our intellectual property or to defend against third party claims made over our intellectual property. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. Any inability to use or protect our intellectual property could affect our relationships with our customers, which could materially and adversely affect our brand, business, results of operations and financial condition.

Further, third parties may challenge the measures that we take to protect our intellectual property rights and, as a result, our products may not always have the full benefit of intellectual property rights protection. We may also inadvertently use the trademarks registered by third parties which may lead to such third parties taking legal action against us by way of infringement proceedings and may be required to pay damages and penalties for the use of trademarks belonging to such third parties. We may also have to change the brand name used for our products and expend monies in the registering and marketing of a new and alternative brand names for the same products. As a result, we may lose market share and suffer a decline in our revenues and net earnings if we cannot successfully defend one or more trademarks. We do not believe that any of our products infringe the valid intellectual property rights of third parties. However, we may be unaware of intellectual property rights of others that may cover some of our products or services. In that event, we may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised, those claims could: (a) adversely affect our relationships with current or future customers: (b) result in costly litigation; (c) cause product shipment delays or stoppages; (d) divert management's attention and resources; (e) subject us to significant liabilities; (f) require us to enter into potentially expensive royalty or licensing agreements and (g) require us to cease certain activities. In the case of an infringement claim made by a third party, we may be required to defend such claims at our own cost and liability and may need to indemnify and hold harmless our customers. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, which settlement could be costly. We may also be liable for any past infringement that we are not aware of. Any of the foregoing could adversely affect our business, results of operations and financial condition.

In addition, in certain cases, our customers share their intellectual property rights in the course of the product development process and contract manufacturing that we carry out for them. If our customer's intellectual property rights are misappropriated by our employees in violation of any applicable confidentiality agreements, our customers may seek damages and compensation from us. This could have an adverse effect on our business, results of operations and financial condition and damage our reputation and relationships with our customers.

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

Regulations and policies implemented by the Government of India as well as the countries to which we export our products can affect the demand for, expenses related to and availability of our products. In particular, since majority of our revenues are derived from exports, any amendments to the export-import policies of the GoI as well as the registration requirements in the countries where we export products may potentially impact the business of our Company. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits, incentives and subsidies levied by India or other countries, could adversely affect our business and results of operations. Protectionist measures, including countervailing duties and tariffs and government subsidization adopted or currently contemplated by governments in some of our export markets could adversely affect our sales.

Further, regulatory requirements with respect to our products and the products of our customers are subject to change. The Government of India has from time to time determined that the use of certain pesticides will likely involve risk to human beings and animals and have prohibited or restricted the manufacture, import, formulation, transportation, sale and/or use of such pesticides in India. For instance, in 2018, the Department of Agriculture, Co-operation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Government of India ("**Ministry of Agriculture**"), pursuant to a notification dated August 8, 2018 had imposed a ban on 18 pesticides in India for manufacture, import, formulate, transport, sell, use. Further, in May 2020, the Ministry of Agriculture has further issued a notification proposing to ban 27 insecticides in India for the import, manufacture, sale, transport, distribution and usage citing that several countries had already imposed a ban on these insecticides. These 27 proposed 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 (*Source: F&S Report, March 2022*). The proposed list of 27 banned insecticides, includes Delta Metherin, which we currently manufacture. The proposed ban has not come into effect as of the date of this Draft Red Herring Prospectus, and its timing and impact is currently uncertain. Pursuant to an addendum to notification dated June 10, 2020 issued by the Ministry of Agriculture, in partial modification of the May 2020 notification, it was clarified that the proposed ban would not cover manufacture for export purposes only. Since the proposed ban is unlikely to be enforced on exports from India, this proposed ban is unlikely to be enforced on products that we manufacture. (*Source: F&S Report, March 2022*). Further, the Pesticide Management Bill, 2020, which is proposed as the successor to the Insecticides Act, 1968 (the "**Insecticides Act**") contains provisions for registration of pesticides and the evaluation criteria for such registration, regulation of advertisements by manufacturers and compensation for loss due to use of low quality pesticides, amongst other provisions. For details regarding certain key regulations applicable to our business in India, see "*Key Regulations and Policies in India*" on page 190. An adverse change in the regulations governing the development of our products and their usage by our customers, including the development of licensing requirements and technical standards and specifications or the imposition of onerous requirements, may have an adverse impact on our operations.

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

6. We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances and dangerous machinery and chemical processes.

Our manufacturing processes involve manufacturing, storage and transportation of various hazardous substances, such as Thionyl Chloride, Methanol, Sodium Cyanide, Caustic Lye, N Hexane, Sulphuric Acid, Bromine, Asetic Anhydride and Benzaldehyde, amongst others, and we are required to obtain approvals from the relevant authorities to store such hazardous substances. Despite compliance with requisite safety requirements and standards, we are subject to operating risks associated with handling of such hazardous materials, including the possibility for leakages and ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which in turn may cause personal injury, property damage and environmental contamination. In the event of occurrence of any such accidents, our business operations may be interrupted. Any of these occurrences may result in the shutdown of one or more of our manufacturing facilities and expose us to civil and/or criminal liability which could have an adverse effect on our business, financial condition and results of operations. Further, such occurrences may result in the termination of our approvals for storing such substances or penalties thereunder. Moreover, certain environmental laws impose strict liability for accidents and damages resulting from hazardous substances and any failure to comply with such laws may lead to closure, penalties, fines and imprisonment.

Further, our manufacturing and operations are subject to risks from industrial accidents at our facilities. Our operations involve the operation of machinery, equipment and various chemical processes and reactions. These activities can be extremely dangerous and any accident, including any mechanical and operational failures could cause serious injury to people or property and in certain circumstances, even death, and this may adversely affect our production schedules, costs, sales and ability to meet customer demand. Since April 1, 2018, we have had two serious accidents at our facilities. In November 2018, we had a fire incident at our Dahej Facility, which resulted in significant damage to our property and loss of raw materials and chemical products. On June 12, 2020, we had an explosion and fire incident at our Ankleshwar Facility, which resulted in three employee fatalities and injuries to six other employees, as well as significant damage to our property. We may experience similar or more severe accidents in the future. If we experience, any such industrial accidents in the future our business, financial condition and results of operations may be adversely impacted.

7. We require certain approvals and licenses in the ordinary course of business, including certain registrations from the Central Insecticides Board and Registration Committee ("CIBRC") for our products manufactured and sold in India as well as for exports to other jurisdictions. Any failure to successfully obtain such registrations or renew or maintain our statutory and regulatory permits and approvals required to operate our business and manufacturing facilities would adversely affect our operations, results of operations and financial condition.

Our operations are subject to extensive government regulation, and we are required to obtain and maintain various statutory and regulatory permits, approvals, licenses and registrations to operate our business. Several of these approvals are granted for a limited duration- certain of which may have expired and have been applied for and certain of which are due to expire in the near future. For instance, our Company has made an application for renewal of the certificate of use of boiler for the Dahej Facility. For further details in relation to the material pending approvals, please refer to the section entitled "*Government and other Approvals*" on page 423.

In particular, we are engaged in the manufacture of Intermediates, Technicals and Formulations and our products are required to obtain regulatory pre-approval. As per Section 9 of the Insecticides Act, any person desiring to import or manufacture any insecticides, herbicides and fungicides may apply to the registration committee, *i.e.* CIBRC, for registration of such insecticide and there is a separate registration for each insecticide, herbicide and fungicide. Accordingly, we provide each of our agrochemical Technicals and Formulations to the CIBRC for their approval where they undertake testing to check the composition and purity profile of our agrochemical Technicals and Formulations before granting registrations. In addition, under Section 13 of the Insecticides Act, any person desiring to manufacture, sell, stock or exhibit for sale or distribute any insecticides, herbicides and fungicides, is required to make an application to the licensing officer of the respective state authority for the grant of license. In particular, for our Company, we obtain licenses under Section 13 of the Insecticides Act from the Department of Agriculture, Gujarat, which makes periodic visits to inspect the infrastructure facilities available at our manufacturing facilities as well as our agrochemical Technicals and Formulations. As of the date of this Draft Red Herring Prospectus, we have obtained registrations and license to manufacture from the CIBRC (Delhi) and the Department of Agriculture, Gujarat for Technicals and Formulations for sale in India and for export.

In addition, as of the date of this Draft Red Herring Prospectus, we have also applied for registration from the CIBRC for the registration of Technicals and Formulations for manufacturing and sale, which are pending at various stages. The final approval from CIBRC may take from two months to one year depending on the category of the requested registration. This registration process increases our cost of developing new products and does not guarantee that we will be successful in selling these products after their registration is granted. Further, a submission of an application to a regulatory authority does not itself lead to a grant of such application. Although, we have duly obtained such approvals for manufacturing and exporting the products we manufacture and distribute in India and in the international markets, there can be no assurance that we will be able to maintain or obtain the necessary approvals or registrations and approvals in the future. If we are unable to successfully obtain registrations in a timely manner, we may lose the market opportunities which may result in our delay or failure to recover the costs incurred towards seeking registrations and approvals and other related activities and may adversely affect our business, results of operations and financial condition.

There may be instances where we have not applied for or obtained licenses or registrations in the ordinary course of business. Moreover, some of our licenses and approvals expire from time to time in the ordinary course of business and there can be no assurance that we will be able to apply and obtain such approvals, licenses or renewals in a timely manner or that the approvals, licenses, permits and registrations may not be revoked in the event of any non-compliance with any terms or conditions imposed thereof. For further information, see "*Government and Other Approvals*" on page 423. Further, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations or products. While we believe that we will be able to renew or obtain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all.

Further, these permits, licenses and approvals could be subject to several conditions, and we cannot assure you that we would be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits, licenses or approvals. An inability to renew, maintain or obtain any required permits, licenses, registrations or approvals may result in the interruption of a part or all of our operations and have a material adverse effect on our business, results of operations and financial condition.

8. Our reliance on certain industries for a significant portion of our sales could have an adverse effect on our business.

Generally, our Intermediates, Technicals and Formulations and other specialty chemicals products cater to the agrochemicals industry, as well as the industries catering to crop protection, veterinary, wood protection, public health and human health. Factors affecting any of these industries in general, or any of our customers in particular, could have a cascading adverse effect on our business, results of operations and financial condition. Such factors include, but are not limited to, the following:

a. seasonality of demand for our customers' products, which may cause our manufacturing capacities to be underutilised during specific periods;

b. our customers' failure to successfully market their products or to compete effectively;

c. change in any registration requirements or non-renewal of registrations or imposition of a regulatory ban, or trade sanctions imposed across the country or any such restrictions on the business or product or customer's final product;

d. loss of market share, which may lead our customers to reduce or discontinue the purchase of our products;

e. economic conditions of the markets in which our customers operate;

f. regulatory issues faced by these industries in India and internationally;

g. downturns or industry cycles that impact demand; and

h. changes in technology or customer requirements that alter demands for our products.

For any of the above reasons or for any other reason whatsoever, in the event sales to our customers were to substantially decrease, our business, results of operations and financial condition could be adversely affected.

9. We derive a significant part of our revenue from major customers and we do not have long term contracts with most of these customers. If one or more of such customers choose not to source their requirements from us or to terminate our long-term contracts, our business, results of operations and financial condition may be adversely affected.

Our customer base currently comprises a host of multinational and domestic companies. We currently generate a significant portion of our revenues from a limited number of major customers. The following table sets out our revenue from our largest customer, top 5 customers, top 10 customers and top 20 customers for the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, including as a percentage of revenue from operations for the respective periods.

Particulars	Six months ended September 30, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Revenue (in ₹ millions)	% of revenue from operations	Revenue (in ₹ millions)	% of revenue from operations	Revenue (in ₹ millions)	% of revenue from operations	Revenue (in ₹ millions)	% of revenue from operations
Largest customer	714.10	10.21	1,089.67	9.30	1,064.22	10.64	1,249.67	14.16
Top 5 customers	2170.26	31.03	2,815.14	24.02	3,137.00	31.37	2,696.38	30.56
Top 10 customers	2802.04	40.06	3,840.43	32.77	4,221.49	42.21	3,696.21	41.89
Top 20 customers	3558.64	50.88	5,009.02	42.74	5,348.99	53.49	4,736.11	53.68

We expect that we will continue to be reliant on our major customers for the foreseeable future. Accordingly, any failure to retain these customers and/or negotiate and execute contracts on terms that are commercially viable, with these select customers, could adversely affect our business, results of operations and financial condition. We have had recovery claims with the Export Guarantee Corporation of India Limited and for certain customers in China and Uganda, but we have had no recovery claims in respect of our top twenty customers. In addition, any defaults or delays in payments by a major customer or the insolvency or financial distress by a major customer may have an adverse effect on business, results of operations and financial condition.

We usually do not enter into long-term contracts with our customers and have a number of supply contracts with customers of three years duration which are linked to a formula based pricing structure. Our supply contracts with customers generally can be terminated by our customers with notice. Accordingly, the termination of supply contracts could adversely affect our business, results of operations and financial condition.

For other customers, we instead rely on purchase orders to govern the volume and other terms of our sales of products. Many of the purchase orders we receive from our customers specify a price per unit and delivery schedule. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our production schedules and inventories.

Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity. Further, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss. Further, our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future.

Additionally, our customers have high and stringent standards for product quality and quantity as well as delivery schedules. Any failure to meet our customers' expectations or requirements could result in the cancellation or non-renewal of contracts or purchase orders. There are also a number of factors, other than our performance that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.

10. Our manufacturing facilities are located in Gujarat exposing us to regulatory and other geography specific risks such as labour unrests, terrorist attacks, other acts of violence and occurrence of natural and man-made disasters.

As on date of this Draft Red Herring Prospectus, all of our manufacturing facilities (including our R&D facility) are located in Gujarat. Additionally, we have over 121,436.34 square meters of land in Plot No. T-35 to 37 and T-45 to 47 at GIDC Industrial Estate, Saykha, Gujarat available for future development. Accordingly, a large part of our current manufacturing operations is concentrated in one geographic area. The concentration of all of our operations in Gujarat heightens our exposure to adverse developments related to regulation, as well as economic, demographic and other changes in Gujarat as well as the occurrence of natural and man-made disasters in Gujarat, which may adversely affect business, results of operations and financial condition. Our manufacturing operations require significant labour and are also reliant on government policies in terms of taxes, duties and incentives made applicable by the state government. As a result, any unfavourable policies in Gujarat, could adversely affect our business, results of operations and financial condition. Furthermore, Gujarat has experienced social and civil unrest in the past within the state and such tensions could lead to political or economic instability in Gujarat and a possible adverse effect on our business, results of operations and financial condition. There can be no assurance that such situations will not recur or be more intense than in the past.

11. Increasing use of alternative pest management and crop protection measures such as biotechnology products, pest resistant seeds or genetically modified crops may reduce demand for our products and adversely affect our business, results of operations and financial condition.

Alternative pest management and crop protection measures, such as, organic farming, biotechnology products, pest resistant seeds or genetically modified crops may reduce the demand of our agrochemicals products. The growth and acceptance of such alternative pest management and crop protection products and measures by consumers may have an adverse effect on the sales of chemical pesticides which may, in turn, affect the results of operations and financial condition of our Company. Zero budget farming is another such alternative to crop protecting chemicals which is a farming methodology that involves no use of chemical fertilizers. The concept was referred to in the Union Budget for Fiscal 2019 of the Government of India. Implementation of zero budget farming may impact the sale of agrochemical fertilizers, thereby causing a decline in the business operations and revenue of our Company. Further, genetically modified crops are crops whose DNA has been altered to provide them with certain desirable characteristics. The characteristics are usually targeted at higher yields, lower sensitivity to weather conditions, and resistance to common pests. In particular, significant research is being carried out to develop and commercialize seed traits that carry resistance to many of the pests, such as insects and fungi, for which farmers currently use crop protection products. Successful commercialization of such traits may result in lower demand for certain of our products. Conversely, there have been instances of species of weeds and insects evolving to have resistance to agrochemicals products designed to control or eradicate them. Such resistance may result in reduced demand for the affected product, which may not be offset by increased sales of alternative products. If we fail to adapt our product range to respond to such developments, demand for our products or their price may decline and adversely affect our business, results of operations and financial condition.

12. Our inability to successfully implement some or all our business strategies in a timely manner or at all could have an adverse effect on our business.

As part of our strategy aimed towards business growth and improvement of market position, we intend to implement several business strategies, which include:

- Expand manufacturing capacities;
- Grow our product portfolio in agrochemicals;

- Develop our own branded consumer products;

- Expand our sales and distribution network into new international markets; and

- Continue our focus on quality, environment, health and safety.

The aforesaid strategies are subject to certain risks and uncertainties. Our strategies may not succeed due to various factors, many of which are beyond our control, including our inability to reduce our debt and our operating costs, our failure to develop new products and services with sufficient growth potential as per the changing market preferences and trends, our failure to execute agreements with our technology and strategic partners, our failure to effectively market these new products and services or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines, automation, equipment and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain highest quality and consistency in our operations or to ensure scaling of our operations to correspond with our strategies and customer demand, changes in GoI policy or regulation, our inability to respond to regular competition, and other operational and management difficulties. Any failure on our part to implement our strategy due to many reasons as attributed aforesaid could be detrimental to our long-term business outlook and our growth prospects and may materially adversely affect our business, results of operations and financial condition. Further, for any reason, in the event the benefits we realize are less than our estimates or the implementation of these strategies and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our results of operations may be materially adversely affected. For further details of our strategies, see "*Our Business*" on page 163.

13. Our agrochemicals business is subject to climatic conditions, the overall area under cultivation, and the cropping pattern adopted by the farming community. Seasonal variations and unfavourable local and global weather patterns may have an adverse effect on our business, results of operations and financial condition.

We are engaged in the manufacture of agrochemical Intermediates, Technicals and Formulations. Our business is sensitive to weather conditions, such as drought, floods, cyclones and natural disasters, as well as events such as pest infestations. The weather can affect the presence of disease and pest infestations in the short term on a regional basis, and accordingly, may adversely affect the demand for crop protection products. For example, in May 2020, the eastern states of India, including Odisha and West Bengal received significant rainfall due to cyclone Amphan and further the locust plague in central and western India and South Asian countries, may have a long-term impact on the agricultural economy of India. Our results of operations are significantly affected by weather conditions in the agricultural regions in which our products are used. The most important determinant of our sales is the volume of crops planted. Adverse conditions early in the season, especially drought conditions, can result in significantly lower than normal plantings of crops and therefore lower demand for crop protection products. This can result in our sales in a particular region varying substantially from year to year. Weather conditions can also result in earlier or later plantings and affect the levels of pest infestations, which may affect both the timing and volume of our sales or the product mix. Adverse weather conditions may also cause volatility in the prices of commodities, which may affect farmers' decisions about the types and quantum of crops to plant and may consequently affect the sales of our agrochemical Intermediates, Technicals and Formulations. The increasing concern over climate change may also result in enhanced regional and global legal and regulatory requirements to reduce or mitigate the effects of greenhouse gases, as well as more stringent regulation of water rights. Thus, we may be subjected to decreased availability of water, which could impact our manufacturing operations. In the event that such regulations are enacted and are more aggressive than the sustainability measures that we are currently undertaking to monitor our emissions, improve our energy efficiencies, and reduce and reuse water, we may experience significant increases in our costs of operations.

Further, the sales of agrochemical products are seasonal due to the occurrence of monsoons, with the demand for pesticides generally higher during the monsoon season in India and other jurisdictions where our products are exported. Lack of monsoons in a particular year may result in the decline in demand for our products. As a result of such seasonal fluctuations, our sales and results of operations may vary by fiscal quarter and may not be relied upon as indicators of the sales or results of operations of other fiscal quarters, or of our future performance. Any significant reduction in the area under cultivation for these crops may significantly reduce the demand for our products. Further, the demand for our products is dependent on the cropping pattern which may vary year on year for these major crops. Any significant changes in the cultivable area and the cropping pattern for these crops may impact our sales and profitability.

14. Resistance from farmers to crop protection chemicals and the inappropriate application of our products from farmers may adversely affect our business, financial condition and results of operations.

Some crop protection chemical products, which may include some of our products, are facing increasing resistance from certain activist groups because of concerns over their alleged effects on food safety and the environment. These groups attempt to influence and, in some cases, litigate against governmental regulatory bodies to restrict the use of crop protection chemical products in their jurisdictions. Further, there can be no assurance that such resistance would not continue to spread in the future and any future resistance could adversely affect our business, financial condition and results of operation. Further, farmers are required to be educated with the latest information on crop management, such as the appropriate kind of pesticide, its dosage and quantity and the frequency of its application, in order to apply pesticides, including our products, appropriately and effectively. Although majority of our packaging contains information about the optimum dosage and usage method, lack of education and awareness among farmers may lead to an inappropriate application of our products, which could result in crop damage, and other serious consequences. There can be no assurance that incidents involving inappropriate use of our products will not occur in the future, or that farmers will be adequately educated on the safe use of our products. Any inappropriate application of our products could result in a potential consumer dispute and adversely affect our brand image, prospects, business, financial condition and results of operations.

15. Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns. Further the objects of the Offer include orders for plant and machinery which have not yet been placed.

We have made and intend to continue making investments to expand the capacity of our manufacturing facilities to aid our growth efforts. We intend to use a part of the Net Proceeds to develop a new manufacturing facility in Saykha, GIDC Industrial Estate, Gujarat for the capacity expansion of our manufacturing facilities and to provide raw materials for our existing manufacturing processes ("**Proposed Expansion**"). This facility at Saykha is intended to be funded from the proceeds of the Offer. In the Proposed Expansion, we intend to construct three plants for manufacturing (i) 500 TPM Benzaldehyde; (ii) 500 TPM Benzyl Alcohol; and (iii) 650 TPM Benzyl Chloride. For further details, see "*Objects of the Offer*" on page 92.

The Proposed Expansion will be subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. Problems that could adversely affect our expansion plans include increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, labour shortages, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, unforeseen taxes and duties, interest and finance charges, environment and ecology costs and other external factors which may not be within the control of our management. There can be no assurance that the proposed capacity additions and expansions will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs may be insufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

Further, the objects of the Offer include orders for plant and machinery which have not yet been placed. Accordingly, orders worth ₹992.88 million, which constitutes approximately 100.00% of the total estimated costs in relation to the construction of buildings, civil works and purchase of utilities and plant and machinery (including expenditure for charges such as erection or services, loading or unloading), are yet to be placed. There can be no assurance that we will be able to place orders for such plant and machinery, in a timely manner or at all. Further, the costs of such plant and machinery may escalate or vary based on external factors which may not be in our control. Additionally, in the event of any delay in placement of such orders, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly. For details, see "*Objects of the Offer*" on page 92. The actual costs of such plant and machinery may be subject to change due to factors beyond our control. Further, any deviation on the costs provided in the quotations will be subject to applicable law. However, we may have to revise our funding requirements and deployment on account of a variety of factors such as our business and financial condition and market conditions, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, including changes in design or configuration of the Proposed Expansion, incremental pre-operative expenses and other external factors such as any changes in the business environment and interest or exchange rate fluctuations, which may not be within our control. We also place reliance on Lele & Associates Consultants and Engineers Private Limited, an engineering and consultancy firm, for basic and detailed engineering services including procurement assistance, inspection services and supervision services during construction, testing & commissioning for the Proposed Expansion.

The Proposed Expansion will require us to obtain various approvals, which are routine in nature including approvals such as consent to establish and in-principle approval of building layout and fire-fighting system. For further details, see "*Objects of the Offer – Funding capital expenditure for the Proposed Expansion – Government approvals*" on page 99. In addition to such pending approvals, we will also need to apply for certain additional approvals required for the Proposed Expansion. There can be no assurance that we will be able to obtain these registrations and approvals in a timely manner or at all. Further, in the event of any unanticipated delay in receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

16. We are required to comply with the applicable regulations of the international markets where we export our products as well as obtain registrations from international agencies through our customers to enable exports of our products to other jurisdictions. Further, our international operations are subject to regulatory risks that could adversely affect our business and results of operations.

As of December 31, 2021, we exported our products to over 60 countries, including China, the United States, the United Kingdom, Australia and Russia, which are governed by their respective laws and require us or our customers to obtain approvals / registrations from their respective relevant authorities. During the six month period ended September 30, 2021 and during Fiscal 2021, Fiscal 2020 and Fiscal 2019, our revenues from exports were ₹4,086.38 million, ₹7,140.82 million, ₹6,445.39 million and ₹6,137.07 million respectively, and our revenues from exports as a percentage of revenues from operations were 58.18%, 61.68%, 65.62% and 70.74%, respectively, during the same periods. We undertake these exports either through our customers who get our products registered with their respective regulatory authority or by ourselves by registering our products with the respective regulatory authority directly, such as Cofepris for Mexico, EPA for the United States, HAC for the United Kingdom, and APVMA for Australia. The name of our Company appears on the label of the package of the product as the "source" or "manufacturer" of these products meant for sale in a country. We are also required to comply with the local packaging disclosure requirements for the direct export and sale of our Formulations. Each applicable authority may impose its own requirements and / or delay or refuse to grant registration, even when a product has already been approved in another country. Even after we obtain all the requisite regulatory or governmental pre-approvals and registrations, our products may be subject to other continual governmental oversight in connection with, among other things, quality control. In addition, after a period of time, in certain countries, the products are re-evaluated for their continued use and additional data may be required in relation to their safety aspects, which may become more stringent. There can be no assurance that we or our distributors, dealers or customers would be able to obtain the necessary approvals to import and / or undertake sales of our products, or that we will be able to register or re-register our products in the countries where we export. If we are unable to do so in a cost effective and timely manner, it would restrict our ability to buy and sell our products in the relevant markets, which could have an adverse effect on our business, results of operations and financial condition.

In addition, our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations, in general. These risks include complying with changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies. Any developments in the global agrochemicals industry or the industries in which our customers operate could have an impact on our sales from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products.

We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. Any such imposition of trade barriers may have a material adverse effect on our business, results of operations and financial condition.

17. If we do not successfully develop our branded Formulation products in a timely and cost-effective manner, our business, results of operations and financial condition may be adversely affected.

We intend to grow our portfolio of Formulations products as our own branded consumer products. Our growth strategy depends on our ability to successfully develop our own branded product portfolio in a timely and cost-effective manner. The development and commercialisation of new branded products are complex, time-consuming, costly and involves a high degree of business risk. The success of our new branded product portfolio will depend on several factors, including our ability to properly anticipate customer needs; obtain timely regulatory approvals; establish collaborations with suppliers and customers; and successfully market and sell our products. Additionally, some of our competitors may have significantly greater financial, marketing, sales, research and development and technological resources. These competitors may also be in a better position to identify market trends, adapt to changes in industry and offer innovative new products. Further, our new portfolio may compete with the products of our existing customers, which may result in the loss of these customers or loss of sales from these customers. Accordingly, if we do not successfully develop our own branded consumer products in a timely, cost-effective manner that is attractive to consumers, our business, results of operations and financial condition may be adversely affected.

18. Our success largely depends upon the knowledge and experience of our Promoters and our Key Managerial Personnel as well as our ability to attract and retain skilled personnel. Any loss of our Key Managerial Personnel or our ability to attract and retain them and other skilled personnel could adversely affect our business, results of operations and financial condition.

Our success largely depends upon the knowledge and experience of our Promoters, Directors and our Key Managerial Personnel, including our senior management, as well as our ability to attract and retain skilled personnel. Any loss of our Directors or Key Managerial Personnel or our ability to attract and retain them and other skilled personnel could adversely affect our business, results of operations and financial condition. We depend on the management skills and guidance of our Promoters for development of business strategies, monitoring their successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Key Managerial Personnel are unable or unwilling to continue in his or her present position, it could be difficult for us to find a suitable or timely replacement and our business, results of operations and financial condition could be adversely affected.

In addition, we may require a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with us. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining skilled employees that our business requires. For the nine months ended December 31, 2021 and for Fiscal 2021, the attrition rate of our employees was 1.19% and 0.52%, respectively. Further, during the last three preceding years prior to the filing of the DRHP, one key managerial personnel had resigned from our Company. For details of changes in Key Managerial Personnel in the last three years, please see the section titled "*Our Management – Changes in the Key Managerial Personnel*" on page 260 of this Red Herring Prospectus. The loss of the services of such persons could have an adverse effect on our business, results of operations, cash flows and financial condition.

Further, our ability to successfully carry out research and development depends on our ability to attract and retain skilled scientists. The personnel at the helm of our R&D functions are critical for new product launches and creating differentiated offering for our businesses. While we believe we have an experienced technical and production team, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel.

There is significant competition for management and other skilled personnel in the chemicals industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. Further, as on the date of this Draft Red Herring Prospectus, we do not have key man insurance policies. In the event that we are not able to attract and retain talented employees as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, results of operations and financial condition may be adversely affected. For further information, see "*Our Management*" on page 202.

19. We depend on a limited number of suppliers for some of raw materials. A material portion of our raw materials are imported. We do not have long-term agreements with suppliers for our raw materials and an increase in the cost, or a shortfall in the availability or quality, of such raw materials could have an adverse effect on our business, results of operations and financial condition.

In the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our cost of materials consumed were ₹4,206.19 million, ₹6,174.61 million, ₹5,608.59 million, and ₹5,205.15 million, respectively, which represented 59.89%, 52.69%, 56.09% and 59.00% of our revenue from operations, respectively. We depend on a limited number of suppliers for some of our raw materials. In the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, we made purchases of ₹1,040.44 million, ₹1,570.22 million, ₹1,522.00 million and ₹1,358.79 million, respectively, from our top five suppliers, respectively, which accounted for 26.09%, 25.43%, 27.14%, and 26.10% of our cost of materials consumed for such respective periods. The loss of one or more such suppliers, if we are not able to find an alternative source of supply, could adversely affect our business, results of operations and financial condition. In addition, we usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers under contracts of shorter period or the open market. The absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these costs onto our customers, which may reduce our profit margins.

In the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our consumption of imported raw materials was ₹1,440.31 million, ₹1,796.79 million, ₹820.74 million, and ₹585.39 million, and constituted 34.24%, 29.10%, 14.63% and 11.25%, respectively, of our total raw material consumption. Some of our raw material imports are regulated by the Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 that, inter alia, allows the concerned authority to stop any import if it is deemed that the chemicals proposed to be imported may cause major accidents. We are unable to assure you that such regulations would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. We also cannot assure you that, under these circumstances, we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner. Any restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, and our business, results of operations and financial condition.

We may face a risk that one or more of our existing suppliers may discontinue their supplies to us or that trade restrictions, sanctions or higher tariffs may be placed by India on imports from another country or similar restrictions placed by the exporting country for supply of products to India. Any inability on our part to procure raw materials from alternate suppliers in a timely fashion, or on commercially acceptable terms, whether due to a breakdown of relationship with our suppliers, imposition of trade restrictions, sanctions or higher tariffs or otherwise, may significantly impact our sourcing decisions and may lead to increased cost of purchases, shortages of materials, or both. Any such occurrences could impact our supply commitment to our customers and adversely affect our manufacturing activities and, as a result, may adversely affect our business, results of operations and financial condition.

20. We are subject to strict technical specifications, quality requirements, regular inspections and audits by our customers including various multinational corporations. Our failure to comply with quality standards and technical specifications prescribed by such customers may lead to loss of business from such customers and could negatively impact our reputation, which would have an adverse impact on our business prospects and results of operations.

We are engaged in the manufacture of agrochemicals Intermediates, Technicals and Formulations that are used in the manufacture of insecticides, herbicides and fungicides, based on the technical specifications provided by our customers including various multinational corporations. The manufacture of Intermediates, Technicals and Formulations is complex, and we may experience problems during the manufacture of Technicals, Intermediates and Formulations for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, manufacturing quality concerns, problems with raw materials, lack of technical know-how, natural disaster related events or other environmental factors. If our vendors fail to provide the raw materials of the specified quality or technical specification or if customers fail to provide technical know-how required for our products for any reason, the manufacture of our Intermediates, Technicals and Formulations could be disrupted, delayed or interrupted. Given the nature of our products and the sector in which we operate, our customers have stringent standards for product quality. 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 or rejection of the product, which will require us to incur additional cost that will not be borne by the customer, to replace the rejected product, and loss of the customer which could have adverse effect on our reputation, business, results of operations and financial condition. Additionally, such failure could expose us to monetary liability litigation.

Further, certain agreements with our customers require us to strictly adhere to the know-how and technical specifications mentioned therein. In particular, our agreement with specific customers require us to (i) obtain prior approval from the customer in order to make any changes in the manufacturing or test processes; (ii) indemnify the customer against all losses, damages and claims, arising from the manufacture and delivery of the products, failure to comply by the terms and conditions of the agreement, violation of environmental laws and any negligence or willful conduct; and (iii) be liable for any actual damages from lost sales in the event we fail to deliver the product in accordance with the purchase order, subject to the terms of the said agreement In addition, these agreements provide that the customers will be entitled to terminate or seek payment from us in the event we are unable to deliver the amount of product ordered, subject to the terms of such agreement. Failure to adhere to the know-how and technical specifications mentioned in our contracts may lead to cancellation of existing and future orders or expose us to warranty claims. In the past, we have received certain complaints from our customers for which our Company has undertaken corrective measures, as appropriate, and there can be no assurance that we would not receive such complaints in the future as well.

In addition, prior to placing the orders, there is an audit and review process that is undertaken by certain customers. This may involve inspection of our manufacturing facility and equipment, review of the manufacturing processes and raw materials, technical review of the specification of the proposed product, review of our logistical capabilities, and inspections and reviews of prototypes of the product. Further, the finished product delivered by us is further subject to laboratory validation by certain customers. In particular, our agreements with specific customer provides the customer the right to inspect our manufacturing facilities, and in the event our customer does not approve the condition of our facility or equipment or if we are unable to manufacture the product meeting the specifications in a reasonable period of time, in our customers' sole discretion, the customer has the right to terminate the agreement upon a written notice, subject to a certain cure period We are therefore subject to a stringent quality control mechanism at each stage of the manufacturing process and are required to maintain the quality and precision level for each product. As a result, we are required to incur expenses to maintain our quality assurance systems in our manufacturing facilities and manufacturing processes. We will continue to spend a portion of our future revenues to manage our product quality and to maintain our quality control, a failure of which may negatively impact our business, results of operations and financial condition.

21. The inability to meet the quality standard norms prescribed by the central and state governments in India as well as governments of other countries where we export our products, could result in the sales of our products being banned or suspended or becoming subject to significant compliance costs, which could have a material adverse effect on our business growth and prospects, results of operations, financial condition and cash flows.

The quality of pesticides manufactured in India, including the pesticides, herbicides and fungicides we manufacture, are open to independent verification by Government agencies including the respective governments of the countries where we export our products. Regulatory authorities, including the relevant state authorities under the Insecticides Act, may carry out inspections of our premises, facilities, equipment, machinery, manufacturing or other processes and sample checks on any material or substance in relation to our product at short notice or without notice. The Government authorities could impose fines or issue us show cause notices if the samples are not in conformity with the prescribed quality norms. Any failure on quality control and/or the required level of packaging disclosures by our Company could lead to suspension of sales of those batches and/or products, or our products being banned for sales. While our Company has not faced any suspension/ ban on sale of any product in the past due to failure to meet prescribed quality standards, though certain show cause notices and proceedings have been initiated by Government agencies in India in relation to misbranded products, there can be no assurance that our products will not face any suspension/ ban in the future. For further, see "*Outstanding Litigation and Material Developments*" on page 419. Any such order passed by governmental authorities could generate adverse publicity about our Company and our products, which could have a material adverse effect on our business growth and prospects, financial condition, results of operations, and cash flows.

Further, our business also requires obtaining and maintaining quality certifications and accreditations from independent certification entities. Our Ankleshwar Facility, Dahej Facility and Saykha Facility are accredited by international certifying agencies with ISO 9001: 2015, ISO 14001:2015, and ISO 45001:2018 and we are a "Three Star Export House" under the Indian Ministry of Commerce scheme. We have received recognition for our R&D center at Ankleshwar from the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. Such specifications and standards of quality are an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our facilities, or if we are otherwise unable to obtain such quality accreditations in the future, within time or at all, our business prospects and financial performance will be materially and adversely affected. The quality of our products is critical to the success of our business, and quality depends on the effectiveness of our quality control system, which, in turn, depends on a number of factors, including the design of our system, our quality control training program, and the implementation and application of our quality control policies and guidelines. Any significant failure or deterioration of our quality control system could result in defective or substandard products, which, in turn, may result in delays in the delivery of our products and the need to replace defective or substandard products. As a result, our reputation, business, results of operations and financial condition could be materially and adversely affected.

22. We are dependent on our R&D activities for our future success. If we do not successfully develop new products or continue our product portfolio expansion in a timely and cost-effective manner, our business, financial condition, cash flows and results of operations may be adversely affected.

The success of our new product offerings will depend on several factors, including our ability to properly anticipate customer needs and preferences; obtain timely regulatory approvals; establish collaborations with suppliers and customers; customize our production capacities, develop and manufacture our products in a timely and cost-effective manner; and successfully market and sell our products. In addition, the development and commercialisation of new products is characterised by significant upfront costs, including costs relating to product development activities, obtaining regulatory approvals, building inventory and sales and marketing. Our planned investments in new manufacturing facilities and equipment for future expansion could result in higher costs, especially in the event of cost overruns, without a proportionate increase in revenues. Additionally, some of our competitors in the speciality chemicals segment may have greater financial, research and technological resources. They may also be in a better position to identify market trends, adapt to changes in industry and offer innovative new products. Accordingly, if we do not successfully develop new products or continue our product portfolio expansion in a timely, cost-effective manner that is attractive to our customers, our business, financial condition, cash flows and results of operations may be adversely affected.

Our future results of operations also depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. Further, as part of our business strategies, we intend to further diversify our product portfolio by entering into new product value chains. In addition, we intend to expand our capacities in existing products as well as expanding and strengthening our research capabilities in order to ensure rapid product innovation. Innovation continues to be the key determinant for our success. The development and commercialisation of new products (whether ours or our customers' products) are complex, time-consuming, costly and involves a high degree of business risk. We may be unable to successfully create these new products or encounter unexpected delays in the launch of these products and even if launched as planned, such products may not perform as we expect.

Our ability to identify changing trends and introduce innovative products to value add and improve the functionality and properties of the products manufactured by our customers is dependent on our R&D activities and scientists at our R&D centre at Ankleshwar. R&D in the specialty chemicals industry is expensive and prolonged and entails considerable uncertainty as to its returns and results. In the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our R&D expenses were ₹34.90 million, ₹44.74 million, ₹25.00 million and ₹0.25 million, respectively, which represented 0.50%, 0.38%, 0.25% and 0.00% of our revenue from operations, respectively. There can be no assurance that our expenditure on R&D activities will yield proportionate results of substantial commercial value or that commercially viable products may be developed or launched as a result of such R&D activities.

23. We face competition from both domestic as well as multinational corporations and our inability to compete effectively may have a material adverse impact on our business, results of operations and financial condition.

Although the specialty chemicals and agrochemicals industry provides for significant entry barriers, competition in our business is based on pricing, relationships with customers, product quality, customisation and innovation. We face pricing pressures from foreign companies, principally in China, that are able to produce chemicals at competitive costs and consequently, may supply their products at cheaper prices. Moreover, Indian chemical companies are faced with poor infrastructure and lack of adequate facilities at ports and railway terminals, which imposes difficulties in raw material procurement and at a cost competitive price with global peers. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such multinational competitors which would adversely affect our business, results of operations and financial condition. Additionally, some of our competitors that manufacture Intermediates, Technicals and Formulations may have greater financial, research and technological resources, larger sales and marketing teams and more established reputation. They may also be in a better position to identify market trends, adapt to changes in industry, innovative new products, offer competitive prices due to economies of scale and also ensure product quality and compliance.

24. Our failure to manage growth effectively may adversely impact our business, prospects, financial condition and results of operations.

Our ability to sustain growth depends primarily upon our ability to manage key issues such as our ability to sustain existing relationships with our clients, ability to obtain raw materials at better prices, ability to compete effectively, ability to scaling up our operations, adhering to high quality and execution standards, our ability to expand our manufacturing capabilities and our presence in India as well as globally, the effectiveness of our marketing initiatives, selecting and retaining skilled personnel. Sustained growth also puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, financial condition, results of operations and prospects.

25. Certain of our corporate records and filings are not traceable. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this regard.

Certain of our Company's corporate records are not traceable, such as Form-2 in relation to allotments dated February 4, 1994 and June 19, 2001. Despite having conducted physical and online searches of records of the RoC through independent practising company secretaries, the Company has not been able to retrieve the aforementioned documents. Accordingly, reliance has been placed on the financial statements, other corporate records, on the basis of which, information in relation to such allotments has been disclosed in the sections "*Capital Structure*" beginning on page 79 of this DRHP.

Furthermore, the share transfer forms for the transfers of certain equity shares of our Company to and from the Promoters made in September 1996 and for the period between 2001 till 2004, could not be traced, despite conducting internal searches. Certain information in relation to such transfers has been disclosed in the sections "*Capital Structure*" beginning on page 79 on the basis of the details provided in the corporate records of our Company.

While no legal proceedings or regulatory actions have been initiated against our Company in relation to untraceable secretarial and other corporate records and documents as of the date of this Draft Red Herring Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future or that we will not be subject to any penalty imposed by the competent regulatory authority (including the RoC) in this respect.

26. There have been instances of inadequate record keeping and secretarial oversight in relation to managing our secretarial records and compliances, as a result of which there have been certain inaccuracies with respect to certain regulatory filings and corporate actions taken by our Company. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard.

In the past, there have been instances of factual inaccuracies, delays and failures in making certain regulatory filings by our Company. For instance, our Company had inadvertently failed to appoint a whole-time Company Secretary in the past. Therefore, an application to compound the offence committed by our Company on account of violation of Section 203 of the Companies Act, 2013 read with Rule 8A inserted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2014 has been filed before RoC. Further, there was a delay in relation to filing of forms for the Board meeting held on April 1, 2014 for appointment of secretarial auditors, adoption of financial statements and filing of board resolution with the RoC, respectively, wherein our Company has filed suo motu application for condonation of delay in filing of form MGT-14 to the Central Government. The Company has also filed an application for compounding of offences for contravention of Section 73 of the Companies Act, 2013 read with Rule 16 of Companies (Acceptance of Deposits) Rules 2014 for not filing the return of deposits (in Form DPT-3) within the prescribed time during the period between April 1, 2019 to March 31, 2020. Our Company has additionally filed for adjudication on account of delay in filing of form PAS-6 in respect of reconciliation of share capital audit report for the period from October 1, 2019 to March 31, 2020 and from April 1, 2020 to September 30, 2020. Further, our Company has made a delayed filing of the annual return on foreign liabilities and assets (FLA) with the Reserve Bank of India required under FEMA for the financial year ended March 31, 2020 on February 9, 2021 and accordingly our Company has filed for compounding of the same. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future, or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

27. Our investments in new products may not be successful and may be less profitable or loss-making.

In accordance with our strategy, we are investing in developing new Intermediates, Technicals and Formulations to add to our product mix. Although we follow a careful plan and strategy to develop our products, the development of new products is subject to number of risks including, but not limited to, our failure to develop products that meet market demands and market requirements, our failure to meet competition and our failure to comply with applicable regulation. In addition, our new products may require significant capital expenditure for development and roll out and may take substantial management time. Accordingly, our new intermediates and speciality chemicals may not be successful for these and other reasons. Further, our investments in new products, may be less profitable than what we have experienced historically or estimated, may be loss-making, may consume substantial financial resources and/or may divert management's attention from existing operations, all of which could materially and adversely affect our business, results of operations and financial condition.

28. There are pending litigations against our Company and certain of our Directors and Key Managerial Personnel. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, results of operations and financial condition.

Certain legal proceedings involving our Company are pending at different levels of adjudication before various courts, tribunals and authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties, we may need to make payments or make provisions for future payments and which may increase expenses and current or contingent liabilities.

A summary of outstanding litigation proceedings involving our Company as disclosed in "*Outstanding Litigation and Material Developments*" on page 419 in terms of the SEBI ICDR Regulations as of the date of this Draft Red Herring Prospectus is provided below.

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved *(₹ in million) (to the extent quantifiable)*
Company						
By the Company	3	Nil	Nil	Nil	Nil	1.90
Against the Company	4	3	2	Nil	Nil	41.46
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	2	Nil	Nil	Nil	Nil	Nil
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	2	Nil	Nil	Nil	Nil	Nil
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil

An order dated December 31, 2021 by RoC, Gujarat has been received against one of our Key Managerial Personnel, Mahesh Mukundrai Tanna in his capacity as an officer of Tatva Chintan Pharma Chem Limited during his tenure as a key managerial personal in Tatva Chintan Pharma Chem Limited, imposing a penalty of ₹0.20 million. Tatva Chintan Pharma Chem Limited had filed a suo motto application for non-compliance of section 42 and section 62 of the Companies Act, by issuing shares under section 42 of the Companies Act without opening a separate account in a scheduled bank.

For further information, see "*Outstanding Litigation and Material Developments*" on page 419.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour, or that no (additional) liability will arise out of these proceedings. Our Company is in the process of litigating these matters, and based on the assessment in accordance with applicable accounting standard, our Company has presently not made provision for any of the pending legal proceedings. Further, such proceedings could divert management time and attention, and consume financial resources in their defence. In addition to the foregoing, we could also be adversely affected by complaints, claims or legal actions brought by persons, before various forums such as courts, tribunals, consumer forums or sector-specific or other regulatory authorities in the ordinary course or otherwise, in relation to our products and services, our technology and/or intellectual property, our branding or marketing efforts or campaigns or our policies or any other acts/omissions. Further, we may be subject to legal action by our employees and/or ex-employees in relation to alleged grievances such as termination of their employment with the Company. There can be no assurance that such complaints or claims will not result in investigations, enquiries or legal actions by any courts, tribunals or regulatory authorities against us.

29. Exchange rate fluctuations may adversely affect our results of operations as our sales from exports and a portion of our expenditures are denominated in foreign currencies.

Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies, mostly the U.S. Dollars. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees, particularly the U.S. Dollar. During the six month period ended September 30, 2021 and during Fiscal 2021, Fiscal 2020 and Fiscal 2019, our revenues from exports were ₹4,086.38 million, ₹7,140.82 million, ₹6,445.39 million and ₹6,137.07 million respectively, and our revenues from exports as a percentage of revenues from operations were 58.18%, 61.68%, 65.62% and 70.74%, respectively, during the same periods. Further, In the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our consumption of imported raw materials was ₹1,440.31 million, ₹1,796.79 million, ₹820.74 million, and ₹585.39 million, and constituted 34.00%, 29.10%, 14.63% and 11.25 %, respectively, of our total raw material consumption. Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. While we hedge a portion of the resulting net foreign exchange position, we are still affected by fluctuations in exchange rates among the U.S. dollar and the Indian Rupee and we cannot assure you whether hedging or other risk management strategies will be effective. In the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our net foreign currency denominated sales (sales in foreign currency less expenses in foreign currency) amounted to ₹2,552.61 million, ₹5,181.80 million, ₹5,481.79 million and ₹5,501.66 million, respectively. Accordingly, while we enter into hedging transactions to minimize our currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies. Additionally, in the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019 we had gains of ₹75.67 million, ₹99.58 million, ₹252.90 million and ₹96.04 million, respectively. These gains were related to instances where the market exchange rate at the time of transaction was in our favour or against us as compared to the rates we had applied when the transactions were accounted or hedged. For further information on our exchange rate risk management, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Principal Factors Affecting our Results of Operations – Foreign Exchange Rate Risk*".

30. Our contingent liabilities could materially and adversely affect our business, results of operations and financial condition.

As of September 30, 2021, we had contingent liabilities on a consolidated basis that have not been provided for, amounting to ₹2,096.09 million. The table below sets forth details of contingent liabilities:

Particulars	As of September 30, 2021
	(₹ millions)
In respect of Guarantee given to GPCB	7.23
In respect of Letter of Credit outstanding	16.58
In respect of Guarantee given by the holding company on behalf of subsidiaries	1,870.00
In respect of Guarantee given to GSPC Gas	-
In respect of Guarantee given to Central Excise Department	0.10
Capital Commitments	202.18
Total	**2,096.09**

Most of the liabilities have been incurred in the normal course of business. If these contingent liabilities were to fully materialize or materialize at a level higher than we expect, it may materially and adversely impact our business, results of operations and financial condition. If we are unable to recover payment from our customers in respect of the commitments that we are called upon to fulfil, our business, results of operations and financial condition may be materially and adversely impacted. For further information, see " *Restated Consolidated Financial Statements-Note 36:Contingent liabilities and commitments*" on page 341.

31. Our business and prospects may be adversely affected if we are unable to maintain and grow our brand image.

Our brand (in respect of our Formulations) and reputation are among our most important assets and we believe our brand and reputation are significant in attracting customers to our Intermediates, Technicals and Formulations. We also believe that continuing to develop our reputation and awareness of our brand, through focused and consistent business development and branding initiatives, among our customers is important for our ability to increase our sales volumes and our revenues, grow our existing market share and expand into new markets.

Although we take many steps to increase awareness of our products and brand and protect the value of our brand through marketing, advertising and promotion, our business is dependent on customers' perception of our reputation and brand and these marketing, advertising and promotional campaigns. If we adopt unsuccessful marketing and advertising programs and campaigns or are otherwise unable to maintain our customer relationships, we may only incur expenses without the benefit of higher revenues or our competitors may increase their advertising spend which we may not be able to match. Our competitors also may launch promotional activities, concepts, branding and advertising activities, which may increase their brand visibility and we may not be able to match them. Further, we may not be able to invest adequately in marketing or customer engagement which could lead to loss of customers to competitors. If we fail to preserve the value of our brands, maintain our reputation, or attract consumers to our products, or provide good after-sale services to our customers, our business, results of operations and financial condition could be adversely impacted. In addition. our failure in maintaining our quality accreditations and certifications may negatively impact our brand and reputation.

Further, our reputation and brands could be damaged by negative publicity in traditional or social media or by claims or perceptions about the quality of our products, regardless of whether such claims or perceptions are true. Any untoward incidents such as litigation, regulatory actions or negative publicity, whether isolated or recurring and whether originating from us or otherwise, affecting our business or suppliers, can significantly reduce our brand value and consumer trust, and accordingly, adversely affect our business, results of operations and financial condition.

32. Our Company may not be successful in penetrating new export markets.

We are looking to continue our expansion into new export markets subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. In addition, the risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices; exposure to expropriation or other government actions; and political, economic and social instability. Further, we have recently incorporated overseas subsidiaries to streamline the exports in Australia and South Korea. Though we have infused funds in these subsidiaries, if we are unable to penetrate these new export markets and implement our business objectives through these new subsidiaries, our business, results of operations and financial condition may be adversely affected.

33. We may undertake strategic acquisitions or investments, which may prove to be difficult to integrate and manage or may not be successful.

There have been many mergers and acquisitions in the agrochemicals segment in the last three to five years, resulting in four big players. *(Source: F&S Report, March 2022).* In the future, we may consider making strategic acquisitions of other agrochemical manufacturing companies or other companies whose resources, capabilities and strategies are complementary to and are likely to increase our product portfolio and expand our distribution network. We may also enter into strategic alliances or joint ventures to explore such opportunities or make significant investments in entities that we do not control to capitalize on such business opportunities, and there can be no assurance that such strategic alliances, joint ventures or investments will be successful. It is also possible that we may not identify suitable acquisition or investment candidates, or that if we do identify suitable candidates, we may not complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable acquisition targets or investments or the inability to complete such transactions may adversely affect our competitiveness or our growth prospects. Further, if we acquire another company we could face difficulty in integrating the acquired operations. In addition, the key personnel of the acquired company may decide not to work for us. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. There can be no assurance that we will be able to achieve the strategic purpose of such acquisition or operational integration or our targeted return on investment.

34. The cost of implementing new technologies for our operations could be significant and could adversely affect our business, results of operations and financial condition.

Our future success may depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to the technology underpinning our operational platform, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our services less competitive or attractive. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures or write-down of assets. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs (in comparison to our competitors who are able to successfully implement such technologies) and lead to us being less competitive in terms of our prices or quality of services we provide. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our profitability. Any of the above events may adversely affect our business, financial condition, results of operations and prospects.

35. We have incurred significant capital expenditure during the last three Fiscal Years. We may require substantial financing for our business operations and planned capital expenditure and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.

During the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, we incurred capital expenditure of ₹634.00 million, ₹1,279.50 million, ₹896.87 million and ₹546.46 million, respectively. A significant amount of our capital expenditure in these periods was aimed at increasing our manufacturing capacities. Our management adopts and implements business strategies that take into account a number of macro and micro economic considerations, including our current financial condition and expected levels of growth over the medium to long term. In addition, we expect to increase our expenditure from the objects of the issue. For further information, see "*Objects of the Offer*" on page 92 .

There can be no assurance that our expansion plans will be implemented as planned or on schedule, or that we will achieve our increased planned output capacity or operational efficiency. If we experience significant delays or mishaps in the implementation of the expansion plans or if there are significant cost overruns, then the overall benefit of such plans to our revenues and profitability may decline. To the extent that the planned expansion does not produce anticipated or desired output, revenue or cost-reduction outcomes, our business, results of operations and financial condition will be adversely affected.

In the future, we may require substantial capital for our business operations and planned capital expenditure to maintain and grow our existing infrastructure, purchase equipment and develop and implement new technologies in our new and existing manufacturing facilities. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your investment in our Company and could adversely impact our future Equity Share price.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. Our ability to raise debt financing on acceptable terms also depends on our credit ratings. For further information on the risks associated with credit ratings, see risk factor "*Any downgrade of our debt ratings could adversely affect our business.*" We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, results of operations and financial condition.

36. Our performance may be adversely affected if we are not successful in forecasting customer demands, managing our inventory or working capital.

We maintain relatively high inventory levels of approximately two to three months of raw material inventory. We use our ERP software to evaluate our inventory balances of materials based on shelf life, expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix. Efficient inventory management is a key component of the success of our business, results of operations and financial condition. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. Our inventory levels have increased significantly over the last three fiscal years. If our raw materials purchase decisions do not accurately predict sourcing levels, customer trends or our expectations about customer demands and needs are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. In addition, our working capital requirements have increased in recent years due to the general growth of our business. If a client defaults in making its payment on a product to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. All of these factors may result, or have resulted, in increases in our working capital requirements. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, results of operations and financial condition.

37. Our insurance coverage may not adequately protect us against all losses or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, results of operations and financial condition.

Our operations are subject to various risks inherent to the agrochemicals industry and to the sale and maintaining inventory of products, as well as other risks such as theft, robbery, acts of terrorism and other force majeure events. We maintain insurance coverage for anticipated risks which are standard for our type of business and operations. As of September 30, 2021, we had a total insurance coverage of ₹6,925.42 million aggregating to 48.65% of our total assets. We maintain policies to insure against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, loss of profit due to fire. We have also obtained a marine cargo open insurance policy for rail/road transport of hazardous chemicals from any location in India to our manufacturing facilities. We have also obtained inventory insurance for our products, insurance for liabilities and losses incurred during implementation of our various projects, and directors' and officers' liability insurance. We made a claim of ₹255.00 million under our insurance policies in connection with the explosion and fire incident at our Ankleshwar Facility in June 2020 as well as ₹15.00 million for a fire claim of goods damaged at the job worker premises in June, 2020, each of which were 100% covered excluding deductibles and mandatory deductions. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, results of operations and financial condition could be adversely affected. For further details of insurance, see "*Our Business*" on page 163.

38. Fluctuation in the prices of raw materials may affect our ability to price our products competitively.

The costs of materials consumed make up a large portion of our operating expenses. In the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our cost of materials consumed were ₹4,206.19 million, ₹6,174.61 million, ₹5,608.59 million, and ₹5,205.15 million, respectively, which represented 59.89%, 52.69%, 56.09% and 59.00% of our revenue from operations, respectively. We source raw materials primarily from third-party suppliers, including imports. Our primary raw materials include chloro tolune, benzene based chemicals, bromine, general solvents and general chemicals. Increases in prices of raw materials, or the unavailability thereof, could have a material adverse effect on our business, results of operations and financial condition.

While we have generally been able to pass on increase in prices of such raw materials to our customers, our inability to do so in the future could adversely affect our ability to price our products competitively and consequently, would adversely affect our business, results of operations and financial condition.

39. *Failure or disruption of our IT, manufacturing automation systems and/or ERP systems may adversely affect our business, results of operations and financial condition.*

We have implemented various information technology ("**IT**") and/or enterprise resource planning ("**ERP**") solutions to cover key areas of our operations, procurement, dispatch and accounting. We also have various automation systems and software that automate our manufacturing and production. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our IT systems, ERP systems or manufacturing automation systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable or cause damage to our reputation. Any of these developments, alone or in combination, could have a material adverse effect on our business, results of operations and financial condition. Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT, manufacturing automation systems and/or ERP systems may lead to inefficiency or disruption of our operations and thereby adversely affecting our business, results of operations and financial condition.

40. *We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities could adversely affect our business, results of operations and financial condition.*

Pursuant to certain of our arrangements with our customers, based on customer preferences, we are required to pay the freight costs for the products we sell. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our manufacturing facilities. We do not own any vehicles for the transportation of our products and/or raw materials, we therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. This makes us dependent on various intermediaries such as domestic logistics companies and container freight station operators. We do not have any long-term contractual arrangements with such third-party transportation and logistics providers. Disruptions of logistics could impair our ability to procure raw materials and/or deliver our products on time, which could materially and adversely affect our business, results of operations and financial condition. Additionally, if we lose one or more of our third-party transportation providers, we may not be able to obtain terms as favourable as those we receive from the third-party transportation providers that we currently use, which in turn would increase our costs and thereby adversely affect our operating results.

A significant portion of our expenses is due to freight carriage and transport and freight and forwarding expense and export freight charges. In the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, freight and forwarding expenses were ₹260.07 million, ₹364.38 million, ₹256.29 million and ₹208.74 million, respectively and represented 4.49%, 3.83%, 3.04% and 2.73%, respectively, of our total expenses in the same periods. We are subject to the risk of increases in freight costs. If we cannot fully offset any increases in freight costs, through increases in the prices for our products, we would experience lower margins. In addition, any increase in export tariffs also will increase expenses which in turn may adversely affect our business, results of operations and financial condition.

Further, our third party transportation providers do not carry any insurance coverage and therefore, any losses that may arise during the transportation process will have to be claimed under the Company's insurance policy. There can be no assurance that we will receive compensation for any such claims in a timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition, results of operations and cash flows.

41. *We do not own certain of the premises of our manufacturing facilities and administration offices.*

We do not have ownership over the Registered Office which is taken on lease from our Promoters. We also do not have freehold ownership over the premises of our manufacturing facilities, and the same is occupied by us on a leasehold basis. While the lease agreements for our manufacturing facilities are typically long term in nature and provide us with an option to renew them, they also provide the lessor with the right to terminate the lease for non-compliance of the terms of the agreement. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new facilities, offices and other infrastructure, and we cannot assure that the new arrangements will be available on commercially acceptable terms. Further, our manufacturing facilities have been established on industrial land allotted to us by GIDC on a leasehold basis. Failure to comply with the conditions of use of such land could result in an adverse impact on our business, results of operations and financial condition.

42. We will continue to depend on our distribution network for the distribution of our products. Any inability to expand or effectively manage or any disruption in our distribution network will adversely affect our business and results of operations.

We distribute our products through our distribution network. We have a network of branches, clearing and forwarding agents, and warehouses spread across India and overseas and our distribution network comprised various dealers and distribution partners across India and overseas. Our future growth depends on expanding our distribution network particularly our export markets through different sales and distribution channels as well as effective management of our distribution network. As a result, we rely and will continue to rely to a significant extent on the relationships we have with our distributors and dealers. We continuously seek to increase the penetration of our products by appointing new distributors and dealers targeted at different customer groups and geographies. We cannot assure you that we will be able to successfully identify or appoint new distributors/dealers or effectively manage our existing distribution network. If the terms offered to such distributors/dealers by our competitors are more favourable than those offered by us, the distributors/ dealers may decline to distribute our products and terminate their arrangements with us. Further, we do not have exclusive or long-term arrangements with our distributors and dealers. We may be unable to appoint replacement distributors/ dealers in a timely fashion, or at all, which may reduce our sales volumes and adversely affect our results of operations.

Further, if our competitors provide better commissions or incentives to our customers, it could result in them favouring the products of other agrochemical manufacturers including our direct competitors. In addition, our competitors may have access to a wider base of customers than our Company or have exclusive arrangements with certain distributors/ dealers who may be unable to stock and distribute our products, which may limit our ability to expand our distribution network. Similarly, our competitors may adopt innovative distribution models, which could be more effective than traditional distribution models resulting in a reduction in the sales of our products.

43. Our business may expose us to potential product liability claims and recalls, which could adversely affect our results operation, goodwill and the marketability of our products.

We may be exposed to risks of products recalls and returns or where products are returned to be reworked. In addition, we may be exposed to potential product liability claims, and the severity and timing of such claims are unpredictable. While have not taken insurance to protect us from such claims. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects, contamination, adulteration, product tampering or negligence in production, storage or handling which may lead to the deterioration of our products. Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation and require our management’s time and focus. Accordingly, such product liability claims, may adversely affect our results of operation, goodwill and the marketability of our products.

44. We may have to reverse certain sales revenue if the return of our products by our customers is higher than initially provided for, which may adversely affect our business, results of operations and financial condition.

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract. While we give our customers the option to seek replacement of any defective products, we do not give our customers the right under purchase orders to return our products. Further, in the past, we have accepted, at our discretion, few damaged products, which have been returned by our customers. Further, in certain arrangements with customers, we provide the customers the right to claim refund if any product fails to meet the specified specifications within a specific period of time. In addition, the relevant reporting period following the sale and delivery of our products, we provide for any sales returns in our financial statements which we estimate based on actual returns to date, historical data available to us and our business interactions with our customers. We are required to reverse the sales revenue we recognized from any sale for such returned products, including products which have limited shelf lives. If the returns are higher than those initially anticipated in any given period, there may be significant fluctuations in our revenue, and our business, results of operations and financial condition may be adversely affected.

45. Any downgrade of our debt ratings could adversely affect our business.

As of the date of this Draft Red Herring Prospectus, we have received the following credit ratings on our debt and credit facilities.

Instrument or Rating Type	Amount (₹ in millions)	Date	Ratings
Long Term Facilities	250	October 12, 2021	ICRA A- (Stable)
Short Term Based Facilities	1,450	October 12, 2021	ICRA A2+

These ratings assess our overall financial capacity to pay our obligations and are reflective of our ability to meet financial commitments as they become due. Our credit ratings were suspended for three years due to the non-submission of data to the rating agencies and any such failure to provide required data could again result in the suspension of our credit ratings. Further, there can be no assurance that these ratings will not be revised or changed by the above rating agencies due to various factors, including on account of the COVID-19 pandemic. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis.

46. We are dependent on third parties for the supply of utilities, such as water, gas and electricity, at our manufacturing facilities and any disruption in the supply of such utilities could adversely affect our manufacturing operations.

Our business is dependent on the delivery of an adequate and uninterrupted supply of electricity, water and natural gas at a reasonable cost. We procure utilities, such as water, coal, natural gas and electricity, from third parties for use at our manufacturing plants. Reliance on third parties for such utilities exposes us to risks such as shortage or breakdown in supply, the correction of which is in the hands of such third parties. Any interruption in the continuous supply of water and electricity may negatively impact the properties of such chemicals and adversely affect the quality of the final product manufactured by us, which may result in delays in delivery of our products or non-delivery, resulting in loss of revenue and damage to our reputation or customer relationship. Further, as part of our manufacturing process, we use natural gas supplied by a state-owned gas company. In case of a breakdown of such relationships, or unavailability of any supply from, any of our utility providers for any reason, we are unable to assure you that we shall be able to source such utilities from alternate sources in a timely manner and at a commercially reasonable cost, which could adversely affect our business, results of operations and financial condition.

47. We currently avail benefits under certain export promotion schemes. Any change in these benefits applicable to us or a delay in disbursement of benefits under such schemes may affect our results of operations.

We currently avail benefits under the Advance Authorization Scheme issued by the Directorate General of Foreign Trade, which allows duty free import of inputs that are physically incorporated in an export product. Under the Advance Authorization Scheme we are bound by certain export obligations which require us to export goods of a defined amount, failing which, we may have to pay the Government, a sum equivalent to the duty benefit enjoyed by us under the said scheme along with interest. We benefit from export incentives under other export promotion schemes including Duty Drawback, MEIS, RodTep, and Advance Authorisation. If these export incentives are withdrawn, or there is a delay in disbursements of benefits under such schemes, our business, results of operations and financial condition may be adversely affected. In addition, our business, results of operations and financial condition may be adversely affected if we are subject to any dispute with the tax authorities in relation to these benefits or in the event, we are unable to comply with the conditions required to be complied with in order to avail ourselves of these benefits. For further information on our tax benefits, see our "*Statement of Possible Special Tax Benefits*" on page 111.

48. The availability of counterfeit products passed off by others as our products, could adversely affect our reputation, goodwill and results of operations.

Entities in India and international locations could pass off their own products as ours, including counterfeit or pirated products. For example, certain entities could imitate our brand names, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and adversely affect our goodwill. Counterfeit products are frequently unsafe or ineffective and can be potentially life-threatening. The proliferation of unauthorized copies of our products, and the time and attention lost to defending claims and complaints about spurious products, could decrease our revenue and have an adverse effect on our reputation, goodwill and results of operations.

49. If any of our products or the products of our customers cause, or are perceived to cause, severe side effects, our reputation, revenues and profitability could be adversely affected.

We develop, manufacture and market a diverse range of agrochemical products and speciality chemicals, primarily Intermediates, Technicals and Formulations which are used for the manufacture of insecticides, herbicides and fungicides for a variety of end user applications. If our products or our customers' products cause, or are perceived to cause, severe side effects to their end-users, we may face a number of consequences, including, a severe decrease in the demand for, and sales of, the relevant products; the recall or withdrawal of the relevant products; withdrawal or cancellation of regulatory approvals for the relevant production facility; damage to our reputation and brand name; and exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or sanctions. As a result of these consequences, our business, results of operations and financial condition may be adversely affected.

50. *We engage contract labour for carrying out certain business operations.*

In order to retain operational efficiencies, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units as well as at our offices. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our business, results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

51. *Failure to maintain confidential information of our customers could adversely affect our results of operations or damage our reputation.*

We enter into confidentiality agreements and non-disclosure agreements with our customers and other third parties. Our agreements with our customers also contain confidentiality and non-disclosure clauses. As per these agreements, we are required to keep confidential, the know-how and technical specifications, if any, provided to us by these customers. In the event of any breach or alleged breach of our confidentiality agreements with our customers, these customers may terminate their engagements with us or initiate litigation 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 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, results of operations and financial condition. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost.

52. *An inability to comply with repayment and other covenants in the financing agreements or otherwise meet our debt servicing obligations could adversely affect our business, financial condition, cash flows and credit rating.*

We have entered into agreements in relation to financing arrangements with certain banks for working capital facilities and bank guarantees. As of September 30, 2021, we had total outstanding borrowings of ₹2,629.52 million comprising of non-current borrowings of ₹1,279.45 million and current borrowings of ₹1,350.07 million. The agreements with respect to our borrowings contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters including, among others, effecting a merger, amalgamation or scheme of arrangement, change in capital structure of our Company subject to the threshold prescribed for the shareholding of certain shareholders of our Company and entering into forward contracts, swaps, options, or other liability management contracts in respect of short term facilities. For details, see "*Financial Indebtedness*" beginning on page 416.

As on September 30, 2021, our total secured borrowings amounted to ₹2,418.03 million, comprising of 91.96% of our total indebtedness. Our unsecured borrowings from our Promoters amounted to ₹211.49 million, comprising of 8.04% of our total debt as on September 30, 2021. Under the terms of our secured borrowings, we are required to create a charge by way of hypothecation on the entire current assets of our Company, together with cash in hand, bank accounts and receivables, and, in our term loans, fixed assets. As these assets are hypothecated in favour of lenders, our rights in respect of transferring or disposing of these assets are restricted. There can be no assurance that we will be able to comply with the financial or other covenants prescribed under the documentation for our financing arrangements or that we will be able to obtain consents necessary to take the actions that may be required to operate and grow our business. Further, if we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, results of operations and financial condition may be adversely affected.

Any failure to comply with the conditions and covenants in our financing agreements, the creation of additional encumbrances that are not waived by our lenders or guarantors or otherwise cured, the occurrence of a material adverse event that could lead to an event of default and consequent termination of our credit facilities, or a demand for repayment of our unsecured borrowings that may be recalled at any time could adversely affect our business, results of operations, financial condition and cash flows.

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

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

54. If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems. However, there have been instances of delays or lapses on our part in making certain regulatory filings in the past. For details, see "*Risk Factor-There have been instances of inadequate record keeping and secretarial oversight in relation to managing our secretarial records and compliances, as a result of which there have been certain inaccuracies with respect to certain regulatory filings and corporate actions taken by our Company. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard.*" on page 42. Additionally, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our equity shares.

Further, our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. While our code of conduct requires our employees and intermediaries to comply with all applicable laws, and we continue to enhance our policies and procedures in an effort to ensure compliance with applicable anti-corruption laws and regulations, these measures may not prevent the breach of such anti-corruption laws, as there are risks of such breaches in emerging markets, such as India, including within the healthcare sector. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, results of operations and financial condition. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

55. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties including remuneration and rent paid to our Promoter Directors. For further information, see "*Financial Information*" on page 416. We cannot assure you that we will receive similar terms in our related party transactions in the future and that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

The transactions we have entered into and any further transactions that we may have with our related parties could potentially involve conflicts of interest which may be detrimental to us. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

56. Our Promoters, certain of our Directors and Key Managerial Personnel may have interests other than reimbursement of expenses incurred and normal remuneration or benefits in our Company.

Our Promoters, certain of our Directors and Key Managerial Personnel, while managing the day to day operations, may be interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of the Equity Shares held by them in our Company, and any dividends, bonuses or other distributions on such Equity Shares. Further, our Promoters are also interested in our Company to the extent of rent income received by them from our Company for offices including our Registered and Corporate Office taken on rent by our Company. Further, our Promoters are also directors on the boards, or are shareholders, members or partners, of certain Promoter Group entities and may be deemed to be interested to the extent of the payments made by our Company. For further details, see "*Our Management – Interest of Directors*" and "*Our Management – Interest of Key Managerial Personnel*" and "*Our Promoters and Promoters Group- Interest of Promoters*" on page 205, 215 and 217. While our Promoters, Directors and Key Managerial Personnel believe that they act in the benefit and best interest of the Company, there can be no assurance of continuing the same.

57. After the completion of the Offer, our Promoter will continue to collectively hold substantial shareholding in our Company.

Currently, our Promoters own 100.00% of our outstanding Equity Shares. Following the completion of the Offer, certain Promoter Shareholders will continue to hold approximately 75% of our post-Offer Equity Share capital which will allow them to exercise significant control over the outcome of the matters submitted to our shareholders for approval. For details of their shareholding pre and post Offer, see "*Capital Structure*" on page 79. This concentration of ownership may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult without the support of these shareholders. In addition, these Shareholders have the ability to exercise influence over our business, and may cause us take actions that are not in, or may conflict with, our or our other shareholder's best interests, including matters relating to our management and policies and the election of our directors and senior management, the approval of lending and investment policies, revenue budgets, capital expenditure, dividend policy, strategic acquisitions and fund raising activities. The interests of our significant shareholders could conflict with our interests or the interests of our other shareholders. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

58. We cannot assure payment of dividends on the Equity Shares in the future.

We have a formal dividend distribution policy, but have not declared dividends on our Equity Shares during the last three Fiscal Years. Our ability to pay dividends in the future will depend upon our dividend policy, future results of operations, financial condition, cash flows, working capital requirements and capital expenditure requirements and other factors considered relevant by our directors and shareholders. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. We may also decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future. For details pertaining to dividend declared by us in the past, see "*Dividend Policy*" on page 223.

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

Information relating to the historical installed capacity and estimated capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management and an independent chartered engineer. Actual production volumes and capacity utilization rates may differ significantly from the estimated production capacities and historical capacity utilization of our manufacturing facilities. Investors should therefore not place undue reliance on our historical installed capacity information for our existing manufacturing facilities included in this Draft Red Herring Prospectus.

60. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.

While our Company will receive proceeds from the Fresh Issue, it will not receive any proceeds from the Offer for Sale. We intend to use the Net Proceeds for the purposes described in "*Objects of the Offer*" on page 92 of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus, our funding requirements are based on management estimates in view of past expenditures and have not been appraised by any bank or financial institution. They are based on current conditions and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. While we will use the Net Proceeds for purposes such as funding the capital expenditure requirements for the Proposed Expansion, repayment/prepayment of certain borrowings of our Company, investment in our wholly owned Subsidiary, HCCPL, for the repayment/prepayment of certain borrowings of HCCPL, funding the long-term working capital requirement of our Company, general corporate purposes in the manner specified in "*Objects of the Offer*" on page 92, the amount of Net Proceeds to be actually used will be based on our management's discretion. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. Our internal management estimates may exceed fair market value or the value that would have been determined by third-party appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Further, while our Company will receive proceeds from the Fresh Issue, it will not receive any proceeds from the sale of Equity Shares pursuant to Offer for Sale by the Promoter Selling Shareholders. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

61. Certain sections of this Draft Red Herring Prospectus contain information from the F&S Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the F&S Report or extracts of the F&S Report prepared by Frost & Sullivan, which is not related to our Company, Directors or Promoters. We commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Offer. All such information in this Draft Red Herring Prospectus indicates the F&S Report as its source. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the F&S Report should be read taking into consideration the foregoing.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While we have assumed responsibility for the contents of the report and have taken reasonable care in the reproduction of the information, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Further, the F&S Report is not a recommendation to invest / disinvest in any company covered in the F&S Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the F&S Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the F&S Report before making any investment decision regarding the Offer. See "*Industry Overview*" on page 114. For the disclaimers associated with the F&S Report, see "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data*" on page 14.

62. We track certain operational metrics with internal systems and tools. Certain of our operational metrics are subject to inherent challenges in measurement which may adversely affect our business and reputation.

We track certain operational metrics, including transaction volumes and key business and non-GAAP metrics such as EBITDA, EBITDA margin, ROCE and ROE, among others, with internal systems and tools and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools have a number of limitations, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics undercount or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring how our platforms are used across large populations. In addition, limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, we expect that our business and reputation would be adversely affected.

63. We intend to utilize a portion of the Net Proceeds for civil works of building a new manufacturing facility in Saykha, GIDC Industrial Estate, Gujarat. We are yet to place orders for such civil construction.

We intend to use a part of the Net Proceeds to develop a new manufacturing facility in Saykha, GIDC Industrial Estate, Gujarat for the capacity expansion. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors, including our financial and market condition, business and strategy, competition, negotiation with suppliers, variation in cost estimates on account of factors, including changes in design and other external factors which may not be within the control of our management. Further, we have not entered into any definitive agreements with such civil contractor and there can be no assurance that the same civil contractor would be engaged to eventually provide the services at the same costs. If there is any increase in the costs, the additional costs shall be paid by our Company from its internal accruals. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. For details see, "*Objects of the Offer – Funding capital expenditure for the Proposed Expansion – Estimated cost*" on page 94.

64. We will not receive any proceeds from the Offer for Sale. The Promoter Selling Shareholders will receive the net proceeds from the Offer for Sale.

The Offer consists of a Fresh Issue and an Offer for Sale. The Promoter Selling Shareholders shall be entitled to the net proceeds from the Offer for Sale, which comprise proceeds from the Offer for Sale net of Offer expenses shared by the Promoter Selling Shareholders, and our Company will not receive any proceeds from the Offer for Sale.

External Risks

Risks Relating to India

65. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

66. Our business is affected by global economic conditions, especially in the geographies we cater to, which may have an adverse effect on our business, financial condition, results of operations and prospects.

Our business depends substantially on global economic conditions. A significant number of our customers and the majority of the end users of our products are located and primarily operating in Europe, North and South America, and Asia and some of them were adversely impacted by the economic downturn in these economies, disruption in banking and financial systems, economic weakness, unfavourable government policies, rising inflation, lowering of spending power and customer confidence, and political uncertainty.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, results of operations and financial condition.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, results of operations and financial condition.

Since December 2019, the ongoing outbreak of COVID-19 has affected countries globally, with the World Health Organisation declaring the outbreak as a pandemic on March 12, 2020. There have been border controls, lockdowns and travel restrictions imposed by various countries, as a result of the COVID-19 outbreak. Such outbreak of an infectious disease together with the resulting restrictions on travel and/or imposition of lockdown measures have resulted in protracted volatility in domestic and international markets has resulted in a global slowdown and crisis. In particular, the COVID-19 outbreak has caused stock markets worldwide to fluctuate significantly in value and has impacted global economic activity. A number of governments have revised gross domestic product growth forecasts for 2020 and 2021 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis or recession.

In February 2022, hostilities between Russia and the Ukraine commenced, which has led stock, commodities and foreign exchange markets worldwide to fluctuate. In addition, the market price of oil has risen sharply since the commencement of hostilities in the Ukraine, which may have an inflationary effect in India and other countries. A prolonged war or a protracted period of hostilities in the Ukraine may lead to global economic disturbances.

If we are unable to successfully anticipate and respond to changing economic and market conditions, our business, results of operations and financial condition and prospects may be adversely affected.

67. Changing regulations in India could lead to new compliance requirements that are uncertain.

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

For instance, the GoI has recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us.

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. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

68. A slowdown in our exports due to tariffs and trade barriers and international sanctions could adversely affect our business, financial condition and results of operations.

A significant portion of our revenue is derived from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the European Community and the United States, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. In February 2022, hostilities between Russia and the Ukraine commenced, which has led to the imposition of sanctions of various Russian interests (and in some cases Belarus) by the European Union, Australia, Canada, Japan, New Zealand, Switzerland, South Korea, the United Kingdom and the United States. In the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our indirect and direct exports to Russia were ₹568.70 million, ₹333.22 million, ₹300.30 million, and ₹218.02 million, respectively, and any such imposition of trade barriers or international sanctions may have an adverse effect on our business, financial condition and results of operations.

69. Natural calamities, climate change and health epidemics and pandemics such as COVID-19 could adversely affect the Indian economy and our business, financial condition, and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, results of operations and financial condition.

India has experienced natural calamities, such as earthquakes and floods in recent years. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our manufacturing and R&D facilities or other assets which are concentrated in one location. Any of these natural calamities could adversely affect our business, results of operations and financial condition.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. In addition, the COVID-19 pandemic, has caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business. See "*Risk Factor-The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition*" on page 29.

Our operations including our manufacturing facilities and research and development activities may be damaged or disrupted as a result of natural calamities. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our facilities. Any of the above factors may adversely affect our business, results of operations and financial condition.

India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Recently there have been ongoing mass protest by farmers, against three farm acts which were passed by the Parliament of India in September 2020. The introduction of the law caused protests in several parts of the country like Delhi, Haryana and Punjab. In case there are mass protests leading to civil unrest, such incidents could impact both our operations and adversely affect our business, results of operations and financial condition. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armaments and Kashmir. Further, there have been continuing border disputes between India and China Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies.

70. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. The Consumer Price Index increased from 3.4% (average) in Fiscal 2019 to 4.8% (average) in Fiscal 2020 to an estimated 6.0% (average) in Fiscal 2021 although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. In February 2022, hostilities between Russia and the Ukraine commenced. The market price of oil has risen sharply since the commencement of these hostilities which could have an inflationary effect in India. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials and other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, results of operations and financial condition.

71. Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Draft Red Herring Prospectus.

Our Restated Financial Statements as of, and for the six month period ended September 30, 2021 and the years ended, March 31, 2021, 2020 and 2019 and have been prepared and presented in accordance with Ind-AS. Ind-AS differs from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind-AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on the prospective investor's familiarity with Ind-AS and the Companies Act. Any reliance by persons not familiar with Ind-AS on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

72. The Indian tax regime is currently undergoing substantial changes which could adversely affect our business and the trading price of the Equity Shares.

Our business, results of operations and financial condition could be adversely affected by any change in the extensive central and state tax regime in India applicable to us and our business. Tax and other levies imposed by the central and state governments in India that affect our tax liability, include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges, which are introduced on a temporary or permanent basis from time to time. This extensive central and state tax regime is subject to change from time to time. The final determination of our tax liability involves the interpretation of local tax laws and related regulations in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred.

For instance, the Government of India has implemented two major reforms in Indian tax laws, namely the GST, and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by Goods and Service Tax with effect from July 1, 2017. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

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

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows. The Government of India had announced the union budget for financial year 2022 and the Finance Act, 2021 received assent from the President of India on March 28, 2021 and was made effective from April 1, 2021. There is no certainty on the impact that the Finance Act, 2021 may have on our business and operations or in the industry we operate in.

73. Any adverse change in India's sovereign credit rating by international rating agencies could adversely affect our business, results of operations, financial condition and cash flows.

In November 2016, Standard & Poor's, an international rating agency, reiterated its negative outlook on India's credit rating. It identified India's high fiscal deficit and heavy debt burden as the most significant constraints on its rating, and recommended the implementation of reforms and containment of deficits. Standard & Poor's affirmed its outlook on India's sovereign debt rating to "stable", while reaffirming its "BBB-" rating. In May 2017, Fitch, another international rating agency, affirmed India's sovereign outlook to "stable" and affirmed its rating as "BBB-". In November 2017 Moody's Investors Service ("**Moody's**") upgraded the Sovereign Credit Rating of India to Baa2 from Baa3 and changed the outlook on the rating to stable from positive. On June 1, 2020, Moody's downgraded India's sovereign rating to the lowest investment grade and maintained the outlook from stable to negative. This is a result of the pandemic, which has exacerbated India's weak fiscal setting. In October 2021, S&P Global affirmed its BBB-long-term sovereign ratings on India with a stable outlook. Prior to the onset of the pandemic, India's GDP growth slowed on account of existing vulnerabilities such as a weak financial sector and subdued private investment. Going forward, the sovereign ratings outlook will remain dependent on whether the government is able to transition the economy into a high-growth environment, as well as exercise adequate fiscal restraint. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our business, results of operations, financial condition and cash flows.

74. The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our business, results of operations and financial condition.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies including our Intermediates, Technicals and Formulations, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our business, results of operations and financial condition.

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

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. For further details, please see on "*Restrictions on Foreign Ownership of Indian Securities*" on page 460.

76. It may not be possible for investors to enforce any judgment obtained outside India against us, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.

Our Company is a limited liability company incorporated under the laws of India. Our Board of Directors comprises members all of whom are Indian citizens. All of our Key Managerial Personnel are residents of India and majority of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes, among others, the United Kingdom, Singapore, United Arab Emirates and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908. Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

77. Our business and activities may be regulated by the Competition Act, 2002 and proceedings may be enforced against us.

The Competition Act seeks to prevent business practices that have an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished. On March 4, 2011, the GoI notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011.These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India, or CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions, including agreements between vertical trading partners i.e. entities at different stages or levels of the production chain in different markets, which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. We may also be subject to queries from the CCI pursuant to complaints by consumers or any third persons, which could be made without any or adequate basis given our market presence. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage.

Risks Relating to the Equity Shares

78. Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Offer Price may not be indicative of the market price of the Equity Shares after the Offer.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by our Company or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- the public's reaction to our press releases and adverse media reports; and
- general economic conditions.

As a result of these factors, investors may not be able to resell their Equity Shares at or above the initial public offering price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Offer Price.

79. Currency exchange rate fluctuations may affect the value of the Equity Shares.

The exchange rate between the Rupee and other foreign currencies, including the U.S. Dollar, the British pound sterling, the Euro, the Hong Kong Dollar, the Singapore Dollar and the Japanese Yen, has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Rupees may affect the value of the investment in the Company's Equity Shares. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- the foreign currency equivalent of the Rupee trading price of the Company's Equity Shares in India;
- the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Company's Equity Shares; and
- the foreign currency equivalent of cash dividends, if any, on the Company's Equity Shares, which will be paid only in Rupees.

You may be unable to convert Rupee proceeds into a foreign currency of your choice, or the rate at which any such conversion could occur could fluctuate. In addition, the Company's market valuation could be seriously harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of the Company's results of operations and financial condition.

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

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" beginning on page 108 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Managers is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*" commencing on page 431. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

81. Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on the Equity Shares.

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

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. 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 DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

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

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

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

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

84. Any future issuance of Equity Shares or convertible securities or other equity linked securities by our Company may dilute holders' shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.

Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

85. 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.

86. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Equity Shares Offered	
Offer of Equity Shares[*(1)]	Up to [●] Equity Shares, aggregating up to ₹20,000.00 million
of which:	
Fresh Issue[*(1)]	Up to [●] Equity Shares, aggregating up to ₹5,000.00 million
Offer for Sale[(2)]	Up to [●] Equity Shares, aggregating up to ₹15,000.00 million
The Offer consists of:	
QIB Portion[(3)(4)]	Not more than [●] Equity Shares
of which:	
- Anchor Investor Portion	Up to [●] Equity Shares
- Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
a) Mutual Fund Portion (5% of the Net QIB Portion)	[●] Equity Shares
b) Balance for all QIBs (excluding Anchor Investors) including Mutual Funds	[●] Equity Shares
Non-Institutional Portion[(4)]	Not less than [●] Equity Shares
Retail Portion[(5)]	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as of the date of this Draft Red Herring Prospectus)	90,057,500 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" on page 92 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

** Pre-IPO Placement may be undertaken by our Company for an aggregate amount not exceeding ₹1000.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the offer complying with rule 19(2)(b) of the SCRR.*

(1) *The Offer has been authorized by a resolution of our Board of Directors at their meeting held on January 29, 2022 and Shareholders at their meeting held on February 2, 2022. Further, our Board has taken on record the consent of the Promoter Selling Shareholders for participation in the Offer for Sale pursuant to its resolution dated March 28,2022.*

(2) *Each of the Promoter Selling Shareholder has confirmed and approved his/her participation in the Offer for Sale as set out below:*

S. No.	Name of the Promoter Selling Shareholder	Maximum number of Offered Shares	Date of Promoter Selling Shareholder's consent letter
1.	Jayesh Mohan Dama	[●] Equity Shares, aggregating up to ₹5,000.00 million	February 5, 2022
2.	Mohan Sunderji Dama	[●] Equity Shares, aggregating up to ₹5,000.00 million	February 5, 2022
3.	Minal Mohan Dama	[●] Equity Shares, aggregating up to ₹5,000.00 million	February 5, 2022

Each Promoter Selling Shareholder confirms, severally and not jointly, that the Offered Shares have been held by such Promoter Selling Shareholder are eligible for being offered for sale in terms of Regulation 8 of the SEBI ICDR Regulations

(3) *Our Company and the Promoter Selling Shareholders may, in consultation with the Book Running Lead Managers, 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 be accordingly reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" beginning on page 443.*

(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 Promoter Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law. 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. Under subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, the BRLMs and the Designated Stock Exchange, subject to applicable law. In the event of under-subscription 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, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. For further details, see "Offer Structure" on page 441.*

(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. For further details, see "Offer Procedure" on page 443.*

For further details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure* "and "*Offer Procedure*" on pages 441 and 443, respectively. For further details of the terms of the Offer, see "*Terms of the Offer*" on page 436.

SUMMARY OF RESTATED FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Financial Information.

The Restated Financial Information referred to above is presented under "Restated Financial Information" beginning on page 224. The summary of financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 372.

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RESTATED STANDALONE SUMMARY OF ASSETS AND LIABILITIES

(All amounts are in ₹ in millions, except per share data or unless otherwise stated)

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
I.ASSETS					
(1) Non-current assets					
(a) Property, plant and Equipment	2,655.94	2,222.23	2,565.62	2,297.10	1,944.88
(b) Right of Use Assets	319.43	326.85	323.29	295.11	144.76
(b) Capital work-in-progress	360.35	78.79	138.00	0.00	0.57
(c) Other Intangible Assets	1.18	0.00	1.25	0.00	0.00
(d) Investment in Subsidiary	399.50	21.01	57.20	6.28	-
(e) Financial Assets					
i)Investments	1.83	1.77	1.77	1.77	1.77
ii) Other Financial Assets	116.14	75.42	88.70	65.04	59.50
(f) Other Non Current Assets	12.23	12.51	38.44	37.18	202.31
Total Non-current assets	**3,866.61**	**2,738.59**	**3,214.28**	**2,702.48**	**2,353.79**
(2) Current assets					
(a) Inventories	1704.57	1008.84	987.82	1023.72	767.04
(b) Financial Assets					
i) Trade Receivable	5,135.82	3,559.14	4,630.27	4,349.93	3,044.30
ii) Cash and Cash Equivalents	129.13	235.44	207.51	34.92	23.85
iii) Loans	80.17	80.31	81.06	70.96	0.00
iv) Other Financial Assets	133.90	40.03	58.46	13.90	35.58
(C) Other Current assets	1,558.35	466.78	782.39	292.70	360.12
Total Current Assets	**8,741.95**	**5,390.54**	**6,747.52**	**5,786.14**	**4,230.89**
Total Assets	**12,608.56**	**8,129.13**	**9,961.79**	**8,488.62**	**6,584.68**
II. EQUITY AND LIABILITIES					
(1)Equity					
(a) Equity Share Capital	90.06	90.06	90.06	90.06	90.06
(b) Other Equity	7,051.87	4,910.19	5,908.62	4,204.22	2,854.98
Total Equity	**7,141.93**	**5,000.24**	**5,998.68**	**4,294.28**	**2,945.03**
(2) Liabilities					
Non Current Liabilities					
(a) Financial Liabilities					
i) Borrowings	359.38	284.43	241.09	335.22	163.78
ia) Lease liabilities	12.97	16.37	14.90	17.90	-
ii) Other Financial Liability	78.03	16.40	47.40	2.53	2.45
(b) Provisions	7.91	11.73	12.92	12.45	-
(C) Deferred tax liabilities	115.99	88.13	102.68	78.20	82.84
Total Non Current Liabilities	**574.28**	**417.05**	**418.99**	**446.29**	**249.07**
(3)Current Liabilities					
(a) Financial Liabilities					
i) Borrowing	403.70	103.68	637.90	952.89	1,060.96
ii) Trade payables	3,163.52	2,106.28	2,200.62	2,308.73	2,051.53
ii) Other financial Liability	724.78	154.07	397.46	203.65	107.69
(a) Other Current Liabilities	351.66	198.67	171.12	185.00	148.37
(c) Provisions	2.93	3.30	4.14	1.19	6.79
(d) Current Tax liabilities (net)	245.77	145.85	132.89	96.60	15.24
Total Current Liabilities	**4,892.35**	**2,711.84**	**3,544.13**	**3,748.05**	**3,390.58**
Total Liabilities	**12,608.56**	**8,129.13**	**9,961.79**	**8,488.62**	**6,584.68**

RESTATED STANDALONE SUMMARY OF PROFIT AND LOSS

(All amounts are in ₹ in millions, except per share data or unless otherwise stated)

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
I. Revenue from operations	6,963.50	4,701.29	11,352.85	9,943.50	8,823.03
II. Other Income	170.11	21.37	130.21	254.78	126.75
III. Total Revenue (I +II)	**7,133.61**	**4,722.67**	**11,483.06**	**10,198.28**	**8,949.78**
III. Expenses:					
Cost of materials consumed	3,958.26	2,236.30	6,068.12	5,608.59	5,205.15
Purchase of Trading goods	228.08	91.68	134.86	101.76	117.11
Changes in inventories of finished goods, work-in-progress and Stock-in- Trade	(412.35)	(77.72)	109.49	(164.09)	(313.36)
Employee benefit expense	264.47	228.35	500.28	382.45	341.66
Financial costs	49.63	41.13	61.98	123.57	89.23
Depreciation and amortization expense	108.71	99.82	183.97	186.26	132.19
Other expenses	1,414.67	1,158.08	2,096.60	2,106.70	2,067.89
III. Total Expenses	**5,611.48**	**3,777.65**	**9,155.30**	**8,345.23**	**7,639.87**
IV. Profit before tax	**1,522.13**	**945.02**	**2,327.76**	**1,853.05**	**1,309.91**
V. Tax expense:					
(1) Current tax	365.00	230.00	600.00	458.58	464.34
(2) Deferred tax	(13.17)	(10.15)	(24.76)	4.64	(5.99)
(3) Earlier Year Tax				42.79	79.81
VI. Profit(Loss) from the period from continuing operations	**1,143.96**	**704.87**	**1,703.01**	**1,356.32**	**759.77**
VII. Other Comprehensive Income					
i)Items that will not be reclassified to profit & loss					
Remeasurements gain/(losses) on defined benefit plans	(0.57)	0.88	1.11	(5.65)	(1.89)
ii)Income tax related to items that will not been	(0.14)	0.22	0.28	(1.42)	(0.66)
reclassified to profit and loss					
VIII. Total Comprehensive Income	**(0.71)**	**1.10**	**1.39**	**(7.08)**	**(2.55)**
IX. Profit/(Loss) from discontinuing operations-Refer Note no-46	-	-	-	-	(12.60)
X. Tax expense of discounting operations	-	-	-	-	3.50
XI. Profit/(Loss) from Discontinuing operations (IX - X)	-	-	-	-	(16.10)
XII. Profit/(Loss) for the period (VI+VIII)	**1,143.25**	**705.97**	**1,704.40**	**1,349.24**	**741.11**
XIII. Earning per equity share: Prior to split and Bonus (In Rs.)					
Basic (Face Value of Rs.10 each)	**127.03**	**78.27**	**189.10**	**150.61**	**82.58**
Diluted	**127.03**	**78.27**	**189.10**	**150.61**	**82.58**
	(Not annualised)	(Not annualised)			
XIII. Earning per equity share: Post split and Bonus (In Rs.)					
Basic (Face Value of Rs.5 each)	**12.70**	**7.83**	**18.91**	**15.06**	**8.26**
Diluted	**12.70**	**7.83**	**18.91**	**15.06**	**8.26**
	(Not annualised)	(Not annualised)			

RESTATED STANDALONE STATEMENT OF CASH FLOWS

(All amounts are in ₹ in millions, except per share data or unless otherwise stated)

Particulars	As at September 30, 2021	As at September 30, 2020	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 and Extraordinary items	1,522.13	945.02	2,327.76	1,853.05	1,297.30
Adjusted for :					
Add: a. Depreciation	108.71	99.82	183.97	186.26	134.06
b. Loss on Sale of Plant, Property and Equipment	0.00	-	0.13	-	0.58
c. Loss of Plant, Property and Equipment due to fire	-	38.44	38.44	-	(39.69)
d. Provision for Doubtful debt	21.03	9.96	13.82	5.63	2.23
e. Leave Encashment	(5.78)	14.56	5.62	4.33	2.64
f. Interest paid/Finance Cost	49.63	40.94	61.98	123.57	70.52
g. Interest received on loans, deposits	(16.95)	(5.82)	(17.10)	(6.21)	(3.14)
h. Dividend income on					
Long Term unquoted Investments (Non-Trade)	(0.05)	-	(0.03)	(0.06)	(0.08)
i. Short term Capital gain	(0.07)	-	-	-	-
j. Profit on sale of fixed assets	0.00	-	-	-	(43.33)
Operating profit before working capital changes	**1,678.65**	**1,142.92**	**2,614.61**	**2,166.56**	**1,421.10**
Adjusted for :					
Add: a. Increase in trade payables	962.90	-	-	257.20	28.81
b. Increase in Other Current liabilities	180.54	-	-	36.62	136.79
c. Increase in Other Non-Current Financial liabilities	30.64	12.34	41.87	17.98	2.45
d. Increase in other Current financial liability	327.33	13.67	193.80	95.96	-
e. Decrease in Trade receivable	-	790.79	-	-	-
f. Decrease in Other Current Assets	-	-	-	89.10	360.22
g. Decrease in Other Non Current Assets	26.22	24.67	-	167.64	-
h. Decrease in inventories	-	14.89	35.91	-	-
i. Increase in inventories	(716.75)	-	-	(256.69)	(522.00)
j. Decrease in Trade Payable	-	(202.46)	(108.11)	-	-
k. Increase in Trade & other receivables	(526.58)	-	(294.16)	(1,305.63)	(532.86)
l. Decrease in Lease liability	(1.93)	-	-	-	(35.00)
m. Decrease in Other Current liabilities	-	(49.59)	(16.39)	-	-
n. Increase in other Current financial Assets	(75.44)	(26.13)	(44.56)	-	(13.71)
o. Decrease in other Non Current Financial Liabilities	-	-	-	-	-
p. Increase in other current Assets	(775.96)	(183.42)	(489.69)	-	-
q. Increase in other Non-Current assets	-	-	(1.26)	-	(182.04)
r. Increase in other Non-Current Financial assets	(27.44)	(13.45)	(23.66)	(5.01)	(14.45)
s. Increase in Current Loans & Advances	(0.89)	-	(10.10)	-	-
t. Increase in Long Term Loan	-	-	-	(70.96)	0.00
Cash generated from operations	**1,081.27**	**1,524.23**	**1,898.26**	**1,192.78**	**649.32**
Less : Taxes paid	251.42	214.65	562.28	431.71	541.03
NET CASH GENERATED FROM OPERATION	**829.85**	**1,309.57**	**1,335.97**	**761.08**	**108.29**
B. CASH FLOW FROM INVESTING ACTIVITES					
a. Sale of Fixed Assets	-	-	0.10	63.51	43.07
b. Sale of Investments	170.02	-	-	-	3.74
c. Interest received on loans, deposits	16.95	5.82	17.10	6.21	3.14
d. Net Cash flow from other Bank balance	-	-	-	(1.53)	(0.15)
e. Short term capital gain	0.07	-	-	-	-
f. Dividend income					
Long Term Unquoted investment (Non-Trade)	0.05	-	0.03	0.06	0.08
g. Purchase of fixed assets	(417.46)	(173.93)	(658.59)	(751.78)	(546.46)
h. Purchase of Investment	(170.00)	-	-	-	-
i. Investment in Subsidiaries	(342.30)	-	(50.92)	(6.28)	-
Net cash (used) in investing activities	**(742.68)**	**(168.11)**	**(692.29)**	**(689.80)**	**(496.59)**
C. CASH FLOW FROM FINANCING ACTIVITES					
a. Proceeds/(Repayment) from Bank Borrowings	(234.21)	(849.21)	(94.13)	250.61	(15.00)
b. Proceeds/(Repayment) from Other Borrowings	118.28	-	-	(79.17)	97.88
c. Proceeds/(Repayment) from Short term	-	(50.79)	(314.99)	(108.07)	393.22

Particulars	**As at September 30, 2021**	**As at September 30, 2020**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Borrowings					
d. Interest - others and financial charges	(49.63)	(40.94)	(61.98)	(123.57)	(70.52)
Net cash generated/(used) in financing activities	**(165.55)**	**(940.94)**	**(471.09)**	**(60.21)**	**405.58**
D. Increase/(Decrease) in cash and cash equivalents (A+B+C)	**(78.38)**	**200.53**	**172.59**	**11.07**	**17.28**
Cash and cash equivalents at the beginning of the year	207.51	34.92	34.92	23.85	6.57
Cash and cash equivalents at the end of the year	129.13	235.44	207.51	34.92	23.85
Net Increase/(Decrease)in cash and cash equivalents	**(78.38)**	**200.53**	**172.59**	**11.07**	**17.28**

RESTATED CONSOLIDATED SUMMARY OF ASSETS AND LIABILITIES

(All amounts are in ₹ in millions, except per share data or unless otherwise stated)

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020
I. Assets				
(1) Non-current assets				
(a) Property, plant and Equipment	3,343.07	2,650.37	3,269.74	2,297.30
(b) Right of Use Assets	385.22	390.32	386.40	360.48
(c) Capital work-in-progress	620.25	91.07	184.47	148.80
(d) Other Intangible Assets	1.18	0.00	1.25	0.00
(e) Financial Assets				
i)Investments	1.83	1.77	1.77	1.77
ii) Other Financial Assets	127.51	82.77	102.72	66.09
(f) Other Non Current Assets	68.94	38.85	56.28	37.18
Total Non-current assets	**4,547.99**	**3,255.15**	**4,002.63**	**2,911.62**
(2) Current assets				
(a) Inventories	2,211.26	1,054.01	1,345.17	1,031.82
(b) Financial Assets				
i) Trade Receivable	5,077.95	3,545.17	4,553.99	4,350.39
ii) Cash and Cash Equivalents	191.90	410.91	347.86	108.04
iii) Bank Balance other than (ii) above	250.51	2.50	200.95	0.00
iv) Other Financial Assets	170.52	40.73	67.76	13.90
(C) Other Current assets	1,786.15	492.79	950.31	303.36
Total Current assets	**9,688.30**	**5,546.10**	**7,466.03**	**5,807.51**
Total Assets	**14,236.28**	**8,801.26**	**11,468.67**	**8,719.13**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	90.06	90.06	90.06	90.06
(b) Other Equity	7021.64	4,886.78	5,888.25	4,181.26
Equity Attributable to Equity holders of the parent	**7,111.70**	**4,976.84**	**5,978.31**	**4,271.31**
Non Controlling Interest	1.15	0.25	0.52	0.07
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
i) Borrowings	1,279.45	792.47	1,118.13	412.72
ia) Lease liabilities	12.97	16.37	14.90	20.01
ii) Other Financial Liability	158.28	3.93	5.95	2.53
(b) Provisions	8.58	11.73	12.96	12.45
(C) Deferred tax liabilities	124.60	88.32	103.08	78.17
Total Non Current Liabilities	**1,583.89**	**912.82**	**1,255.03**	**525.86**
Current Liabilities				
(a) Financial Liabilities				
i) Borrowing	835.00	103.68	722.35	1036.72
ii) Trade payables	3,279.13	2,155.15	2,672.71	2,322.85
ii) Other financial Liability	820.68	303.26	516.68	267.34
(a) Other Current Liabilities	358.80	200.12	180.61	192.19
(c) Provisions	2.95	3.30	4.14	1.19
(d) Current Tax liabilities (net)	242.98	145.85	138.31	101.60
Total Current Liabilities	**5,539.54**	**2,911.36**	**4,234.80**	**3,921.88**
Total Liabilities	**14,236.28**	**8,801.26**	**11,468.67**	**8,719.13**

RESTATED CONSOLIDATED SUMMARY OF PROFIT AND LOSS

(All amounts are in ₹ in millions, except per share data or unless otherwise stated)

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020
Income				
I. Revenue from operations	7,143.99	4,950.36	11,719.23	10,000.19
II. Other Income	160.48	16.98	116.86	259.78
III. Total Revenue (I +II)	**7,304.47**	**4,967.34**	**11,836.09**	**10,259.97**
IV. Expenses:				
Cost of materials consumed	4,206.19	2,239.05	6,174.61	5,608.59
Purchase of Trading goods	186.20	360.63	485.49	164.24
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(620.78)	(103.42)	(111.79)	(172.18)
Employee benefit expense	304.01	250.38	541.55	399.34
Financial costs	68.11	41.21	72.67	123.86
Depreciation and amortization expense	126.16	100.35	197.43	187.50
Other expenses	1,520.55	1,155.31	2,151.80	2,112.24
IV. Total Expenses	**5,790.45**	**4,043.53**	**9,511.75**	**8,423.59**
V. Profit before tax	**1,514.02**	**923.81**	**2,324.33**	**1,836.39**
VI. Tax expense:				
(1) Current tax	365.00	230.00	605.00	463.58
(2) Deferred tax	(21.38)	(10.37)	(25.20)	4.67
(3) Earlier Year Tax	0.00	0.00	0.00	42.79
VII. Profit(Loss) from the period from continuing operations	**1,127.64**	**683.44**	**1,694.14**	**1,334.69**
Owners of the parent	**1,127.08**	**683.34**	**1,693.76**	**1,334.71**
Non Controlling Interest	**0.56**	**0.10**	**0.38**	**(0.01)**
VIII. Other Comprehensive Income				
i)Items that will not be reclassified to Statement of profit & loss				
Remeasurements gain/(losses) on defined benefit plans	(0.57)	0.88	1.11	(5.65)
ii)Income tax related to items that will not been	(0.14)	0.22	0.28	(1.42)
reclassified to profit and (loss)				
iii)Foreign Currency Translation Reserve	(13.81)	11.88	(0.25)	0.00
iv)Cancelled Lease contract write off	0.00	0.23	0.23	0.00
Total Comprehensive Income	**(14.52)**	**13.21**	**1.38**	**(7.08)**
Equity holders of the parent	(14.52)	13.21	1.38	(7.08)
Non Controlling Interest	0.00	0.00	0.00	0.00
IX. Profit/(Loss) for the period	**1,113.13**	**696.65**	**1,695.51**	**1,327.62**
X. Earning per equity share: Prior to split and Bonus (In Rs.)				
Basic (Face Value of Rs.10 each)	125.15	75.88	188.08	148.21
Diluted	125.15	75.88	188.08	148.21
	(Not annualised)	(Not annualised)		
X. Earning per equity share: Post split and Bonus (In Rs.)				
Basic (Face Value of Rs.5 each)	12.52	7.59	18.81	14.82
Diluted	12.52	7.59	18.81	14.82
	(Not annualised)	(Not annualised)		

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts are in ₹ in millions, except per share data or unless otherwise stated)

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax and Extraordinary items	1,514.02	923.81	2,324.33	1,836.39
Adjusted for :				
a. Depreciation	126.16	100.35	197.43	187.69
b. Loss on Sale of Fixed Assets	-	-	0.13	-
c. Loss of Plant, Property and Equipment due to fire	-	38.44	38.44	-
d. Provision for Doubtful debt	21.03	9.96	13.82	5.63
e. Leave Encashment	(5.57)	3.90	5.65	4.33
f. Lease contract write off	-	-	(0.23)	-
g. Finance Cost	68.11	41.21	72.67	94.28
h. Interest received on loans, deposits	(2.82)	(1.76)	(4.23)	(5.34)
i. Dividend income on				
Long Term unquoted Investments (Non-Trade)	(0.05)	-	(0.03)	(0.06)
j. Short term capital gain	(0.51)	-	(0.12)	-
Operating profit before working capital changes	**1,720.36**	**1,115.92**	**2,647.87**	**2,122.91**
Adjusted for :				
a. Increase in Trade payables	606.42	-	349.86	271.39
b. Increase in Other Current liabilities	178.19	7.93	-	43.82
c. Increase in Other Non-Current Financial liabilities	142.31	35.92	-	20.08
d. Increase in Other Current financial liability	304.00	-	249.34	159.65
e. Decrease in Trade Receivable	-	805.22	-	-
f. Decrease in Other Current Assets	-	-	-	78.44
g. Decrease in Other Current Financail assets	-	-	-	159.48
h. Increase in Inventories	(866.09)	(22.19)	(313.35)	(264.78)
i. Increase in Trade & other receivables	(523.97)	-	(203.60)	(1,306.09)
j. Decrease in Other Current liability	-	-	(11.58)	-
k. Increase in Other Current financial Assets	(102.75)	(26.83)	(53.86)	-
l. Decrease in Other Non Current Financial Liabilities	-	(2.24)	(1.68)	-
m. Increase in Other current Assets	(835.84)	(189.43)	(646.95)	-
n. Increase in Other Non-Current assets	(12.66)	(1.67)	(19.10)	-
o. Increase in Other Non-Current Financial assets	(24.79)	(18.21)	(36.63)	(6.06)
p. Decrease in Trade Payable	-	(167.76)	-	-
Cash generated from operations	**585.17**	**1,536.67**	**1,960.33**	**1,278.84**
Less : Taxes paid	253.45	184.65	562.66	431.71
NET CASH GENERATED FROM OPERATION	**331.72**	**1,352.02**	**1,397.66**	**847.13**
B. CASH FLOW FROM INVESTING ACTIVITES				
a. Sale of Fixed Assets	-	-	0.10	-
b. Sale of Investment	540.45	-	-	5.34
c. Interest received on loans, deposits	2.82	1.76	4.23	-
d. Short term capital gain (net)	0.51	-	0.12	-
e. Dividend income	-	-	-	-
Long Term Unquoted investment (Non-Trade)	0.05	-	0.03	0.06
f. Purchase of fixed assets	(634.00)	(465.86)	(1,279.50)	(896.87)
g. Purchase of Investment	(540.00)	-	-	-
h. Investment in Fixed Deposit	(49.57)	-	(200.95)	(0.54)
Net cash (used) in investing activities	**(679.74)**	**(464.09)**	**(1,475.97)**	**(892.01)**
C. CASH FLOW FROM FINANCING ACTIVITES				
a. Proceeds/(Repayment) from Bank Borrowings	161.32	379.82	634.53	250.61
b. Proceeds/(Repayment) from Other Borrowings	-	-	70.88	(1.67)
c. Proceeds/(Repayment) from Short term Borrowings	112.65	(933.04)	(314.37)	(24.24)
d. Interest - others and financial charges	(68.11)	(41.21)	(72.67)	(94.28)
Net cash generated/(used) in financing activities	**205.86**	**(594.43)**	**318.37**	**130.42**
D. Increase/(Decrease) in cash and cash equivalents (A+B+C)	**(142.15)**	**293.49**	**240.06**	**85.54**
Cash and cash equivalents at the beginning of the year	347.86	108.04	108.04	23.85
Cash and cash equivalents at the end of the year	191.90	413.41	347.86	108.04
Foreign Currency translation Reserve Movement	13.81	(11.88)	0.25	1.35
Net Increase/(Decrease)in cash and cash equivalents	**(142.15)**	**293.49**	**240.06**	**85.54**

GENERAL INFORMATION

Our Company was originally incorporated as 'Hemani Intermediates Private Limited' at Maharashtra, Mumbai as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated February 3, 1994 issued by the RoC. Our Company was converted from a private limited company to a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on March 7, 2011 and the name of our Company was changed to 'Hemani Intermediates Limited'. Consequently, a fresh certificate of incorporation dated April 15, 2011 was issued by the RoC. Thereafter, the name of our Company was changed to 'Hemani Industries Limited' to reflect the business activities of the Company and a fresh certificate of incorporation dated May 3, 2011 was issued by the RoC.

For details of the business of our Company, see "*Our Business*" beginning on page 163.

Corporate Identity Number U24114MH1994PLC076416

Company Registration Number: 076416

Registered and Corporate Office of our Company

3rd floor, 301, C Wing,
Neelkanth Business Park,
Kirol Village, Nr. Vidhyavihar Bus Depot,
Mumbai, Mumbai City 400 086

Address of the Registrar of Companies

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

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

Board of Directors of our Company

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

Name	Designation	DIN	Address
Sameer Ashok Paingankar	Chairman and Independent Director	01487210	54th Floor, B 5401, Lodha Park Side, Pandurang Budhkar Marg, The Park, Worli, Mumbai 400 018, Maharashtra
Mohan Sunderji Dama	Managing Director	01803334	703-704,7th Floor, Neelkanth Royale, Joshi Lane, Ghatkopar East, Mumbai-400 077
Jayesh Mohan Dama	Joint Managing Director	00934721	703-704,7th Floor, Neelkanth Royale, Joshi Lane, Ghatkopar East, Mumbai-400 077
Dinanath Ramayan Rai	Executive Director	06917719	B-8, Purnima Apartment, Madhuvan Society, near Pashupatinath Temple, G.I.D.C, Ankleshwar, Bharuch 393 001, Gujarat
Ravi Sunderarajan	Independent Director	01006580	96/2B, Kanchan Galli, Near Law College, Erandwana, Pune City, Deccan Gymkhana, Pune, Maharashtra 411 044
Avani Rajesh Umatt	Independent Director	09046170	301 Manubhai Avenue, 7 Saptarshi Colony, Near Malhar Point, Old Padra Road, Racecourse, Vadodara, Gujarat 390 007

For further details of our Directors, see "*Our Management*" beginning on page 202.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically with 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" and has also been uploaded on the SEBI intermediary portal at siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

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 filed with the Registrar of Companies and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the Registrar of Companies.

Company Secretary and Compliance Officer

Dipti Samant is our Company Secretary and Compliance Officer. Her contact details are as follows:

Dipti Samant
Company Secretary and Compliance Officer
3rd floor, 301, C Wing,
Neelkanth Business Park,
Kirol Village, Nr. Vidhyavihar Bus Depot,
Mumbai, Mumbai City 400 086
Tel: +91 22 6140 7600
E-mail: cs@hemanigroup.com

Statutory Auditors to our Company

KPB & Associates,
314-315, 3rd floor,
Reena Complex,
Vidyavihar (West)
Mumbai, Maharashtra 400 086
Tel: +91 9820569109
E-mail: vidyavihar@kpbca.com
Firm Registration Number: 114841W
Peer Review Certificate Number: 013915

Except as disclosed below, there has been no change in the Statutory Auditors during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Particulars	Date of change	Reason for change
KPB & Associates 314-315, 3rd floor, Reena Complex, Vidyavihar (West) Mumbai, Maharashtra 400 086 **Tel**: +91 9820569109 **E-mail**: vidyavihar@kpbca.com **Firm Registration Number:** 114841W **Peer Review Certificate Number**: 010664	November 29, 2021*	Re-appointment for a period of 5 years on completion of tenure of the casual vacancy
	September 10, 2021^	Appointment in case of casual vacancy caused by the resignation of M/s U. B. Sura & Co.
M/s U. B. Sura & Co. 14 Krishna Kunj, M. G. Road, Ghatkopar East Mumbai 400 077 **Tel:** +91 22 21022095 **E-mail:** caubsura@gmail.com **Firm Registration Number**: 110620W **Peer Review Certificate Number:** N.A.	September 2, 2021	Resignation due to pre-occupation and other engagements

* *KPB & Associates has been re-appointed as the statutory auditors from November 29, 2021 for a period of five years for the accounting period April 1, 2021 to March 31, 2026.*

^ *KPB & Associates was appointed on September 10, 2021 as the statutory auditors of the Company for one year for the accounting period from April 1, 2020 to March 31, 2021 to fill the casual vacancy created due to resignation by M/s U. B. Sura & Co.*

Book Running Lead Managers

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6630 3030/3262
E-mail: hemani.ipo@jmfl.com
Investor Grievance E-mail: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration No: INM000010361

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC
Plot No. C-27, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
E-mail: hemaniindustries.ipo@kotak.com
Investor Grievance E-mail: kmccredressal@kotak.com
Website: https://investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration Number: INM000008704

Legal Advisors to the Offer

Legal counsel to our Company and the Promoter Selling Shareholders as to Indian law

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 2496 4455

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

J. Sagar Associates
Vakils House
18 Sprott Road
Ballard Estate,
Mumbai 400 001,
Maharashtra, India
Tel: +91 22 4341 8600

International legal counsel to the Book Running Lead Managers

Dentons US LLP
2000 McKinney Avenue,
Suit 1900,
Dallas, Texas 75201 1858
Tel: +1 214 259 0952

Registrar to the Offer

Link Intime India Private Limited
C 101, 247 Park
L.B.S. Marg
Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6200
E-mail: mumbai@linkintime.co.in
Investor Grievance E-mail: hemani.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration Number: INR000004058

Banker to the Offer

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Bank(s)

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

HDFC Bank Limited	**Citi Bank N.A.**
Emerging Corporate Group Department,	10th Floor, FIFC Building,

HDFC Bank, Ground Floor, SNS Axis Building,
Near Gandhi Smruti Bhavan, Nanpura
Surat 395001
Tel: +91 261 246 0653
E-mail: ravi.bhojani@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Ravi Bhojani

Bandra Kurla Complex, Bandra (East)
Mumbai 400 098, India
Tel: +91 022 6715 6116
E-mail: Kapil.verma@citi.com/Anil.jhawar@citi.com
Website: www.citibank.in
Contact Person: Kapil Verma/Anil Jhawar

Syndicate Members

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

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

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors 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 Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time.

Registered Brokers

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

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 https://www.bseindia.com/Static/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 Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Expert to the Offer

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

Our Company has received written consent dated March 28, 2022 from KPB & Associates, to include their names in this Draft Red Herring Prospectus as required under Section 26 of the Companies Act read with SEBI ICDR Regulations and as "expert" as defined under Sections 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditor and in respect of their (i) examination reports each dated March 28, 2022 on the Restated Standalone Financial Information and Restated Consolidated Financial Information, respectively; and (ii) report dated March 28, 2022 on the statement of possible special tax benefits included in this Draft Red Herring Prospectus and such consents have 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 March 28, 2022 from the independent chartered engineer, namely Manish B Kevadiya, Chartered Engineer, (Membership Registration No. M-145394-1) to include their name in this Draft Red Herring Prospectus as required under Section 26 of the Companies Act read with SEBI ICDR Regulations, as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a chartered engineer, certifying the manufacturing and capacity utilisation of the manufacturing facilities owned and/or controlled by our Company at Ankleshwar, Dahej and Saykha and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

IPO Grading

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

Monitoring Agency

Our Company will appoint a monitoring agency to monitor utilization of the Net Proceeds, prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of SEBI ICDR Regulations. For further details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Offer*" on page 92.

Appraising Entity

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

Credit Rating

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

Trustees

As this is an offer of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Inter-se Allocation of Responsibilities among the Book Running Lead Managers

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

Sr. No.	Activity	Responsibility	Co-ordinator
1	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc. Due diligence of our Company's operations/management/business /legal etc., Drafting and design of this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of the Red Herring Prospectus, Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities	JM, Kotak	JM
2	Drafting and approval of statutory advertisement	JM, Kotak	JM
3	Drafting and approval of all publicity material other than statutory advertisements including corporate advertisements, brochures, filing of media compliance report with SEBI, etc.	JM, Kotak	Kotak
4	Appointment of Registrar to the Offer, Printer to the Offer, and Advertising Agency (including coordination for their agreements)	JM, Kotak	JM
5	Appointment of all other intermediaries and including co-ordination for all other agreements	JM, Kotak	Kotak
6	Preparation of road show presentation and FAQs for the road show team	JM, Kotak	Kotak

Sr. No.	Activity	Responsibility	Co-ordinator
7	International institutional marketing of the Offer, which will cover, *inter alia*: International Institutional marketing strategy; Finalizing the list and division of international investors for one-to-one meetings; and Finalizing international road show and investor meeting schedule	JM, Kotak	Kotak
8	Domestic institutional marketing of the Offer, which will cover, *inter alia*: Domestic Institutional marketing strategy; Finalizing the list and division of domestic investors for one-to-one meetings; and Finalizing domestic road show and investor meeting schedule.	JM, Kotak	JM
9	Conduct non-institutional marketing of the Issue, which will cover, inter-alia: Finalising media, marketing and public relations strategy; Formulating strategies for marketing to Non - Institutional Investors	JM, Kotak	Kotak
10	Conduct retail marketing of the Issue, which will cover, inter-alia: Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows Finalising collection centres Finalising application form Finalising centres for holding conferences for brokers etc. Follow - up on distribution of publicity and Issue material including form, RHP/Prospectus and deciding on the quantum of the Issue material	JM, Kotak	JM
11	Managing anchor book related activities, coordination with Stock Exchanges for anchor intimation, submission of letters regulators post completion of anchor allocation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange.	JM, Kotak	Kotak
12	Managing the book and finalization of pricing in consultation with our Company	JM, Kotak	JM
13	Post bidding activities including management of escrows accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance(No. 2) Act, 2004. Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI.	JM, Kotak	Kotak

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from bidders on the basis of the Red Herring Prospectus and the Bid Cum Application Forms and the Revision Forms within the Price Band and the minimum Bid Lot, which will be decided by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers, and which will either be included in the Red Herring Prospectus or will be advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers after the Bid/Offer Closing Date. For details, see "*Offer Procedure*" beginning on page 443.

All Bidders (other than Anchor Investors) shall participate in this Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period. Except for Allocation to

RIBs and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis.

For further details, see "*Terms of the Offer*" "*Offer Structure*" and "*Offer Procedure*" on pages 436, 441 and 443 respectively.

The Book Building Process under the SEBI ICDR Regulations and the Bidding process are subject to change from time to time and the Bidders are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

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

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Promoter Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued/offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

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

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

The aforementioned underwriting commitments are indicative and will be finalised after pricing of the Offer and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

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

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

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

CAPITAL STRUCTURE

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

(in ₹, except share data)

		Aggregate value at face value	Aggregate value at Offer Price
A	**AUTHORISED SHARE CAPITAL**(1)		
	11,00,00,000 Equity Shares (having face value of ₹5 each)	550,000,000	-
	Total	**550,000,000**	
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	90,057,500 Equity Shares (having face value of ₹5 each)	450,287,500	-
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS** (2)		
	Offer of up to [●] Equity Shares (having face value of ₹5 each) aggregating up to ₹20,000.00 million*(2)(3)	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹5,000.00 million*(2)	[●]	[●]
	Offer for Sale of up to [●] Equity Shares aggregating up to ₹15,000.00 million (3)	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares (having face value of ₹5 each)	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		-
	After the Offer		[●]

* *A Pre-IPO Placement may be undertaken by our Company for an aggregate amount not exceeding ₹1,000.00 million. The Pre- IPO Placement, if undertaken, will be at a price to be decided by our Company and will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the offer complying with rule 19(2)(b) of the SCRR.*

(1) *For details in relation to the changes in the authorised share capital in the last 10 years of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association"beginning on page 196.*

(2) *The Offer has been authorised by a resolution of our Board of Directors at their meeting held on January 29, 2022 and the shareholders at their meeting held on February 2, 2022. Each of the Promoter Selling Shareholders have, severally and not jointly, confirmed their respective participation in the Offer for Sale. For details of the Offer for Sale, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 62 and 425, respectively.*

(3) *Each of the Promoter Selling Shareholders specifically confirm that their respective portion of the Offered Shares, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations and have been held by the Promoter Selling Shareholders for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus. For details on the Promoter Selling Shareholders in relation to their respective Offered Shares, see 'Other Regulatory and Statutory Disclosures' on page 425.*

Notes to the Capital Structure

I. Equity Share capital history of our Company

(a) The history of the equity share capital of our Company is set forth below:

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital
February 3, 1994	20	100	100	Initial subscription to the Memorandum of Association(1)	Cash	20	2,000
February 4, 1994	24,704	100	100	Preferential allotment**(2)	Cash	24,724	2,472,400
June 19, 2001	25,000	100	300	Preferential allotment**(3)	Cash	49,724	4,972,400
August 14, 2002	20,000	100	500	Preferential allotment(4)#	Cash	69,724	6,972,400
October 10, 2003	25,000	100	600	Preferential allotment(5) #	Cash	94,724	9,472,400

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital
December 24, 2007	49,368	100	-	Allotment of equity shares pursuant to the Scheme of Amalgamation (6)	Other than cash	144,092	14,409,200
February 14, 2011	Pursuant to a resolution passed by our Board on January 28, 2011 and a resolution passed by our Shareholders in the EGM held on February 14, 2011, the cumulative number of issued, subscribed and paid up Equity Shares, pursuant to sub-division was increased from 144,092 equity shares of ₹100 each to 1,440,920 Equity Shares of ₹10 each.(7)						
March 16, 2011	7,564,830	10	Not applicable	Bonus issue in the ratio of 525:100 (8)##	Not applicable	9,005,750	90,057,500
December 23, 2021	Pursuant to a resolution passed by our Board on December 18, 2021 and a resolution passed by our Shareholders in the EGM held on December 23, 2021, the cumulative number of issued, subscribed and paid up Equity Shares, pursuant to sub-division was increased from 9,005,750 equity shares of ₹10 each to 18,011,500 Equity Shares of ₹5 each. (9)						
December 27, 2021	72,046,000	5	Not applicable	Bonus issue in the ratio of 4:1 (10)	Not applicable	90,057,500	450,287,500

** *The Form -2 with respect to these allotments are not available. Accordingly, we have relied on the corporate records of our Company, the certificate dated March 26, 2022, prepared by TNT & Associates, independent practicing company, physical search report dated February 13, 2022 prepared by Shivang G Goyal & Associates, company secretary, online search report with respect to the annual returns filed by our Company dated February 18, 2022, prepared by Makarand M. Joshi & Co., company secretaries. For details see "Risk Factors- Certain of our corporate records and filings are not traceable. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 42.*

\# *The Form -2 with respect to these allotments was filed in 2011.*

\## *The actual number of bonus shares to be allotted to each shareholder was rounded off to the nearest multiple of 10.*

(1) *Initial allotment of 10 Equity Shares each to the subscribers to the MoA of the Company being Mohan Sunderji Dama and Karsandas Sunderji Dama.*

(2) *Preferential allotment of 11,990 equity shares to Mohan Sunderji Dama, 2,500 equity shares to Karsandas Sunderji Dama, 2,800 equity shares to Naina Premji Hemani, 1,957 equity shares to Anil Nanda, 1,381 equity shares to Daksha Nanda, 1,506 equity shares to Mangalaben Chandra, 1,641 equity shares to Madhuri Kataria, 536 equity shares to Nanda Bharat, 240 equity shares to Ratanshi Chandra, 150 equity shares to Narayan Kataria and 1 equity share each to Bharat Nanda, Chaturbhuj Chandra and Shamji Kajra.*

(3) *Preferential allotment of 3,000 equity shares to Mohan Sunderji Dama, 2,000 equity shares to Naina Premji Hemani, 2,000 equity shares to Minal Mohan Dama, 4,000 equity shares to Mohan Sunderji Dama (HUF), 3,000 equity shares to Premji Sunderji Hemani, 4,000 equity shares to Nitin Dama (HUF), 4,000 equity shares to Premji Sunderji Hemani (HUF) and 3,000 equity shares to Nitin Karsan Dama.*

(4) *Preferential allotment of 4,000 equity shares each to Mohan Sunderji Dama, Nitin Karsan Dama (HUF), Premji Sunderji Hemani (HUF) and Nitin Karsan Dama, 500 equity shares each to Ashok Dama, HS. Bhanushali, Kasturi Bhanushali, Khimji Gori, Kiran Tiwari, Uday Mange, Narendra Chatrabhuj and Purshottam Gajra.*

(5) *Preferential allotment of 1,000 equity shares each to Chatrabhuj Chandra, Hemlata Dama, Lalji D Dama (HUF), Tulsidas D Dama (HUF), Vershi Bhanushali, Harbai L Dama, Manji P Mange, Rekha M Bhanushali, Dinesh P Bhanushali, Maniben J Dama, Govindji D Mav (HUF), Jhadhavji D Bhanushali, Madhavji Bhanushali, Jadhavji Dama (HUF), Gangji Mange, Maniben J Dama, Damji V Bhadra (HUF), Vasant P Mange, Khimji Bhadra, Lalji Dama, Valji Mange, Jagdish Dama, Jamnaben Mav, Leherchand Bhadra and Purshottam Bhanushali.*

(6) *Allotment of 16,789 equity shares to Mohan Sunderji Dama, 14,738 equity shares to Premji Sunderji Hemani, 3,417 equity shares to Minal Mohan Dama, 6,293 equity shares to Naina Premji Hemani, 1,695 equity shares to Jailesh Hemani, 4,166 equity shares to Jayesh Mohan Dama and 2,270 equity shares to Premji Sunderji Hemani (HUF).*

(7) *Pursuant to a resolution passed by our Board on January 28, 2011 and a resolution passed by our Shareholders in the EGM held on February 14, 2011, our Company has sub-divided its authorised share capital, such that 150,000 equity shares of ₹100 each were sub-divided and reclassified as 1,500,000 Equity Shares of ₹10 each.*

(8) *Bonus issue of 1,856,980 equity shares to Minal Mohan Dama , 1,159,880 equity shares to Naina Premji Hemani, 1,275,170 equity shares to Mohan Sunderji Dama, 498,750 equity shares to Mohan Sunderji Dama (HUF), 617,920 equity shares in Premji Sunderji Hemani (HUF), 1,351,770 equity shares to Premji Sunderji Hemani, 531,620 equity shares to Jayesh Mohan Dama and 272,740 equity shares to Jailesh Premji Hemani in the ratio 525:100.*

(9) *Pursuant to a resolution passed by our Board on December 18, 2021 and a resolution passed by our Shareholders in the EGM held on December 23, 2021, our Company has sub-divided its authorised share capital, such that 55,000,000 equity shares of ₹10 each were sub-divided and reclassified as 110,000,000 Equity Shares of ₹5 each.*

(10) *Bonus issue of 23,640,480 Equity Shares to Minal Mohan Dama, 21,426,968 Equity Shares to Jayesh Mohan Dama, 26,978,520 Equity Shares to Mohan Sunderji Dama, 8 Equity Shares each to Manali Jayesh Dama, Meyuri Hiren Shethia, Jayshree Mahesh Bhanushali and Jeet Bharat Bhanushali in the ratio 4:1.*

1. **Equity Shares issued for consideration other than cash or by way of bonus issue or out of revaluation reserves**

Except as disclosed below, our Company has not issued equity shares, through bonus issue or for consideration other than cash or out of the revaluation reserves:

Date of allotment	Number of securities allotted	Face value per security (₹)	Issue price per security (₹)	Reason for allotment	Benefits accrued to our Company
December 24, 2007	49,368	100	Not applicable	Allotment of shares to the shareholders of Hemani Organics and Chemicals Private Limited upon amalgamation with our Company. (1)	The business facilities of the Hemani Organics and Chemicals Private Limited were complimentary to the business of our Company and the amalgamation has offered synergistic benefit.
March 16, 2011	7,564,830	10	Not applicable	Bonus issue in the ratio of 525:100 (2)	-
December 27, 2021	72,046,000	5	Not applicable	Bonus issue in the ratio of 4:1 (3)	

(1) Allotment of 16,789 equity shares to Mohan Sunderji Dama, 14,738 equity shares to Premji Sunderji Hemani, 3,417 equity shares to Minal Mohan Dama, 6,293 equity shares to Naina Premji Hemani, 1,695 equity shares to Jailesh Hemani, 4,166 equity shares to Jayesh Mohan Dama and 2,270 equity shares to Premji Sunderji Hemani (HUF).

(2) Bonus issue of 1,856,980 equity shares to Minal Mohan Dama , 1,159,880 equity shares to Naina Premji Hemani, 1,275,170 equity shares to Mohan Sunderji Dama, 498,750 equity shares to Mohan Sunderji Dama (HUF), 617,920 equity shares in Premji Sunderji Hemani (HUF), 1,351,770 equity shares to Premji Sunderji Hemani, 531,620 equity shares to Jayesh Mohan Dama and 272,740 equity shares to Jailesh Premji Hemani in the ratio 525:100.

(3) Bonus issue of 23,640,480 Equity Shares to Minal Mohan Dama, 21,426,968 Equity Shares to Jayesh Mohan Dama, 26,978,520 Equity Shares to Mohan Sunderji Dama, 8 Equity Shares each to Manali Jayesh Dama, Meyuri Hiren Shethia, Jayshree Mahesh Bhanushali and Jeet Bharat Bhanushali in the ratio 4:1.

2. **Issue of equity shares under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013**

Except as stated below, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act.

Date of Allotment	Number of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Reason for allotment
December 24, 2007	49,368	100	Not applicable	Allotment of shares to the shareholders of Hemani Organics and Chemicals Private Limited upon amalgamation with the Company.(1)

(1) Allotment of 16,789 equity shares to Mohan Sunderji Dama, 14,738 equity shares to Premji Sunderji Hemani, 3,417 equity shares to Minal Mohan Dama, 6,293 equity shares to Naina Premji Hemani, 1,695 equity shares to Jailesh Hemani, 4,166 equity shares to Jayesh Mohan Dama and 2,270 equity shares to Premji Sunderji Hemani (HUF).

For further details, please see "*-Equity Share capital history of our Company*" on page 79.

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

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

4. **Equity shares issued in the preceding one year below the Offer Price**

Except as mentioned above under "– Notes to Capital Structure" on page 79, our Company has not issued any equity shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

5. **Shareholding pattern of our Company**

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				Number of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of voting rights			Total as a % of (A+B+ C)			Number (a)	As a % of total shares held (b)	Number (a)	As a % of total shares held (b)	
								Class e.g.: equity shares	Class e.g.: Others	Total								
(A)	**Promoter and Promoter Group**	5	90,057,480	-	-	90,057,480	100.00*	90,057,480	-	90,057,480	100.00	-	-		-		-	90,057,480
(B)	**Public**	2	20	-	-	20	Negligible	20	-	20	Negligible	-	-		-		-	20
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C1)	**Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C2)	**Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
	Total	**7**	**90,057,500**	**-**	**-**	**90,057,500**	**100.00**	**90,057,500**	**-**	**90,057,500**	**100.00**	**-**	**-**		**-**		**-**	**90,057,500**

** The shareholding of other Shareholders is negligible*

6. **Details of equity shareholding of the major Shareholders of our Company**

(a) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares on a fully diluted basis	Percentage of the Equity Share capital on a fully diluted basis (%)
1.	Mohan Sunderji Dama	33,723,150	37.45
2.	Jayesh Mohan Dama	26,783,710	29.74
3.	Minal Mohan Dama	29,550,600	32.81
	Total	**90,057,460**	**100.00%***

** The shareholding of other Shareholders is negligible*

(b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as of 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares on a fully diluted basis	Percentage of the Equity Share capital on a fully diluted basis (%)
1.	Mohan Sunderji Dama	33,723,150	37.45
2.	Jayesh Mohan Dama	26,783,710	29.74
3.	Minal Mohan Dama	29,550,600	32.81
	Total	**90,057,460**	**100.00%***

** The shareholding of other Shareholders is negligible*

(c) Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Company, as of one year prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Pre-Offer	
		Number of equity shares of face value ₹10 each on a fully diluted basis	Percentage of the equity share capital on a fully diluted basis (%)
1.	Mohan Sunderji Dama	3,372,315	37.45
2.	Jayesh Mohan Dama	2,678,371	29.74
3.	Minal Mohan Dama	2,955,060	32.81
	Total	**9,005,746**	**100.00%***

** The shareholding of other Shareholders is negligible*

(d) Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Company, as of two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Pre-Offer	
		Number of equity shares of face value ₹10 each on a fully diluted basis	Percentage of the equity share capital on a fully diluted basis (%)
1.	Mohan Sunderji Dama	3,372,315	37.45
2.	Jayesh Mohan Dama	2,678,371	29.74
3.	Minal Mohan Dama	2,955,060	32.81
	Total	**9,005,746**	**100.00%**

** The shareholding of other Shareholders is negligible*

7. **History of the equity share capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters, in aggregate, hold 90,057,460 Equity Shares, constituting 100.00% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoters' shareholding is set forth below.

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

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

Date of allotment/ transfer	Nature of transaction	Number of equity shares allotted/ transferred	Nature of consideration	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
Jayesh Mohan Dama							
March 26, 2002	Transfer from Orbit Polyster Ltd	2,000*	Cash	100	100	0.04	[●]
July 25, 2002	Transfer from Arvind Govindji Mav	500*	Cash	100	100	0.01	[●]
July 25, 2002	Transfer from Bhavika K Dama	500*	Cash	100	100	0.01	[●]
July 25, 2002	Transfer from Hemlata M Dama	500*	Cash	100	100	0.01	[●]
July 25, 2002	Transfer from Govindji D Mav	500*	Cash	100	100	0.01	[●]
August 14, 2002	Transfer from Anil Nanda	1,957*	Cash	100	100	0.04	[●]
August 14, 2002	Transfer from Bharat Nanda	1*	Cash	100	100	0.00	[●]
August 14, 2002	Transfer from Chaturbhuj Chandra	1*	Cash	100	100	0.00	[●]
August 14, 2002	Transfer from Shamji Kajra	1*	Cash	100	100	0.00	[●]
December 24, 2007	Allotment of equity shares pursuant to the Scheme of Amalgamation	4,166	Other than cash	100	Not applicable	0.09	[●]
February 14, 2011	Pursuant to a resolution passed by our Board on January 28, 2011 and a resolution passed by our Shareholders in the EGM held on February 14, 2011, the cumulative number of issued, subscribed and paid up Equity Shares, pursuant to sub-division was increased from 144,092 equity shares of ₹100 each to 1,440,920 Equity Shares of ₹10 each. Therefore, the cumulative number of Equity Shares held by Jayesh Mohan Dama pursuant to the sub-division was 101,260 Equity Shares.						
March 16, 2011	Bonus issue in the ratio of 525:100	531,620	Other than cash	10	Not applicable	1.18	[●]
March 26, 2018	Gift from Mohan Sunderji Dama HUF	296,875	Other than cash	10	Not applicable	0.66	[●]
June 21, 2018	Gift to Jayshree Mahesh Bhanushali	(1)	Other than cash	10	Not applicable	0.00	[●]
June 21, 2018	Gift to Manali Jayesh Dama	(1)	Other than cash	10	Not applicable	0.00	[●]
June 21, 2018	Gift to Meyuri Hiren Shethia	(1)	Other than cash	10	Not applicable	0.00	[●]
June 22, 2018	Gift to Jeet Bharat Bhanushali	(1)	Other than cash	10	Not applicable	0.00	[●]
November 6, 2018	Gift from Naina Premji Hemani	1,670,620	Other than cash	10	Not applicable	3.71	[●]
November 6, 2018	Transfer from Naina Premji Hemani	78,000	Cash	10	250	0.17	[●]
December	Pursuant to a resolution passed by our Board on December 18, 2021 and a resolution passed by our						

Date of allotment/ transfer	Nature of transaction	Number of equity shares allotted/ transferred	Nature of consideration	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
23, 2021	Shareholders in the EGM held on December 23, 2021, the cumulative number of issued, subscribed and paid up Equity Shares, pursuant to sub-division was increased from 9,005,750 equity shares of ₹10 each to 18,011,500 Equity Shares of ₹5 each. Therefore, the cumulative number of Equity Shares held by Jayesh Mohan Dama pursuant to the sub-division was 5,356,742 Equity Shares.						
December 27, 2021	Bonus issued in the ratio 4:1	21,426,968	Other than cash	5	Not applicable	23.79	[●]
Sub-total (A)		**26,783,710**				**29.74**	**[●]**
Mohan Sunderji Dama							
February 3, 1994	Subscription of MoA	10	Cash	100	100	0.00	[●]
February 4, 1994	Preferential allotment	11,990	Cash	100	100	0.27	[●]
September 5, 1996	Transfer to Minal Mohan Dama	(12,000)*	Cash	100	100	(0.27)	[●]
June 19, 2001	Preferential allotment	3,000	Cash	100	300	0.07	[●]
June 26, 2001	Transfer to Orbit Polyster Ltd	(3,000)*	Cash	100	100	(0.07)	[●]
March 26, 2002	Transfer from Orbit Polyster Ltd	2,000	Cash	100	100	0.04	[●]
July 25, 2002	Transfer from Kanji Bhanushali	500	Cash	100	100	0.01	[●]
July 25, 2002	Transfer from Manisha Dama	500	Cash	100	100	0.01	[●]
July 25, 2002	Transfer from Tulsidas Dama	500	Cash	100	100	0.01	[●]
July 25, 2002	Transfer from Virji Bhadra	500	Cash	100	100	0.01	[●]
March 31, 2004	Transfer from V.P. Bhanushali HUF	500	Cash	100	100	0.01	[●]
July 20, 2004	Transfer from Jadhavji Bhanushali	1,000	Cash	100	100	0.02	[●]
July 20, 2004	Transfer from Nitin Dama HUF	2,000	Cash	100	100	0.04	[●]
December 24, 2007	Allotment of equity shares pursuant to the Scheme of Amalgamation	16,789	Other than cash	100	Not applicable	0.37	[●]
February 14, 2011	Pursuant to a resolution passed by our Board on January 28, 2011 and a resolution passed by our Shareholders in the EGM held on February 14, 2011, the cumulative number of issued, subscribed and paid up Equity Shares, pursuant to sub-division was increased from 144,092 equity shares of ₹100 each to 1,440,920 Equity Shares of ₹10 each. Therefore, the cumulative number of Equity Shares held by Mohan Sunderji Dama pursuant to the sub-division was 242,890 Equity Shares.						
March 16, 2011	Bonus issued in the ratio 525:100	1,275,170	Other than cash	10	Not applicable	2.83	[●]
November 2, 2018	Transfer from Premji Sunderji Hemani	197,200	Cash	10	250	0.44	[●]

Date of allotment/ transfer	Nature of transaction	Number of equity shares allotted/ transferred	Nature of consideration	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
November 2, 2018	Gift from Premji Sunderji Hemani	1,657,055	Other than cash	10	Not applicable	3.68	[●]
December 23, 2021	Pursuant to a resolution passed by our Board on December 18, 2021 and a resolution passed by our Shareholders in the EGM held on December 23, 2021, the cumulative number of issued, subscribed and paid up Equity Shares, pursuant to sub-division was increased from 9,005,750 equity shares of ₹10 each to 18,011,500 Equity Shares of ₹5 each. Therefore, the cumulative number of Equity Shares held by Mohan Sunderji Dama pursuant to the sub-division was 6,744,630 Equity Shares.						
December 27, 2021	Bonus issued in the ratio 4:1	26,978,520	Other than cash	5	Not applicable	29.96	[●]
Sub-total (B)		**33,723,150**				**37.45**	**[●]**
Minal Mohan Dama							
September 5, 1996	Transfer from Mohan Sunderji Dama	12,000*	Cash	100	100	0.27	[●]
September 30, 1996	Transfer from Ratnshi Chandra	240*	Cash	100	100	0.01	[●]
September 30, 1996	Transfer from Bharat Nanda	536*	Cash	100	100	0.01	[●]
September 30, 1996	Transfer from Madhuri Kataria	1,641*	Cash	100	100	0.04	[●]
September 30, 1996	Transfer from Daxa Nanda	1,381*	Cash	100	100	0.03	[●]
September 30, 1996	Transfer from Narayan Kataria	150*	Cash	100	100	0.00	[●]
September 30, 1996	Transfer from Mangalaben Chandra	1,506*	Cash	100	100	0.03	[●]
June 19, 2001	Preferential allotment	2,000	Cash	100	300	0.04	[●]
June 26, 2001	Transfer to Orbit Polyster Ltd	(2,000)*	Cash	100	100	(0.04)	[●]
March 26, 2002	Transfer from Orbit Polyster Ltd	3,000*	Cash	100	100	0.07	[●]
August 26, 2002	Transfer from Nitin Dama HUF	3,000*	Cash	100	100	0.07	[●]
March 31, 2004	Transfer from Chatrabhuj Dama	1,000*	Cash	100	100	0.02	[●]
March 31, 2004	Transfer from Vershi Bhanushali	1,000*	Cash	100	100	0.02	[●]
March 31, 2004	Transfer from Maniben J Dama	1,000*	Cash	100	100	0.02	[●]
March 31, 2004	Transfer from Damji V Bhadra HUF	1,000*	Cash	100	100	0.02	[●]
March 31, 2004	Transfer from Gangji Mange	1,000*	Cash	100	100	0.02	[●]
March 31, 2004	Transfer from Vasant P Mange	1,000*	Cash	100	100	0.02	[●]

Date of allotment/ transfer	Nature of transaction	Number of equity shares allotted/ transferred	Nature of consideration	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
March 31, 2004	Transfer from Damyanti Mange	500*	Cash	100	100	0.01	[●]
March 31, 2004	Transfer from Lalji Dama	1,000*	Cash	100	100	0.02	[●]
March 31, 2004	Transfer from Khimji Bhadra	1,000*	Cash	100	100	0.02	[●]
December 24, 2007	Allotment of equity shares pursuant to the Scheme of Amalgamation	3,417	Other than cash	100	-	0.08	[●]
February 14, 2011	Pursuant to a resolution passed by our Board on January 28, 2011 and a resolution passed by our Shareholders in the EGM held on February 14, 2011, the cumulative number of issued, subscribed and paid up Equity Shares, pursuant to sub-division was increased from 144,092 equity shares of ₹100 each to 1,440,920 Equity Shares of ₹10 each. Therefore, the cumulative number of Equity Shares held by Minal Mohan Dama pursuant to the sub-division was 353,710 Equity Shares.						
March 16, 2011	Bonus issue in the ratio of 525:100	1,856,980	Other than cash	10	Not applicable	4.12	[●]
March 31, 2012	Gift to Jailesh Hemani	(452,505)	Other than cash	10	Not applicable	(1.00)	[●]
March 26, 2018	Gift from Mohan Sunderji Dama HUF	296,875	Other than cash	10	Not applicable	0.66	[●]
November 2, 2018	Gift from Premji Sunderji Hemani	900,000	Other than cash	10	Not applicable	2.00	[●]
December 23, 2021	Pursuant to a resolution passed by our Board on December 18, 2021 and a resolution passed by our Shareholders in the EGM held on December 23, 2021 the cumulative number of issued, subscribed and paid up Equity Shares, pursuant to sub-division was increased from 9,005,750 equity shares of ₹10 each to 18,011,500 Equity Shares of ₹5 each. Therefore, the cumulative number of Equity Shares held by Minal Mohan Dama pursuant to the sub-division was 5,910,120 Equity Shares.						
December 27, 2021	Bonus issued in the ratio 4:1	23,640,480	Other than cash	5	Not applicable	26.25	[●]
Sub-total (C)		**29,550,600**				**32.81**	**[●]**
Total (A+B+C)		**90,057,460**				**100.00#**	**[●]**

* *The share transfer forms for these transfers of equity shares to and from the Promoters could not be traced as the relevant information was not available in the records maintained by our Company. Accordingly, we have relied on the corporate records maintained by the Company, the certificate dated March 26, 2022, prepared by TNT & Associates, independent practicing company, physical search report dated February 13, 2022 prepared by Shivang G Goyal & Associates, company secretary, online search report with respect to the annual returns filed by our Company dated February 18, 2022, prepared by Makarand M. Joshi & Co., company secretaries. For details see "Risk Factors-Certain of our corporate records and filings are not traceable. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 42.*

 # The shareholding of other Shareholders is negligible.

All the equity shares held by our Promoters were fully paid-up on the respective dates of allotment of such equity shares. As of the date of this Draft Red Herring Prospectus, none of the equity shares held by our Promoters are subject to any pledge.

(b) *Shareholding of our Promoters and Promoter Group*:

The details of shareholding of our Promoters and Promoter Group, as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name	Pre-Offer Number of Equity Shares	Percentage of the Pre-Offer Equity Share Capital (%)*	Post-Offer Number of Equity Shares	Percentage of the Post-Offer Equity Share Capital (%)
			(A) Promoters		
1.	Jayesh Mohan Dama	26,783,710	29.74	[●]	[●]
2.	Mohan Sunderji Dama	33,723,150	37.45	[●]	[●]
3.	Minal Mohan Dama	29,550,600	32.81	[●]	[●]
Total (A)		**90,057,460**	**100.00***		
			(B) Promoter Group		
1.	Bhanji Sunderji Dama	-	-	[●]	[●]
2.	Bhanu Mulraj Bhanushali	-	-	[●]	[●]
3.	Bharat Mithubhai Bhanushali	-	-	[●]	[●]
4.	Harsh Navin Bhanushali	-	-	[●]	[●]
5.	Jairaj Jayesh Dama	-	-	[●]	[●]
6.	Jashoda Umarshi Gajara	-	-	[●]	[●]
7.	Karsandas Sunderji Dama	-	-	[●]	[●]
8.	Laxami Kumar Bhanushali	-	-	[●]	[●]
9.	Madhu Navin Bhanushali.	-	-	[●]	[●]
10.	Mahesh Mithubhai Bhanushali	-	-	[●]	[●]
11.	Manali Jayesh Dama	10	Negligible	[●]	[●]
12.	Meyuri Hiren Shethia	10	Negligible	[●]	[●]
13.	Navin Ramji Bhanushali	-	-	[●]	[●]
14.	Shakriben Ramji Khichada	-	-	[●]	[●]
15.	Shital Navin Bhanushal	-	-	[●]	[●]
16.	Veera Jayesh Dama	-	-	[●]	[●]
17.	Bhanu Packaging	-	-	[●]	[●]
18.	Automative Rubber Sealing and Coatings	-	-	[●]	[●]
19.	Odhav Containers	-	-	[●]	[●]
20.	Mehi Industries Private Limited	-	-	[●]	[●]
21.	Jayesh Mohan Dama HUF	-	-	[●]	[●]
22.	Breeze Intermediates Private Limited	-	-	[●]	[●]
23.	Trinity Creative Homes LLP	-	-	[●]	[●]
24.	Mohan Sunderji Dama HUF	-	-	[●]	[●]
25.	Jay Engineers	-	-	[●]	[●]
26.	Odhavkrupa Developers	-	-	[●]	[●]
27.	Veera International Eximp	-	-	[●]	[●]
28.	Hemani International	-	-	[●]	[●]
29.	Jaydeep Realspaces LLP	-	-	[●]	[●]
Total (B)		**20**	**Negligible**	**[●]**	**[●]**
Total (A+B)		**90,057,480**	**100.00**	**[●]**	**[●]**

** The shareholding of other Shareholders is negligible*

(c) *Details of Promoters' Contribution and Lock-in*

In accordance with Regulation 14 and Regulation 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters, shall be locked in for a period of eighteen months from the date of Allotment and the shareholding of our Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.

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

Name of the Promoters	Number of Equity Shares locked-in(1)(2)	Date of allotment/ transfer* of the Equity Shares	Nature of transaction	Face value (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of pre-Offer paid-up Equity Share capital	Percentage of post-Offer paid-up Equity Share Capital
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

* *Subject to finalisation of Basis of Allotment*

(1) *For a period of eighteen months from the date of Allotment*

(2) *All Equity Shares were fully paid-up at the time of allotment/transfer*

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, see "- *History of the Equity Share Capital held by our Promoters*" beginning on page 83.

In this connection, we confirm the following:

(i) The Equity Shares offered for Promoters' contribution do not include (a) Equity Shares acquired in the three immediately preceding years for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction; (b) equity shares that have resulted from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or resulted from bonus issue against equity shares which are otherwise ineligible for computation of Promoters' contribution;

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

(iii) Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a Company;

(iv) The equity shares held by the Promoters and offered for Promoters' contribution are not subject to any pledge or any other encumbrance; and

(v) All the equity shares held by the Promoters are held in dematerialised form.

(d) Details of Equity Shares locked-in for six months:

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked-in for eighteen months as prescribed under the SEBI ICDR Regulations as specified above, in terms of Regulation 16(b) and Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations, except for the Equity Shares sold pursuant to the Offer for Sale and any other categories of shareholders exempt under Regulation 17 of the SEBI ICDR Regulations, as applicable.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters, which are locked-in may be transferred to and amongst the members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

The Equity Shares held by the Promoters which are locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations may be pledged only with scheduled commercial banks or public financial institutions or Systemically Important NBFCs or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or Systemically Important NBFCs or housing finance companies in terms of Regulation 21 of the SEBI ICDR Regulations.

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

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters and locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

(e) *Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors*

Any Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment or such number of days as be provided under applicable law.

8. Except for the allotment of Equity Shares pursuant to the Fresh Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.

9. As on the date of filing of this Draft Red Herring Prospectus, the total number of shareholders of our Company is 7.

10. Our Promoters, any member of our Promoters, Promoter Group, any of the directors of our Company or any of their relatives have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

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

12. Neither our Company, nor any of our Directors have entered into any buy-back arrangements for purchase of equity shares from any person. Further, the BRLMs have not made any buy-back arrangements for purchase of Equity Shares from any person.

13. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares.

14. All Equity Shares transferred pursuant to the Offer will 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.

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

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

17. Our Promoters and Promoter Group shall not participate in the Offer, except by way of participation as Promoter Selling Shareholders, as applicable, in the Offer for Sale.

18. Except for the Fresh Issue and the Pre-IPO Placement, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner for a period of six months from the Bid/Offer Opening Date or all application monies have been refunded, as the case may be.

19. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

20. No person connected with the Offer, including, but not limited to, the members of the Syndicate, our Company, the Directors, members of our Promoter Group and the Promoters, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

21. Our Promoters and members of our Promoter Group will not submit Bids, or otherwise participate in this Offer.

22. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be intimated to the

Stock Exchanges within 24 hours of such transaction.

OBJECTS OF THE OFFER

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

Offer for Sale

The Promoter Selling Shareholders will be entitled to the proceeds of the Offer for Sale after deducting their respective proportions of 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.

Objects of the Fresh Issue

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

1. Funding the capital expenditure requirements for the capacity expansion at Saykha industrial estate (the "**Proposed Expansion**");

2. Repayment/prepayment of certain borrowings of our Company;

3. Investment in our wholly owned Subsidiary, HCCPL, for the repayment/prepayment of certain borrowings of HCCPL;

4. Funding the long-term working capital requirement of our Company; and

5. General corporate purposes.

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

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges which, we believe, will result in the enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

The main objects and objects incidental and ancillary to the main objects set out 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.

Net Proceeds

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

Particulars	Estimated amount (₹in million)
Gross Proceeds of the Fresh Issue(1)	Up to 5,000.00
(Less) Offer related expenses in relation to the Fresh Issue(2)	[●]
Net Proceeds(1)	[●]

(1) Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Offer prior to completion of the Offer.

(2) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

Proposed utilization and schedule of implementation and deployment of Net Proceeds

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

(₹in million)

Particulars	Total estimated cost/Amount to be funded from the Net Proceeds*	Estimated deployment of the Net Proceeds	
		Fiscal 2023 (if applicable)	Fiscal 2024 (if applicable)
Funding the capital expenditure requirement for the capacity expansion at Saykha industrial estate(1)	1,297.19	518.88	778.31
Repayment/prepayment of certain borrowings of our Company	483.44	483.44	Nil
Investment in our wholly owned Subsidiary, HCCPL, for the repayment/prepayment of certain borrowings of HCCPL	938.78	938.78	Nil
Funding the long term working capital requirement of our Company	1,500.00	533.10	966.90
General corporate purposes(2) (3)	[●]	[●]	[●]

** Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Offer prior to completion of the Offer.*

(1) No amounts have been deployed by our Company towards this object. The costs incurred by our Company for acquisition of land do not form part of the total estimated cost of the Proposed Expansion.

(2) To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

[(3)] *The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, current and valid quotations and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. The deployment of the Net Proceeds shall be for the stated Objects and as per the schedule of implementation as mentioned above and as approved by our Board and will be monitored by the monitoring agency. Any deviation from the same will be subject to applicable law. However, we may have to revise our funding requirements and deployment on account of a variety of factors such as our business and financial condition and market conditions, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, including changes in design or configuration of the Proposed Expansion, incremental pre-operative expenses and other external factors such as the new waves of COVID-19 pandemic or changes in the business environment and interest or exchange rate fluctuations, which may not be within our control. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Our historical capital expenditure may not be reflective of our future capital expenditure plans.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. For details on risks involved, see "*Risk Factor- Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control*" on page 52.

Means of finance

We propose to meet the requirement of funding capital expenditure for the Proposed Expansion entirely out of the Net Proceeds and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VI and Regulation 7(1)(e) of the SEBI ICDR Regulations which require firm arrangements of finance to be made through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue and existing internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and/or other lenders.

Details of the Objects

I. Funding capital expenditure for the Proposed Expansion

We aim to continue investing in expanding our manufacturing capacities to meet our raw material requirements and the anticipated future demand of our products. As part of such expansion, we aim to set-up a new manufacturing facility in Saykha, GIDC Industrial Estate, Gujarat for manufacturing of Benzaldehyde ("**BCHO**"), Benzyl Alcohol ("**BOH**") and Benzyl Chloride ("**BCL**"). We use BCHO as a raw material for manufacturing of Meta Phenoxy Benzaldehyde, Meta Phenoxy Benzyl alcohol, Mandelonitrile. BOH chemical reagent is used for manufacture of various types of esters and ethers and will be sold in the market by our Company. BCL is also used as a raw material for manufacturing BOH. The Proposed Expansion will expand our manufacturing capacity and also help us to improve our backward integration and give us better control over the supply and cost of such raw materials in terms of reducing dependence of third party suppliers and reducing lead time and transport costs, ensuring timely delivery and consistency in the quality of such chemicals.

Our Company proposes to construct three plants for manufacturing (i) 500 TPM BCHO; (ii) 500 TPM BOH; and (iii) 650 TPM BCL. For the Proposed Expansion, we require investment in *inter alia* construction of building and civil works and plant and machinery.

Land

The Proposed Expansion is being set-up on certain portions of the land parcels situated at GIDC Industrial Estate, Saykha, Taluka Vagra, district Bharuch, Gujarat 392 140, India which will be adjacent to our existing manufacturing facilities at the Saykha Facility. The Company had entered into agreement dated November 5, 2018 pursuant to which it has the ownership and possession on a leasehold basis for a period of 99 years on the land parcels T-35 to T-37 and T-45 to T-47 admeasuring approximately 121,436.34 sq.mt situated at GIDC Industrial Estate, Saykha, Taluka Vagra, district Bharuch, Gujarat 392 140, India (and no encumbrance has been created on such land parcels). The cost incurred for acquisition of such land parcels do not form part of the total estimated cost of the Proposed Expansion.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in this acquisition of the land parcels.

Means of finance for the Proposed Expansion

The total estimated cost for the Proposed Expansion is ₹1,297.19 million*. We intend to fund the total cost of the Proposed Expansion entirely out of the Net Proceeds.

** Total estimated cost, including GST, as per project report dated March 26, 2022 issued by Lele & Associates Consultants and Engineers Private Limited, an engineering and consultancy firm, in respect of the Proposed Expansion*

Estimated cost

The total estimated cost of the Proposed Expansion i.e. funding the capital expenditure requirement for the new facility at GIDC Industrial Estate, Saykha, Taluka Vagra, district Bharuch, Gujarat 392 140 is ₹1,297.19 million, as certified by Lele & Associates Consultants and Engineers Private Limited, an engineering and consultancy firm, pursuant to its project report dated March 26, 2022 (the "**Project Report**"). However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution. For details on risks involved, see "*Risk Factor- Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control*" on page 52.

The total estimated cost comprises the following:

(₹ million)

Sr. No.	Particulars	Estimated cost
1.	Building civil work and exterior development work*	146.00
2.	Machinery and equipment for 500 TPM BCHO plant*	78.33
3.	Machinery and equipment for 500 TPM BOH plant*	171.50
4.	Machinery and equipment for 650 TPM BCL plant*	112.19
5.	Glass Equipment*	122.37
6.	Piping, valves and fittings for BCHO, BOH and BCL plants*	300.27
7.	Utilities*	62.22
8.	Consultancy fee*	6.50
	Sub-total	**999.38***
9.	GST @ 18%	179.89
10.	Contingency @10%	117.93
Total		**1,297.19**

* *Excluding GST*

1. *Building civil work and exterior development work*

The total estimated cost for building and civil works for the Proposed Expansion is ₹146.00 million.

The details of the quotation received in respect of building civil works and exterior development work as part of the Project Report is as follows:

Sr. No.	Particulars	Suppliers	Date of Quotation	Validity of Quotation#	Cost (In ₹ million)*
1.	Building, Steel and Structural Material	Padaria Associates Structural & Civil Engineers	February 1, 2022	6 months	146.00
Total Estimated Cost					**146.00***

* *Excluding GST*

 # The validity of the quotations is from the date of such quotation.

Note:

1) The details set out above are certified by Lele & Associates Consultants and Engineers Private Limited, an engineering and consultancy firm, pursuant to its Project Report dated March 26, 2022.

2. *Machinery and equipment for 500 TPM BCHO plant*

The total estimated cost for machinery and equipment for 500 TPM BCHO plant is ₹78.33 million.

An indicative list of items, along with details of the quotations received in this respect as part of the Project Report is as follows:

Sr. No.	Plant and Machinery	Details of equipment	Suppliers	Date of Quotation	Validity of Quotation#	Cost (In ₹ million)*
1.	Graphite Equipments	Heat Exchangers	Graphite India Limited	January 13, 2022	6 months	10.79
2.	High Density Poly Ethylene Equipments	Tanks	Yogeshwar Fiber Fabricators	February 7, 2022	July 31, 2022	0.03
3.	Mild Steel Equipments	Motors, Tanks, Carbon	B.J. Pumps &	February 3, 2022;	6 months	3.26

Sr. No.	Plant and Machinery	Details of equipment	Suppliers	Date of Quotation	Validity of Quotation#	Cost (In ₹ million)*
		Bed	Equipments, Pragati Industries Mechanical Engineers & Contractors, Supreme Bonds Private Limited	January 20, 2022; December 16, 2021		
4.	Mild Steel Glass Lined Equipments	Reactors, Columns	BNT Technology Company Limited, GMM Pfaudler Limited	January 27, 2022; January 18, 2022	6 months	12.36
5.	Perfluoroalkoxy Lined Equipments	Pumps	GISS Pump Solution	January 29, 2022	6 months	0.22
6.	Polypropylene Fiberglass Rainforce Plastic Equipments	Tank, Pumps	Yogeshwar Fiber Fabricators, Well Known Fibers, Jet Fibers India Private Limited, GISS Pump Solution	February 7, 2022; January 19, 2022; January 10, 2022; January 29, 2022.;	July 31, 2022; 6 months	2.18
7.	Polyetrafluoroethylene Equipments	Pumps	GISS Pump Solution	January 29, 2022	6 months	0.80
8.	Stainless Equipments	Pumps, Reactors, Condenser, Ejectors, Drum Dryer	GISS Pump Solution, Supreme Bonds, Pragati Industries Mechanical Engineers & Contractors, H.K. Industries, Uni-Mech Industries	January 29, 2022; December 14, 2021; January 20, 2022; January 5, 2022; February 4, 2022	6 months	48.48
9.	Miscellaneous Equipments	Pumps	GISS Pump Solution	January 29, 2022	6 months	0.22
Total Estimated Cost						**78.33***

* *Excluding GST*

 # The validity of the quotations is from the date of such quotation.

Note:

1) *The details set out above are certified by Lele & Associates Consultants and Engineers Private Limited, an engineering and consultancy firm, pursuant to its Project Report dated March 26, 2022.*

3. Machinery and equipment for 500 TPM of BOH plant

The total estimated cost for machinery and equipment for 500 TPM of BOH plant is ₹171.50 million.

An indicative list of items, along with details of the quotations received in this respect as part of the Project Report is as follows:

Sr. No.	Plant and Machinery	Details of equipment	Suppliers	Date of Quotation	Validity of Quotation#	Cost (In ₹ million)*
1.	Zirconium Equipments	Reactors	Tinita Engineering Private Limited	January 27, 2022	6 months	91.44
2.	Graphite Equipments	Heat Exchangers, Ejectors	Graphite India Limited, H.K. Enterprise	January 13, 2022; January 5, 2022	6 months	17.67
3.	Mild Steel Equipments	Motors	B.J. Pumps & Equipments	February 3, 2022	6 months	1.04
4.	Mild Steel Glass Lined Equipments	Tanks, Reactor	GMM Pfaudler Limited, BNT Technology Company Limited	January 18, 2022; January 27, 2022	6 months	20.29
5.	Polypropylene Fiberglass Rainforce Plastic Equipments	Tanks, Columns	Well Known Fibers	January 19, 2022	6 months	10.51
6.	Polyetrafluoroethylene Equipments	Pumps	B.J. Pumps & Equipments	February 3, 2022	6 months	1.07

Sr. No.	Plant and Machinery	Details of equipment	Suppliers	Date of Quotation	Validity of Quotation#	Cost (In ₹ million)*
7.	Stainless Steel Equipments	Tanks, Pumps, Ejectors	Pragati Industries Mechanical Engineers & Contractors, B.J. Pumps & Equipments, H.K. Enterprise	January 20, 2022; February 3, 2022; January 5, 2022	6 months; 184 days	28.11
8.	Miscellaneous Equipments	Tanks Pumps	B.J. Pumps & Equipments, Pragati Industries Mechanical Engineers & Contractors	February 3, 2022; January 20, 2022;	6 months; 184 days	1.38
Total Estimated Cost						**171.50***

* *Excluding GST*
 # The validity of the quotations is from the date of such quotation.
Note:
1) The details set out above are certified by Lele & Associates Consultants and Engineers Private Limited, an engineering and consultancy firm, pursuant to its Project Report dated March 26, 2022.

4. *Machinery and equipment for 650 TPM BCL plant*

The total estimated cost for machinery and equipment for 650 TPM BCL plant is ₹112.19 million.

An indicative list of items, along with details of the quotations received in this respect as part of the Project Report is as follows:

Sr. No.	Plant and Machinery	Details of equipment	Suppliers	Date of Quotation	Validity of Quotation**	Cost (In ₹ million)*
1.	Ceramic Equipment	Ceramic Structured Packings for Distillation Column	Jiangxi OIM Chemical Co., Ltd	February 7, 2022	6 months	9.82[#]
2.	Cast Iron Equipments	Fresh Toluene Transfer Pump to Day Tank	GISS Pump Solution	January 29, 2022	6 months	0.07
3.	Carbon Steel Equipments	Breather Valve	Flow Industries	December 30, 2021	6 months	0.08
4.	Graphite Equipments	Heat Exchangers, Ejectors	Graphite India Limited, H.K. Industries	January 13, 2022 and January 5, 2022	6 months	40.85
5.	High Density Polyethylene Equipments	Scrubbing System for Chlorine Section	Well Known Fibers	January 19, 2022	6 months	0.20
6.	Mild Steel	Flame Proof Motor, Electric Overhead Travelling Crane, Batch Tank for Soda Ash Solution.	B.J. Pumps & Equipments, Safex Electromac Private Limited, Pragati Industries Mechanical Engineers & Contractors	February 3, 2022; February 7, 2022; January 20, 2022	6 months; 184 days	1.51
7.	Mild Steel Glass Lined Equipments	Tanks, Columns	BNT Technology Company Limited	January 27, 2022	6 months	39.32
8.	Perfluoroalkoxy Lined Equipments	Feed Pumps	GISS Pump Solution	January 29, 2022	6 months	0.41
9.	Polypropylene Fiberglass Rainforce Plastic Equipments	Toluene Day Tank, Pumps	Yogeshwar Fiber Fabricators, GISS Pump Solution	February 7, 2022 and January 29, 2022	July 31, 2022; 6 months	17.48
10.	Polyetrafluoroethylene Equipments	Pumps	GISS Pump Solution, Coron Enterprises	January 29, 2022 and December 31, 2021	6 months	1.16
11.	Stainless Steel Equipments	Heat Exchangers	Supreme Bonds Private Limited	December 14, 2021	6 months	1.20
12.	Miscellaneous Equipments	Flow Meter cum Totaliser	Optima Instruments	December 30, 2021	6 months	0.09
Total Estimated Cost						**112.19***

*	Excluding GST
** The validity of the quotations is from the date of such quotation.
# The cost as provided in the quotation is in US$. A conversion rate of 1 US$= ₹75 has been considered.
Note:
1) The details set out above are certified by Lele & Associates Consultants and Engineers Private Limited, an engineering and consultancy firm, pursuant to its Project Report dated March 26, 2022.*

5. *Glass Equipment*

The total estimated cost for glass equipment is ₹122.37 million to be utilised in the plants for manufacturing BCHO, BOH and BCL.

An indicative list of glass equipment and parts to be utilised in the plants for manufacturing BCHO, BOH and BCL in the Proposed Expansion along with details of the quotation we have received as a part of the Project Report is as follows:

Sr. No.	Plant and Machinery	Details of equipment	Suppliers	Date of Quotation	Validity of Quotation#	Cost (In ₹ million)*
1.	Glass Equipment	Tanks, Vessels, Condensers, Column	Super Scientific Works Private Limited	January 19, 2022	6 months	122.37
Total Estimated Cost						**122.37***

*	Excluding GST
The validity of the quotations is from the date of such quotation.
Note:
1) The details set out above are certified by Lele & Associates Consultants and Engineers Private Limited, an engineering and consultancy firm, pursuant to its Project Report dated March 26, 2022.*

6. *Piping, valves and fittings for BCHO, BOH and BCL plants*

The total estimated cost for overall piping, valves and fittings for BCHO, BOH and BCL plants is ₹300.27 million.

An indicative list of items, along with details of the quotations received in this respect as part of the Project Report is as follows:

Sr. No.	Plant and Machinery	Details of equipment	Suppliers	Date of Quotation	Validity of Quotation**	Cost (In ₹ million)*
1.	Mild Steel Polytetrafluoroethylene	Lines & Fittings	Super Scientific Works Private Limited	January 19, 2022	6 months	196.54
2.	Mild Steel Glass Lined	Lines & Fittings	BNT Technology Company Limited	January 27, 2022	6 months	87.53#
3.	Carbon Steel, Cast Iron, Stainless Steel	Valves	Rushabh Enterprises	January 27, 2022	6 months	7.52
4.	Mild Steel, Cast Iron, Stainless Steel	Lines	Jindal Steel & Pipe Fittings	January 12, 2022	6 months	8.68
Total Estimated Cost						**300.27***

*	Excluding GST
** The validity of the quotations is from the date of such quotation.
# The cost as provided in the quotation is in US$. A conversion rate of 1 US$= ₹75 has been considered.
Note:
1) The details set out above are certified by Lele & Associates Consultants and Engineers Private Limited, an engineering and consultancy firm, pursuant to its Project Report dated March 26, 2022.*

7. *Utilities*

The total estimated cost for setting-up supply of utilities such as Cooling Tower, Pumps, Chilled Water Unit and Brine Chilling Compressor Unit is ₹62.22 million.

An indicative list of items, along with details of the quotations received in this respect as part of the Project Report is as follows:

Sr. No.	Details of equipment	Suppliers	Date of Quotation	Validity of Quotation#	Cost (In ₹ million)*
1.	Cooling Tower, Pumps, Chilled Water Unit, Brine Chilling	Paharpur Cooling Tower, Rushabh Enterprises,	January 5, 2022; January 27, 2022;	July 31, 2022; July 30, 2022	62.22

Sr. No.	Details of equipment	Suppliers	Date of Quotation	Validity of Quotation#	Cost (In ₹ million)*
	Compressor Unit, Coal Fired Boiler, Diesel Generator Set, Tank, Steam Condensate Water Recovery Unit, Transformer, Vacuum Circuit Breaker, Motor Control Centre Panels & Power Control Centre Panel, Cable, Instruments Like Pressure Gauge, Resistance Temperature Detector, Level Indicator, Rotameters etc.	Voltas Limited, Karmyogi Cooling Industries, Industrial Boiler Limited, Sudhir Power, Pragati Industries Mechanical Engineers & Contractors, International Agency, Voltamp Transformer Limited, D. N. Syndicate, D. N. Syndicate, LT Electrical, Altop Industries	January 4, 2022; January 6, 2022; March 24, 2022; December 31, 2021; January 20, 2022; February 7, 2022; February 1, 2022; December 29, 2021; January 28, 2022; January 11, 2022; February 4, 2022	6 months; 90 days	
Total Estimated Cost					**62.22***

* *Excluding GST*
 # The validity of the quotations is from the date of such quotation.
Note:
1) The details set out above are certified by Lele & Associates Consultants and Engineers Private Limited, an engineering and consultancy firm, pursuant to its Project Report dated March 26, 2022.

Water

In relation to the Proposed Expansion as set out in the Project Report as certified by Lele & Associates Consultants and Engineers Private Limited, an engineering and consultancy firm, our Company has been provided with a sanctioned limit of 2000 kilolitres of water per day pursuant to GIDC letter dated October 14, 2019. Further, the timeline of the water connection for the land on which the Proposed Expansion is proposed to be carried out will be six months from the date when such application is made and the required water quantity will be 500 kilolitres per day.

Power

In relation to the Proposed Expansion as set out in the Project Report as certified by Lele & Associates Consultants and Engineers Private Limited, an engineering and consultancy firm, location of 220 KV substation and probable power corridor is available. The power required for the Proposed Expansion shall be fed from nearby power control centre panel located in the main substation.

8. *Consultancy fee*

Our Company has availed basic and detailed engineering services including procurement assistance, inspection services and supervision services during construction, testing & commissioning for the Proposed Expansion from Lele & Associates Consultants and Engineers Private Limited, an engineering and consultancy firm, for a fee of ₹6.50 million (*exclusive of GST*).

The details of the work order for the services availed from Lele & Associates Consultants and Engineers Private Limited, an engineering and consultancy firm are set out below:

Sr. No.	Consultant	Date of work order	Validity of work order#	Cost (In ₹ million)*
1.	Lele & Associates Consultants and Engineers Private Limited	December 5, 2021	16 months	6.50*

* *Excluding GST*
 # The validity of the work order is from the date of such work order.

Further, as per the Project Report, the total GST applicable for (i) the construction of civil works; (ii) procurement of plant and machinery; and (iii) availing the services of the consultant, amounts to ₹179.89 million. Such additional cost shall be funded from the Net Proceeds proposed to be utilized towards the purchase of capital equipment. A contingency of 10% amounting to ₹117.93 million shall also be funded from the Net Proceeds proposed to be utilized towards the purchase of capital equipment

The quotation from respective vendors are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendor would be engaged to eventually supply the equipment at the same costs. If there is any increase in the costs, the additional costs shall be paid by our Company from its internal accruals. None of the orders for purchase of the machinery/ equipment, as provided above, have been placed as on the date of this Draft Red Herring Prospectus. See "*Risk Factor–Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns. Further the objects of the Offer include orders for plant and machinery which have not yet been placed*" on page 37 and "*Risk Factor – We intend to utilize a portion of the Net Proceeds for civil works of building a new manufacturing facility in Saykha, GIDC Industrial Estate, Gujarat. We are yet to place orders for such civil construction"* on page 53.

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

Our Promoters, Directors, Key Managerial Personnel and Group Company do not have any interest in the proposed construction of building civil works, or in the entities from whom we have obtained quotation in relation to such activities.

Proposed schedule of implementation of the Proposed Expansion

(₹in million)

Particulars of activities	Estimated date of commencement	Estimated date of completion	Amount to be utilised from Net-Proceeds	
			Fiscal 2023 (In ₹ million)	Fiscal 2024 (In ₹ million)
Statutory clearances / approvals	October 16, 2019	October 23, 2023	518.88	778.31
Civil design and construction	June 1, 2022	July 24, 2023		
Engineering and procurement	May 2, 2022	July 9, 2023		
Erection and pre-commissioning activities	June 30, 2023	October 2, 2023		
Commissioning	October 2, 2023	October 23, 2023		

Note:

1) The details set out above are certified by Lele & Associates Consultants and Engineers Private Limited, an engineering and consultancy firm, pursuant to its Project Report dated March 26, 2022.

Government approvals

In relation to the Proposed Expansion, we are required to obtain approvals, which are routine in nature, from certain governmental or local authorities as provided in the table below and as certified by Lele & Associates Consultants and Engineers Private Limited, an engineering and consultancy firm, pursuant to its Project Report dated March 26, 2022.

Authorities	Initial approvals		Final approvals		Current Status
	Nature of approvals	Stage at which approvals are required	Nature of approvals	Stage at which approvals are required	
GIDC	Offer cum Allotment Letter	At the time of initiation of project-Plot No. 35, 36, 37, 45, 46, 47	N. A	At the time of initiation of project	Obtained on January 1, 2018
GIDC	Handling over possession	At the time of initiation of project	N. A	At the time of initiation of project	Obtained on November 12, 2018
GIDC	Form of agreement	At the time of initiation of project	N. A	At the time of initiation of project	Obtained on November 5, 2018
GIDC	Possession receipt	At the time of initiation of project	N. A	At the time of initiation of project	Obtained on February 8, 2019
GIDC	Office order (Change of name)	At the time of initiation of project	N. A	At the time of initiation of project	Obtained on May 30, 2019
Ministry of Environment and Forest	Environment clearance	At the time of initiation of project	N. A	At the time of initiation of project	Obtained on January 25, 2021
GPCB	GPCB-consent to establish	Before start of construction	N. A	Before start of construction	Obtained on April 5, 2021
GPCB	GPCB-consolidated consents and authorization	N. A	GPCB-consolidated consents and authorization	Before commissioning	Application not yet filed
Deputy Chief Controller of Explosive	License to storage petroleum class A & B	N. A	License to storage petroleum class A & B	After construction & before commissioning	Application not yet filed

Authorities	Initial approvals		Final approvals		Current Status
	Nature of approvals	Stage at which approvals are required	Nature of approvals	Stage at which approvals are required	
Deputy Chief Controller of Explosive	License to storage chlorine	N. A	License to storage chlorine	After construction & before commissioning	Application not yet filed
Deputy Director of Industrial Safety & Health	Copy of factory license	Before placement of machinery	Copy of Factory License	Before commissioning	Application not yet filed
Assistant Director of Boiler Bharuch	Provisional boiler certificate	N. A	Provisional Boiler Certificate	After installation of boiler & prior to its commissioning	Application not yet filed
Joint Secretory to The Govt Of India	DIC registration	N. A	DIC Registration	Before commissioning	Application not yet filed
Civil & Structural Engineer	Stability certificate plant wise	N. A	Stability Certificate plant wise	After commissioning	Application not yet filed
GIDC	Map approval	N. A	Map approval	After construction & before commissioning	Application not yet filed
Deputy Director of Industrial Safety & Health	Map approval	N. A	Map approval	After construction & before commissioning	Application not yet filed
Dakshin Gujarat Vij Company Limited	Electric connection	Temporary Connection-prior to execution of project	Electric Connection	Permanent connection-before commissioning	Application not yet filed
GIDC	Water connection	Temporary connection-prior to execution of project	Water Connection	Permanent connection-before commissioning	Assurance letter dated October 14, 2019 received;
GIDC	Drainage	N. A	Drainage	Prior to the commissioning	Assurance letter October 18, 2019 received;
Gujarat Building & Other Construction Workers Board	Civil construction	Prior to start of construction	Civil Construction	N. A	Application not yet filed
GIDC	Fire NOC	N. A	Fire NOC	Prior to be commissioning	Application not yet filed

Our Company undertakes to file necessary applications with the relevant authorities for obtaining all the above-mentioned approvals as applicable, at the relevant stages. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule of implementation may be extended, and our Company will undertake the required corporate actions as mentioned under "*Variation in Objects*" beginning on page 106 of this DRHP. For further details on the pending applications in relation to the Proposed Expansion, see "*Risk Factor – Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns"* on page 37.

II. Repayment/prepayment of certain borrowings of our Company

Our Company has entered into financing arrangements for availing terms loans and working capital loans. For disclosure of our borrowings as at December 31, 2021, see "*Financial Indebtedness*" beginning on page 416.

We may choose to repay or pre-pay certain borrowings availed by us, other than those identified in the table below, which may include additional borrowings we may avail after the filing of this Draft Red Herring Prospectus. Given the nature of these borrowings and the terms of repayment/pre-payment, the aggregate outstanding borrowing amounts may vary from time to time. In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by us. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular fiscal may be repaid/ pre-paid in part or full by our Company in the subsequent fiscal. The selection of borrowings proposed to be repaid/pre-paid by us shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) levy of any prepayment penalties and the quantum thereof, (iii) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan, (iv) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our lenders and (v) provisions of any law, rules, regulations governing such borrowings. Further, our Company has obtained a written consent from the relevant lender for undertaking the Offer.

We believe that such repayment or prepayment will help reduce our outstanding indebtedness and our debt-equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion in new projects. Our Company may avail further loans after the date of this Draft Red Herring Prospectus and/or draw down further funds under existing loans. In addition, we believe that the strength of our balance sheet and our leverage capacity will further improve, which shall enable us to raise further capital in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the coming years.

We propose to utilise an amount of ₹483.44 million from the Net Proceeds towards repayment or prepayment of the borrowings of our Company listed in the table below:

S. No.	Name of the Lender	Nature of Borrowing	Principal loan amount sanctioned as on December 31, 2021 (₹ in million)	Principal amount outstanding as on December 31, 2021 (₹ in million)*	Rate of interest	Tenor	Pre-Payment Penalty	Purpose for which loan amount was utilised*
1.	HDFC Bank Limited	Term loan	400.00	203.44	8% p.a (1Y MCLR + 80 bps p.a.)	60 monthly instalments from the date of disbursement	2.00%	Purchase of machinery for expansion & reimbursement of capital expenditure
2.	HDFC Bank Limited	Working capital term loan under guaranteed emergency credit line	280.00	280.00	7% p.a. (EBLR + spread of 50 bps p.a)	60 months including moratorium period of 12 months	-	To augment working capital requirement to enable business unit to meet operating liabilities & restart/increase operations

* *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 purposes availed, our Company has obtained the requisite certificate from our Statutory Auditors by way of their certificate dated March 28, 2022.*

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

III. Investment in our wholly owned Subsidiary, HCCPL, for the repayment/prepayment of certain borrowings of HCCPL

Our wholly owned Subsidiary, HCCPL, has entered into financing arrangements for availing terms loans and working capital loans.

We intend to utilise an estimated amount of ₹938.78 million from the Net Proceeds towards investment in HCCPL in the form of equity or debt or in any other manner as may be mutually decided. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus. HCCPL will in turn utilise these funds for repayment and/or prepayment of certain of its borrowings. The prepayment and/or repayment of HCCPL's borrowings will include payment of principal amount, and the accrued interest thereon.

We propose to utilise an amount of ₹938.78 million from the Net Proceeds towards repayment or prepayment, in full or in part, the following borrowing of HCCPL listed in the table below:

S. No.	Name of the Lender	Nature of Borrowing	Principal loan amount sanctioned as on December 31, 2021 (₹ in million)	Principal amount outstanding as on December 31, 2021 (₹ in million) *	Rate of interest	Tenor	Pre-Payment Penalty	Purpose for which loan amount was utilised*
1.	DBS Bank India Limited	Foreign currency term loan/ Term loan	500.00	10.69	8% pa.	5 years (including 1-year moratorium)	Pre-payment penalty as levied by the Bank	For undertaking capex at Sakhya Facility and foreign exchange requirements
				497.83#	2.85% p.a.			
2.	Citibank, N.A.	Term loan	270.00	58.63	8.25% pa.	5 years (including 1-year moratorium)	1% of principal outstanding	For undertaking capex at Sakhya Facility
				87.50	8.25% p.a.			
				90.94	3% p.a.			
3.	Citibank, N.A.	Term loan	600.00	193.19	2.75% p.a.	5 years (including 1-year moratorium)	1% of principal outstanding	For undertaking capex at Sakhya Facility

\# *Our wholly owned subsidiary, HCCPL, availed foreign currency term loan in US$. On account of the difference in the rate of exchange the total principal amount outstanding exceeds the principal loan amount sanctioned.*

* *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 purposes availed by our wholly owned Subsidiary, HCCPL, our Company has obtained the requisite certificate from our Statutory Auditors by way of their certificate dated March 28, 2022.*

IV. Funding the long-term working capital requirements of our Company

We fund a majority of our working capital requirements in the ordinary course of business from banks and internal accruals. As of September 30, 2021, our Company's working capital facilities and borrowings from banks consisted of an aggregate outstanding of ₹1,244.45 million on a restated standalone basis.

We propose to utilise ₹1,500.00 million from the Net Proceeds to fund working capital requirements of our Company in Fiscal 2023 and 2024 respectively.

Basis of estimation of working capital requirement

The details of our Company's working capital as at March 31, 2019, March 31, 2020, March 31, 2021 and as on September 30, 2021 derived from the Restated Standalone Financial Information, and source of funding are provided in the table below:

(in ₹million)

Sr No.	Particulars	Amount as on March 31, 2019*	Amount as on March 31, 2020*	Amount as on March 31, 2021*	Amount as on September 30, 2021*
1	**Current Assets**				
A	Trade receivables	3,044.29	4,349.93	4,630.27	5,135.82
B	Inventories	767.03	1,023.73	987.81	1,704.56
C	Other current assets	360.11	292.70	782.39	1,558.35
	Total current assets	**4,171.43**	**5,666.36**	**6,400.47**	**8,398.73**
2	**Current Liabilities**				
A	Trade payables	2,051.52	2,308.73	2,200.62	3,163.52
B	Other current liabilities and Provisions	200.35	316.72	367.25	687.21
	Total current liabilities	**2,251.87**	**2,625.45**	**2,567.87**	**3,850.72**
3	**Net working capital requirements**	**1,919.56**	**3,040.91**	**3,832.60**	**4,548.01**
4	**Source of finance**				
A	Borrowings from banks, financial institutions and non-banking financial companies	1,060.95	952.88	637.90	403.70
B	Internal accruals/Equity	858.61	2,088.03	3,194.70	4,144.31
	Total	**1,919.56**	**3,040.91**	**3,832.60**	**4,548.01**

* *The working capital details as at March 31, 2019, March 31, 2020, March 31, 2021 and September 30, 2021 and source of funding has been certified by our Statutory Auditors pursuant to their certificate dated March 28, 2022.*

On the basis of our existing working capital requirements and estimated working capital requirements, our Board pursuant to its resolution dated March 28, 2022 has approved the estimated working capital requirements for Fiscal 2022, Fiscal 2023 and 2024 as set forth below:

(in ₹million)

Sr No.	Particulars	Estimated amount as on March 31, 2022*	Estimated amount as on March 31, 2023*	Estimated amount as on March 31, 2024*
1	**Current Assets**			
A	Trade receivables	5,619.19	6,623.58	8,216.71
B	Inventories	1,278.85	1,507.43	1,870.01
C	Other current assets	658.80	776.56	963.34
	Total current assets	**7,556.84**	**8,907.57**	**11,050.06**
2	**Current Liabilities**			
A	Trade payables	3,100.24	3,654.39	4,533.36
B	Other current liabilities, other financial liabilities, provisions and current tax liabilities (net)	426.28	502.48	623.34
	Total current liabilities	**3,526.53**	**4,156.87**	**5,156.69**
3	**Net working capital requirements**	4,030.32	4,750.70	5,893.36
4	**Source of finance**			
A	Borrowings from banks, financial institutions and non-banking financial companies or internal accruals	4,030.32	4,217.60	4,926.46
B	Proceeds from the Offer	-	533.10	966.90
	Total	**4,030.32**	**4,750.70**	**5,893.36**

* *The estimated working capital requirements for the years ended March 31, 2022, March 31, 2023 and March 31, 2024 has been certified by our Statutory Auditors pursuant to their certificate dated March 28, 2022.*

Assumptions for working capital requirements

The table below sets forth the details of holding levels (in days) for Fiscal 2019, Fiscal 2020, Fiscal 2021 and for the six months period ended September 30, 2021 as well as estimated holding levels (in days) for Fiscal 2022, Fiscal 2023 and Fiscal 2024:

Sr No.	Particulars	As on the fiscal year ending March 31, 2019	As on the fiscal year ending March 31, 2020	As on the fiscal year ending March 31, 2021	As on the six months period ending September 30, 2021	As on the fiscal year ending March 31, 2022 (estimated)	As on the fiscal year ending March 31, 2023 (estimated)	As on the fiscal year ending March 31, 2024 (estimated)
1.	Trade receivables	126	160	149	133	145	145	145
2.	Inventories	32	38	32	44	33	33	33
3.	Other current assets	15	11	25	40	17	17	17
4.	Trade payables	85	85	71	82	80	80	80
5.	Other current liabilities, other financial liabilities, provisions and current tax liabilities (net)	8	12	12	18	11	11	11

Notes:

(1) *Holding period (in days) is calculated as respective current asset or current liability divided by net revenue from operations multiplied by number of days (see note 2 below). Estimated holding days for Fiscal 2022, Fiscal 2023 and Fiscal 2024 have been rounded to the nearest number.*

(2) *The holding period has been computed over 365 days for each fiscal year and 180 days for the six months period ending September 30, 2021.*

(3) *The above details of holding levels as well as projections has been certified by our Statutory Auditors pursuant to their certificate dated March 28, 2022.*

Key assumptions for working capital projections

Our Company's estimated working capital requirements on a standalone basis are based on the following key assumptions:

Trade Receivables	Trade receivables are amount owed to Company by customers following sale of goods on credit. Our trade receivables days for Fiscal 2019, Fiscal 2020, Fiscal 2021 and for the six months period ended September 30, 2021, were in the range of 126-160 days and averaged 145 days for Fiscal 2019, Fiscal 2020 and Fiscal 2021. Our Company anticipates trade receivables at ₹ 5,619.19 million, ₹ 6,623.58 million and ₹ 8,216.71 million, and trade receivable days at 145 days for Fiscal 2022, Fiscal 2023 and Fiscal 2024 respectively.
Inventories	Inventories include raw materials, finished goods, stores & spares etc. Our inventory days for Fiscal 2019, Fiscal 2020, Fiscal 2021 and for the six months period ended September 30, 2021, were in the range of 32-44 days and averaged 33 days for Fiscal 2019, Fiscal 2020 and Fiscal 2021. Our Company anticipates inventory at ₹1,278.85 million, ₹1,507.43 million and ₹1,870.01 million, and inventory days at 33 days for Fiscal 2022, Fiscal 2023 and Fiscal 2024 respectively.
Other Current Assets	Our other current assets days for Fiscal 2019, Fiscal 2020, Fiscal 2021, were in the range of 11-25 days and averaged 17 days. These were 40 days for the six months period ended September 30, 2021 due to accumulation of balances with government authorities in form of GST credits, delay in getting refund due to Covid-19 and advances paid to suppliers to ensure smooth supply of raw material during pandemic period. Our Company anticipates other current assets at ₹658.80 million, ₹ 776.56 million and ₹ 963.34 million, and other current assets days at 17 days for Fiscal 2022, Fiscal 2023 and Fiscal 2024 respectively.
Trade Payables	Trade payables include dues to micro and small enterprises and other creditors. Our trade payables days for Fiscal 2019, Fiscal 2020, Fiscal 2021 and for the six months period ended September 30, 2021, were in the range of 71-85 days and averaged 80 days for Fiscal 2019, Fiscal 2020 and Fiscal 2021. Our Company anticipates trade payables at ₹3,100.24 million, ₹3,654.39 million and ₹4,533.36 million, and trade payables days at 80 days for Fiscal 2022, Fiscal 2023 and Fiscal 2024 respectively.
Other Current Liabilities, Other financial liabilities, Provisions & Current Tax Liabilities (Net)	Our other current liabilities, other financial liabilities, provisions and current tax liabilities days for Fiscal 2019, Fiscal 2020, Fiscal 2021, were in the range of 8-12 days and averaged 11 days. These were 18 days for the six months period ended September 30, 2021 due to increase in current maturity of long term loan, provision for interest payable to creditors under the Micro, Small and Medium Enterprises Development Act, 2006, increase in creditors for capital goods due to higher capex, increase in advances received from customers, increase in employee benefits payable and increase in tax payable. Our Company anticipates other current liabilities, other financial liabilities, provisions and current tax liabilities at₹426.28 million, ₹502.48 million and ₹623.34 million and holding level at 11 days for Fiscal 2022, Fiscal 2023 and Fiscal 2024 respectively.

The balance portion of our long-term working capital requirement will be arranged from existing equity, internal accruals and borrowings from banks.

V. 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, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include strategic initiatives, funding growth opportunities, including acquisitions and meeting exigencies, brand building, meeting expenses incurred by our Company and strengthening of our manufacturing capabilities, as may be applicable.

In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million.

The Offer related expenses primarily include fees payable to the Book Running Lead Managers and legal counsels, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than the listing fees, audit fees of the Statutory Auditors and expenses for any corporate advertisements, i.e. any corporate advertisements consistent with past practices of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer), which shall be borne solely by the Company, all costs, charges, fees and expenses that are associated with and incurred in connection with the Offer including, *inter-alia*, filing fees, book building fees and other charges, fees and expenses of the SEBI, the Stock Exchanges, the Registrar of Companies and any other Governmental Authority, advertising, printing, road show expenses, accommodation and travel expenses, fees and expenses of the legal counsel to the Company and the Indian and international legal counsel to the BRLMs, fees and expenses of the statutory auditors, registrar fees and broker fees (including fees for procuring of applications), underwriting commissions, bank charges, fees and expenses of the BRLMs, syndicate members, SCSBs, other Designated Intermediaries and any other consultant, advisor or third party in connection with the Offer shall be borne by the Company and the Selling Shareholders in proportion to the number of Equity Shares issued and/or transferred by the Company and Promoter Selling Shareholders in the Offer, respectively. The Selling Shareholders agree that it shall reimburse the Company for all expenses undertaken by the Company on their behalf in relation to the Offer in proportion to the Equity Shares offered by each of them as part of the Offer. The estimated Offer related expenses are as under:

Activity	Estimated expenses(1) (in ₹million)	As a % of the total estimated Offer expenses(1)	As a % of the total Offer size(1)
Book Running Lead Managers' fees	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs (2)(3)(4)(5)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the other advisors to the Offer	[●]	[●]	[●]
- Statutory Auditors, for issuing the Restated Financial Information, for providing the statement of special direct and indirect tax benefits available to our Company and to our Shareholders, and to verify the details and provided certifications with respect to certain information included in the DRHP	[●]	[●]	[●]
- Manish B Kevadiya, independent chartered engineer, in respect of the (i) installed capacity, production and capacity utilization of the manufacturing operations of our Company;	[●]	[●]	[●]
- Frost & Sullivan for issuing the Frost & Sullivan Report prepared and released by Frost & Sullivan, commissioned and paid for by our Company in connection with the Offer pursuant to a letter agreement executed on October 29, 2021.	[●]	[●]	[●]
Others	[●]	[●]	[●]
- Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and distribution of issue stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Insurance in connection with the Offer	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

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

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

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

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

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

*Portion for Retail Individual Bidders**	₹[●] *per valid Bid cum Application Form (plus applicable taxes)*

*Portion for Non-Institutional Bidders**	₹[●] *per valid Bid cum Application Form (plus applicable taxes)*

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

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

Sponsor Bank(s)	₹[●] *per valid Bid cum Application Form* (plus applicable taxes)* *The Sponsor Bank(s) shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

**For each valid application*

(5) *Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:*

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

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

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

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 SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Appraising entity

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

Bridge financing facilities

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

Monitoring of utilisation of funds

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to filing the Red Herring Prospectus with the RoC, we will appoint a monitoring agency to monitor the utilization of the Net Proceeds. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such fiscals as required under applicable law, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this 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 unutilised. 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 Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director’s report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "**Notice**") shall specify the prescribed details, including justification for such variation and be published and placed on website of our Company, in accordance with the Companies Act, 2013, read with relevant rules.

The Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered and Corporate Office is situated. Pursuant to Section 13(8) of the Companies Act, 2013, our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, 2013 and the SEBI ICDR Regulations.

Other confirmations

Except to the extent of the proceeds received pursuant to the Offer for Sale, none of our Promoters, Directors, KMPs or Promoter Group will receive any portion of the Offer Proceeds and there are no material existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoters, Directors, KMPs or Promoter Group.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and Promoter Selling Shareholders in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹5 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price. Some of the financial information for Fiscals 2019 included herein is derived from our Restated Standalone Financial Information, and some of the financial information for Fiscal 2020, Fiscal 2021 and the six months ended September 30, 2021 included herein is derived from our Restated Consolidated Financial Information. Investors should also see "*Our Business*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" "*Restated Financial Information*" and "*Summary of Financial Information*" on pages 163, 27, 372, 224 and 64, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- Leading market positions across our major agrochemical and specialty chemical products;
- Global presence in a market with high entry barriers;
- Large customer base with long lasting relationships;
- Strong R&D capabilities;
- Operational excellence with focus on quality and vertical integration;
- Robust financial performance; and
- Experienced Promoters and Senior Management.

For details, see "*Our Business – Our Strengths*" on page 166.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Information. For details, see "*Restated Financial Information*" on page 224.

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

A. Basic and Diluted Earnings Per Share ("EPS"):

Fiscal	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2021	18.81	18.81	3
March 31, 2020	14.82	14.82	2
March 31, 2019	8.26	8.26	1
For the six months period ended September 30, 2021*	12.52	12.52	
For the six months period ended September 30, 2020*	7.59	7.59	
Weighted Average (*See Note 4 below*)	**15.72**	**15.72**	

** Not annualized.*

Notes:

1) *The face value of each Equity Share is ₹ 5.*
2) *Basic Earnings per share = Restated profit for the year attributable to equity shareholders / Weighted average number of equity shares in calculating basic EPS*
3) *Diluted Earnings per share = Restated profit for the year attributable to equity shareholders / Weighted average number of diluted equity shares in calculating diluted EPS.*
4) *Weighted average = Weighted average means weighted average diluted and basic earnings per share ("EPS") derived from Restated Financial Information based on weights assigned for the respective year ended March 31.*
5) *Pursuant to a resolution passed by the Board on December 18, 2021 and a resolution passed by the Shareholders in the EGM held on December 23, 2021, the Company has sub-divided its authorised share capital, such that 55,000,000 equity shares of ₹10 each were sub-divided and reclassified as 110,000,000 Equity Shares of ₹5 each. Therefore, the cumulative number of issued, subscribed and paid up Equity Shares, pursuant to sub-division was increased from 9,005,750 equity shares of ₹10 each to 18,011,500 Equity Shares of ₹5 each. Further, the Board of Directors pursuant to a resolution dated December 18, 2021 and the shareholders pursuant to special resolution dated December 23, 2021 have approved the issuance of 4 bonus shares of face value ₹5 each for every one existing fully paid up equity share of face value ₹5 each and accordingly bonus shares were issued and allotted. The above sub-division and Bonus shares are retrospectively considered for the computation of weighted average number of equity shares outstanding during the period, in accordance with Ind AS 33.*

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

Particulars	P/E at the Floor Price (no. of times)*	P/E at the Cap Price (no. of times)*
Based on basic EPS for Fiscal 2021 on Restated Consolidated Financial Statements	[●]	[●]
Based on diluted EPS for Fiscal 2021 on Restated Consolidated Financial Statements	[●]	[●]

* *will be populated in the Prospectus*

Industry Peer Group P/E ratio

	Industry P/E
Highest	101.26
Lowest	15.82
Industry Composite	40.49

Notes:

(1) *The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below.*

(2) *P/E figures for the peer are computed based on closing market price as on March 25,2022 on BSE, divided by Basic EPS (consolidated basis) based on the financial results ended March 31, 2021 submitted to stock exchanges by such companies.*

Return on Net worth ("RoNW")

Fiscal	RoNW (%)	Weight
March 31, 2021	28.34	3
March 31, 2020	31.25	2
March 31, 2019	25.80	1
For the six months period ended September 30, 2021*	15.86	
For the six months period ended September 30, 2020*	14.10	
Weighted Average *(See Note 1 below)*	**28.88**	

* *Not annualized.*

NOTES*:*

1. *Weighted average means the weighted average return on net worth derived from Restated Financial Information based on weights assigned for the respective year ended March 31.*
2. *Return on Net Worth (%) = Net profit after tax before other comprehensive income for the year/period (as restated) divided by net worth at the end of the year/period (as restated).*
3. *Net worth has been computed as the sum of paid up share capital and other equity.*

C. Net Asset Value ("NAV") per Equity Share on a consolidated basis

Fiscal/ Period ended	NAV (₹)
As on March 31, 2021	66.39
As on September 30, 2021*	78.97
As on September 30, 2020*	55.27
After the Offer	[●]

* *Not annualized.*

NOTES*:*

1. *Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*
2. *Net asset value per Equity share= Net worth at the end of the year/Number of equity shares outstanding (Without impact of effect of dilutive potential equity shares) during the year after considering the impact of bonus and sub-divided shares.*
3. *Pursuant to a resolution passed by our Board on December 18, 2021 and a resolution passed by our Shareholders in the EGM held on December 23, 2021, our Company has sub-divided its authorised share capital, such that 55,000,000 equity shares of ₹10 each were sub-divided and reclassified as 110,000,000 Equity Shares of ₹5 each. Therefore, the cumulative number of issued, subscribed and paid up Equity Shares, pursuant to sub-division was increased from 9,005,750 equity shares of ₹10 each to 18,011,500 Equity Shares of ₹5 each. Further, the Board of Directors pursuant to a resolution dated December 18, 2021 and the shareholders pursuant to special resolution dated December 23, 2021 have approved the issuance of 4 bonus shares of face value ₹5 each for every one existing fully paid up equity share of face value ₹5 each and accordingly bonus shares were issued and allotted. The above sub-division and Bonus shares are retrospectively considered for the computation of weighted average number of equity shares outstanding during the period, in accordance with Ind AS 33.*

D. Comparison with Listed Industry Peers

Name of the company	Total income (in ₹million)	Face value (₹)	Closing price as on March 25, 2022	P/E	EPS (₹)		RoNW(%)	NAV per equity shares (₹)
					Basic	Diluted		
Company	11,719.23	5	NA	NA	18.81	18.81	28.34%	66.38*
Listed Peers								

Anupam Rasayan India Limited	8,108.88	10	866.75	101.26	8.56	8.56	4.47%	157.46
Bayer Cropscience Limited	42,613.00	10	4,636.30	42.26	109.72	109.72	19.68%	557.47
Bharat Rasayan Limited	10,920.00	10	12,303.70	31.90	385.70	385.70	22.53%	1,711.48
Dhanuka Agritech Limited	13,874.69	2	705.65	15.82	44.61	44.61	26.45%	170.94
Heranba Industries Limited	12,186.47	10	635.55	16.13	39.41	39.41	29.20%	131.99
PI Industries Limited	45,770	1	2,795.80	56.04	49.92	49.89	13.82%	352.13
Rallis India Limited	24,294.35	1	238.05	20.26	11.75	11.75	14.37%	81.80
Sumitomo Chemical Industries Ltd	26,449.96	1	407.10	58.83	6.92	6.92	22.41%	30.88
UPL Limited	386,940.00	2	798.15	21.93	36.40	36.40	19.52%	234.29

Source: All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the filings made with stock exchanges for the Financial Year ending March 31,2021.

Source for Hemani Industries Limited: Based on the Restated Consolidated Financial Statements for the year ended March 31, 2021.

**Pursuant to a resolution passed by Board on December 18,2021 and a resolution passed by the shareholders in EGM held on December 23,2021, the Company has sub-divided its authorised share capital, such that 55,000,0000 equity shares of Rs.10 each aggregating to Rs.550.00 million were sub-divided and reclassified as 110,000,000 Equity Shares of Rs.5 each aggregating to Rs.550 million. Therefore, the cumulative number of issued, subscribed and paid-up Equity Shares, pursuant to sub- division was increased from 9,005,750 equity shares of Rs.10 each to 18,011,500 Equity Shares of Rs.5 each. Stock split of Shares are retrospectively considered for computation of EPS in accordance with IND AS 33 for all periods presented. The Board of Directors pursuant to a resolution dated December 18, 2021 and Shareholders pursuant to Special resolution dated December 23, 2021 have approved the issuance and allotment, respectively, of 4 bonus shares of face value of Rs.5 each for every one existing fully paid-up equity share of face value Rs5 each and accordingly bonus shares were issued and allotted. Bonus share are retrospectively considered for the computation of EPS in accordance with IND AS 33. The total issued, subscribed and paid-up share capital before the offer is ₹450.28 million.*

Notes for Listed Peers

1. *Basic EPS and Diluted EPS refer to the Basic EPS and Diluted EPS sourced from the financial statements of the respective company.*
2. *P/E Ratio has been computed based on the closing market price of equity shares on March 25, 2022 on BSE divided by the Diluted EPS provided under Note 1*
3. *Net asset value per share (in ₹) = closing net worth divided by the equity shares outstanding as on March 31 of the respective year.*

E. The Offer price is [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company and Promoter Selling Shareholders in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Restated Financial Information*" on pages 27, 163, 372 and 224, respectively, to have a more informed view.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,
The Board of Directors
Hemani Industries Limited
C Wing, Neelkanth Business Park,
Kirol Village, Nr. Vidyavihar Bus Depot,
Mumbai 400086
Maharashtra, India

Dear Sir(s)

Sub: Statement of possible special tax benefit ("the Statement") available to Hemani Industries Limited (the "Company" and the shareholders of the Company) prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'SEBI ICDR Regulations').

1. We, KPB & Associates, the statutory auditors of the Company, hereby confirm that the enclosed Annexure 'A' prepared by **Hemani Industries Limited** ("**Company**") and initialled by us and the Company for identification purpose (the "**Statement**"), provides the possible special tax benefits available to the Company and to its shareholders, under direct and indirect tax laws, including the Income-tax Act, 1961 ("**the Act**") as amended by the Finance Act 2021, i.e. applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("**GST Act**") read with Rules, Circulars, and Notifications, the Customs Act, 1962, Customs Tariff Act, 1975 ("**Customs Law**") and Foreign Trade Policy 2015-2020 ("**FTP**") as amended by the Finance Act, 2021 and the Finance (No. 2) Act, 2021, i.e., applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India (together, the "**Tax Laws**"). Several of these benefits are dependent on the Company and its shareholders, fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and its shareholder, to derive the 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 to fulfil.

2. The benefits discussed in the enclosed Annexure covers only special tax benefits available to the Company and its shareholders, and do not cover any general tax benefits available to the Company. The benefits discussed in the enclosed Statement are not exhaustive. The 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 proposed initial public offering by the Company ("**Offer**").

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

   (i) the Company or its shareholders, will continue to obtain these benefits in the future; or

   (ii) the conditions prescribed for availing of the benefits where applicable, have been/would be met with.

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

5. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ('ICAI') which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.

6. We hereby consent to include this certificate and the Statement in the Draft Red Herring Prospectus to be filed by the Company in connection with the Offer with the Securities and Exchange Board of India, Registrar of Companies, Maharashtra at Mumbai and the concerned stock exchanges where the Equity Shares are proposed to be listed and in other Offer related materials.

For **KPB & Associates**
Chartered Accountants
Firm Registration No: 114841W

Ketan Gada

Membership No. 106451
Place Mumbai
Date: March 28, 2022
UDIN: 22106451AFSQQY4831

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

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

1. Special tax benefits available to the Company

Section 115BAA of the Act, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax ("MAT") under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. The option once exercised, cannot be subsequently withdrawn for the same or any other tax year. The Company has represented to us that they will opt to apply section 115BAA of the Act for the assessment year 2021-2022.

2. Special Tax Benefits available to the Shareholders

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

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND TO ITS SHAREHOLDERS

Based on the various documents and the evidences produced before us, we would like to certify that the Company is not availing any special tax benefit such as concessional tax rate or exemption from tax which is contingent upon fulfillment of conditions nor any other similar special tax benefits

Notes:

1. We have not considered the general tax benefits available to the Company or shareholders of the Company.
2. The above is as per the prevalent Tax Laws as on date.
3. The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.
4. This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information contained in this section is derived from various industry and publicly available resources. The information also includes information available from reports or databases of Frost & Sullivan ("F&S"). Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.

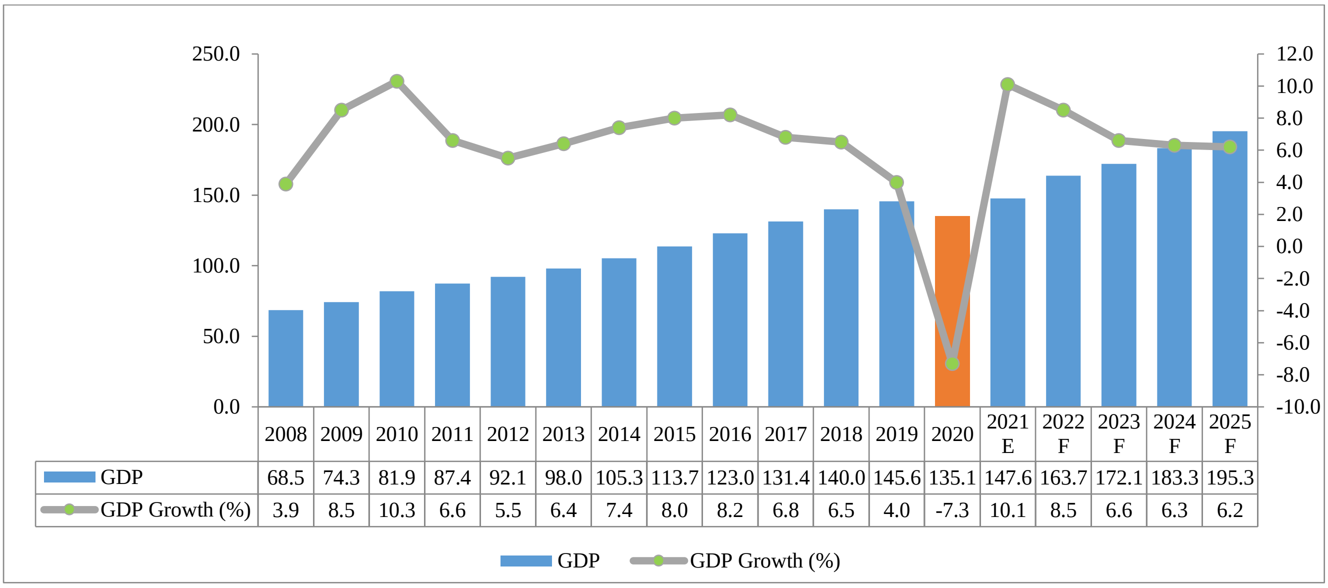
F&S has taken due care and caution in preparing the "Independent Market Report - Indian Chemicals and Specialty Chemicals", released in December 2021 (the "Company Commissioned F&S Report") based on the information obtained by F&S from sources which it considers reliable ("Data"). The F&S Report is available on the website of our Company at http://hemanigroup.com/investor-relations/industry-report/, in accordance with applicable law. However, F&S does not guarantee the accuracy, adequacy or completeness of the Data / Company Commissioned F&S Report and is not responsible for any errors or omissions or for the results obtained from the use of the Data / Company Commissioned F&S Report. The Company Commissioned F&S Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of the Company Commissioned F&S Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. F&S especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Company Commissioned F&S Report. Without limiting the generality of the foregoing, nothing in the Company Commissioned F&S Report is to be construed as F&S providing or intending to provide any services in jurisdictions where F&S does not have the necessary permission and/or registration to carry out its business activities in this regard. The Company will be responsible for ensuring compliances and consequences of non-compliances for use of the Company Commissioned F&S Report or part thereof outside India. No part of the Company Commissioned F&S Report may be published/reproduced in any form without F&S's prior written approval.

MACROECONOMIC OVERVIEW OF INDIA

Gross domestic product (GDP) growth in India

The already slow Indian economy has been derailed from its growth track in 2020 as a result of a national shutdown imposed in March 2020 to halt the spread of COVID-19. India's real GDP contracted to 7.3% in calendar 2020. However, the medium-term outlook of India's real GDP is expected to improve and record a growth rate of approximately 6.2% by calendar year 2025, on account of the strong macroeconomic fundamentals including moderate inflation, the implementation of key structural reforms and the improved fiscal and monetary policies.

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



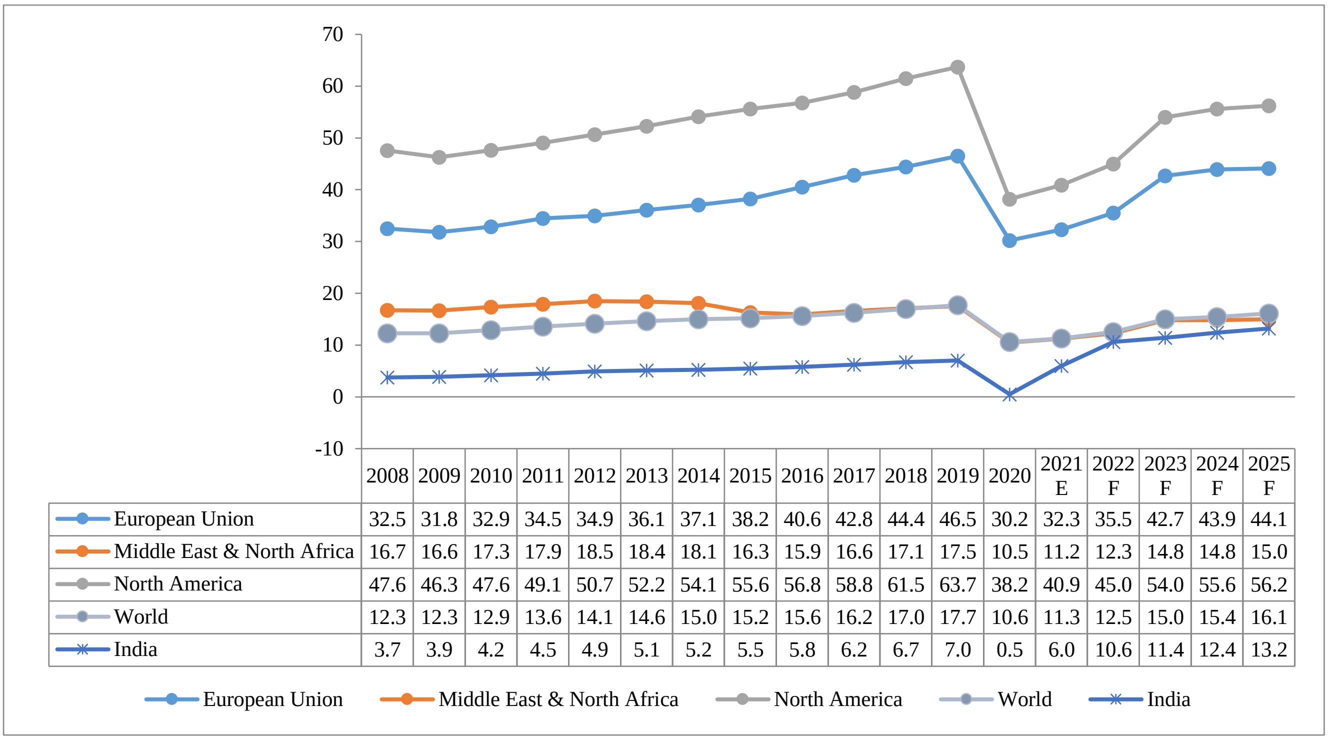
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 E	2022 F	2023 F	2024 F	2025 F
GDP	68.5	74.3	81.9	87.4	92.1	98.0	105.3	113.7	123.0	131.4	140.0	145.6	135.1	147.6	163.7	172.1	183.3	195.3
GDP Growth (%)	3.9	8.5	10.3	6.6	5.5	6.4	7.4	8.0	8.2	6.8	6.5	4.0	-7.3	10.1	8.5	6.6	6.3	6.2

Source: Moody's Outlook, Moody's press release 2020, International Monetary Fund Estimate, Dun and Bradstreet, Frost & Sullivan; Company Commissioned F&S Report

GDP per capita in India

According to the Company Commissioned F&S Report, India is currently the sixth largest economy of the world and is projected to become fourth-largest economy of the world by 2026. Due to its large population, India is at the 145th position in terms of GDP (nominal) per capital. According to the Company Commissioned F&S Report, India's per capita income was approximately 2.5 times lower than the world's average in 2019 and 1.8 times lower in 2021. This figure is over 50 times lower than the richest country of world and approximately 10 times greater than the poorest country. India stands at the 33rd position in the list of Asian countries.

GDP per capita, current prices ('000 USD) (PPP; international dollars per capita) 2008 – 2025F



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 E	2022 F	2023 F	2024 F	2025 F
European Union	32.5	31.8	32.9	34.5	34.9	36.1	37.1	38.2	40.6	42.8	44.4	46.5	30.2	32.3	35.5	42.7	43.9	44.1
Middle East & North Africa	16.7	16.6	17.3	17.9	18.5	18.4	18.1	16.3	15.9	16.6	17.1	17.5	10.5	11.2	12.3	14.8	14.8	15.0
North America	47.6	46.3	47.6	49.1	50.7	52.2	54.1	55.6	56.8	58.8	61.5	63.7	38.2	40.9	45.0	54.0	55.6	56.2
World	12.3	12.3	12.9	13.6	14.1	14.6	15.0	15.2	15.6	16.2	17.0	17.7	10.6	11.3	12.5	15.0	15.4	16.1
India	3.7	3.9	4.2	4.5	4.9	5.1	5.2	5.5	5.8	6.2	6.7	7.0	0.5	6.0	10.6	11.4	12.4	13.2

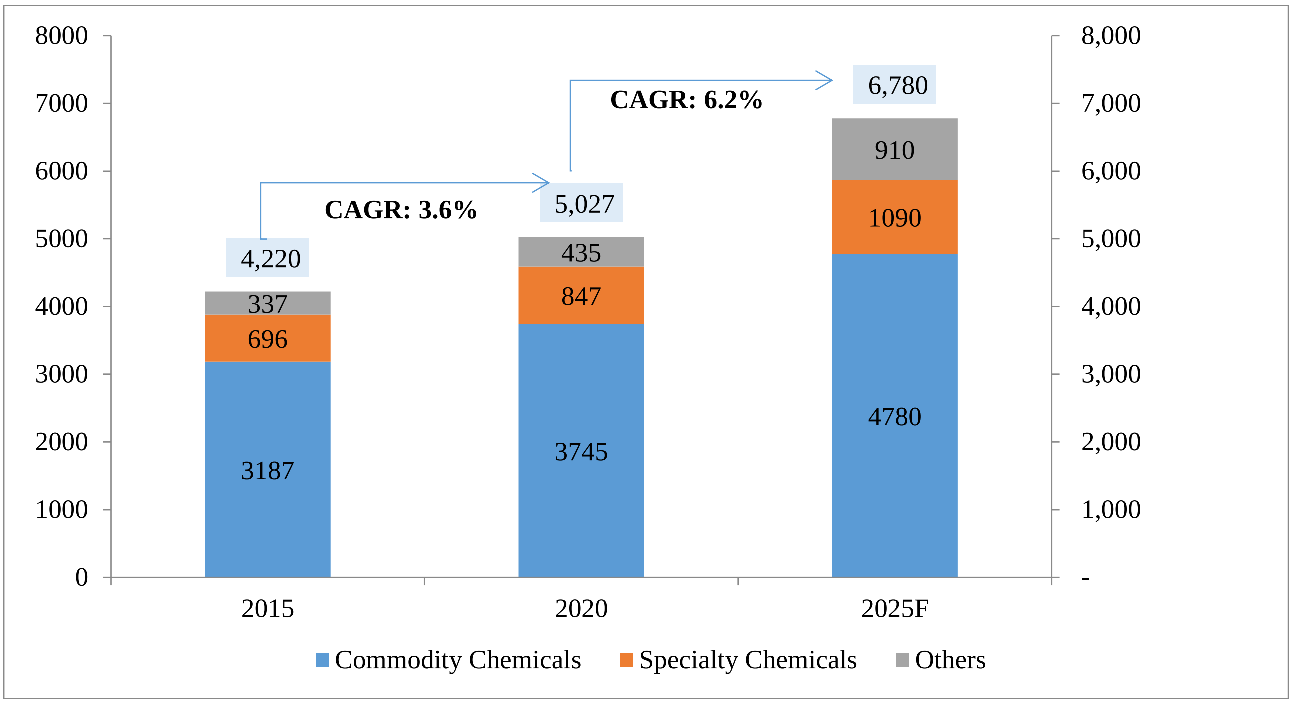
Source: World Economic Outlook, International Monetary Fund Estimate, World Bank, Frost & Sullivan
Forecasts are pre-COVID and haven't been updated post COVID from World Bank

OVERVIEW OF THE GLOBAL CHEMICALS INDUSTRY

Value of the global chemical industry

In calendar year 2020, the global chemicals market was valued at approximately US$5,027 billion, with China accounting for a substantial market share (39%), followed by the European Union (15%) and the United States (13%). In calendar year 2020, India accounted for an approximately 4% market share in the global chemicals market. According to the Company Commissioned F&S Report, the global chemicals market is expected to grow at a CAGR of 6.2% CAGR from US$5,027 billion in calendar year 2020 to reach US$6,780 billion by calendar year 2025. According to the Company Commissioned F&S Report, from calendar years 2020 to 2025, the Asia Pacific (APAC) chemicals market is expected to grow at the fastest rate of 7-8%, while the chemicals markets in Western Europe, North America, and Japan are expected to grow at a slower rate of 3-4% since they are relatively mature.

Global chemicals market, 2015, 2020 and 2025F (US$4,220 billion, US$5,027 billion and US$6,780 billion)



Source: Company Commissioned F&S Report

Notes: (1) Others mainly include Biotech chemicals. (2) The Indian chemical industry generally showcases Agrochemicals & Fertilizers and Pharmaceuticals API outside of Specialty chemicals and Petrochemicals outside of Commodity Chemicals. In the above graph the specialty chemicals section, however, is inclusive of the 2 categories (Agrochemical and Fertilizers and Pharmaceuticals API) and the Commodity Chemicals section is inclusive of Bulk chemicals and Petrochemicals.

Agrochemicals & fertilizers

Within the specialty chemicals industry, the global agrochemicals & fertilizer market is expected to grow at a CAGR of 5.5% to 6% between 2020 and 2025, to reach US$250-270 billion revenue by 2025, according to the Company Commissioned F&S Report. 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. 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.

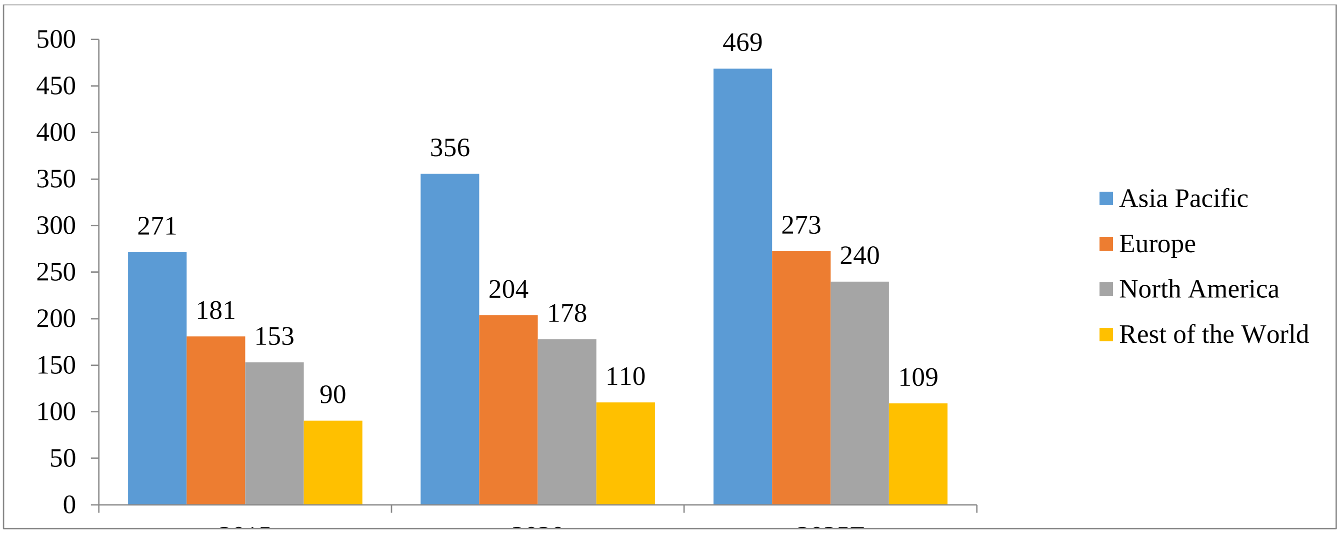
Global specialty chemicals market

Value of the 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 products. The focus is on value addition to the end products and the properties or technical specifications of the specialty chemicals.

Rapid industrialisation in India and China is expected to drive demand for specialty chemicals. Asia Pacific (APAC) dominated the global specialty chemicals market in calendar year 2020 with a 42.0% market share, owing to its huge customer base, increasing industrial production and robust growth of the construction sector in the region. APAC is followed by Europe and North America, with a 24.1% and 21.0% market share in calendar year 2020, respectively.

Global Specialty Chemicals Market by Geography, 2015, 2020, 2025F Value (US$696 billion, US$847 billion, US$1,090 billion)



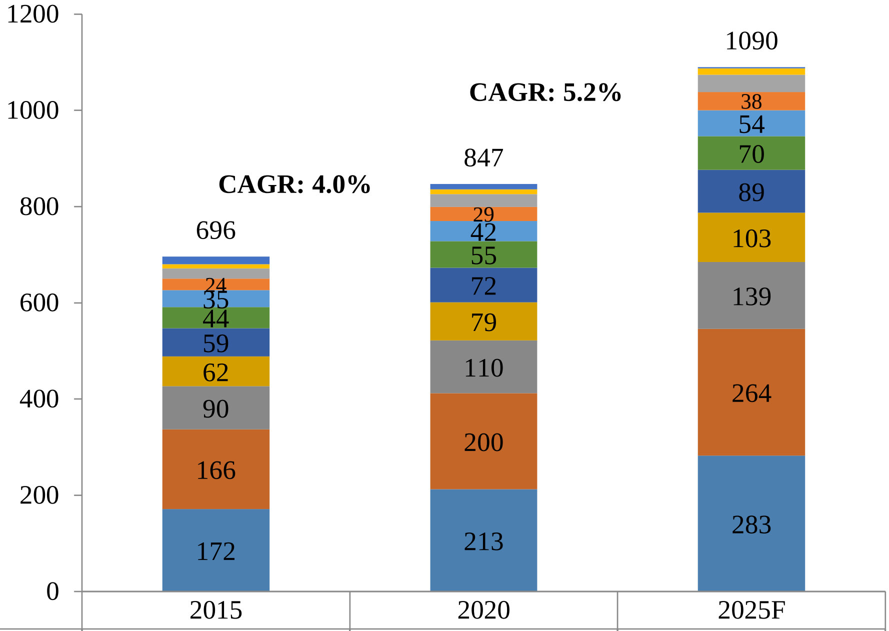
Source: Frost & Sullivan

Global specialty chemicals market by segments

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

According to the Company Commissioned F&S Report, in calendar year 2020, the global specialty chemicals industry is valued at US$847 billion. Agrochemicals & fertilizers made up the second largest segment of the industry, accounting for approximately 24% of the global specialty chemicals industry in calendar year 2020.

Global Specialty Chemicals Market, Value (US$ billion), 2015, 2020 and 2025F



	2015	2020	2025F
	696	847	1090
Others	16	11	3
Textile Chemicals	9	10	13
Personal Care Ingredients	21	27	36
Paints & Coatings Additives	24	29	38
Flavours & Frangrances Ingredients	35	42	54
Water Treatment Chemicals	44	55	70
Dyes & Pigments	59	72	89
Home Care Ingredients	62	79	103
Construction Chemicals	90	110	139
Agrochemicals & Fertilizers	166	200	264
Pharmaceuticals Chemicals	172	213	283

Source: Frost & Sullivan; Company Commissioned F&S Report
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/Infratech 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.*
- *Others: Sealants and Adhesives, Polymer Additives etc.*

Key industry trends in the next five years

Green chemicals - agrochemicals industry

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. Green chemicals are products which are bio-degradable and which show a significant reduction in environmental impact when applied. Reduction in environment impact may be achieved either through (i) reduction of energy and water consumption in the process or (ii) reduction in chemical and biochemical oxygen demand of the waste generated, which in turn result in reduction of treatment costs. 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. According to the Company Commissioned F&S Report, the value of the global green chemicals market is expected to grow at a CAGR of 10.5% from US$27 billion in 2020 to reach approximately US$40 to 50 billion by 2025.

The Indian Government has banned approximately 18 active chemical ingredients that are widely used across the country to control plant pests in 2019. This Government ban, coupled with increasing food safety awareness among the households and rising environmental issues are driving the growth of green chemicals in the agrochemical industry in India. 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). While 100% sustainable bio-pesticides has not gained popularity for now due to its limited product features, transition to hybrid pesticides is seen as future solution for the sustainable agriculture.

Shift of manufacturing activities from China to India

As a result of the COVID-19 pandemic, many global companies are considering reducing the dependence of their manufacturing activities on China. Many companies are no longer considering China as their first preferred location for setting up factories. Taking advantage of this situation, the Indian Government has taken policy initiatives 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 to India as they seek to diversify their operations geographically.

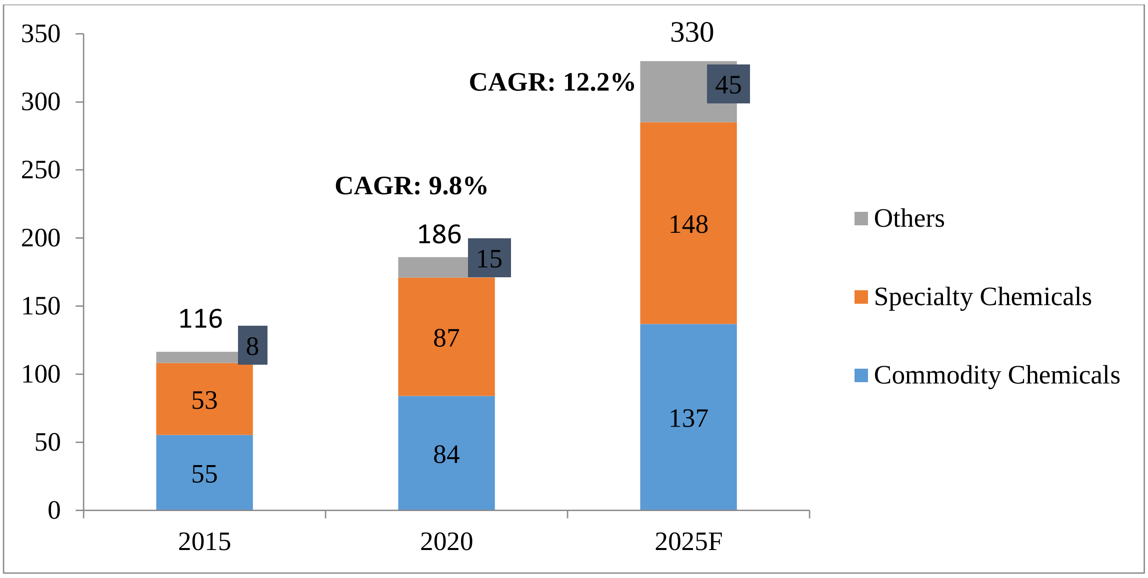
The tightening of environmental protection norms in China since January 2015 has resulted in an increase in operating costs, closures and relocations of certain manufacturing facilities. With rising labour costs and the recent trade tension between China and the United States, Chinese exports have reduced in recent years. All of these factors resulted in a shift of key raw materials purchases by global companies from China to India. In addition, Indian companies, which have been heavily reliant on sourcing from China, are now starting to adopt local sourcing. In summary, the increase of local sourcing by Indian companies and the shift of manufacturing activities by global companies from China to India are expected to boost the manufacturing sector in India, including the chemicals manufacturing segment.

OVERVIEW OF THE CHEMICALS INDUSTRY IN INDIA

Value of the Indian chemicals industry

According to the Company Commissioned F&S Report, in calendar year 2020, the Indian chemicals industry was valued at US$186 billion, representing approximately 4% of the value of the global chemicals industry. According to the Company Commissioned F&S Report, the value of the Indian chemicals industry is expected to grow at a CAGR of 12.2% from US$186 billion in 2020 to US$300 billion in 2025. According to the Company Commissioned F&S Report, in fiscal 2021, the Indian chemical industry contributed approximately 6.6% of the national gross domestic product and accounted for 15-17% of value of the India's manufacturing sector.

Indian Chemicals Market, 2015, 2020 and 2025F (USD Bn)



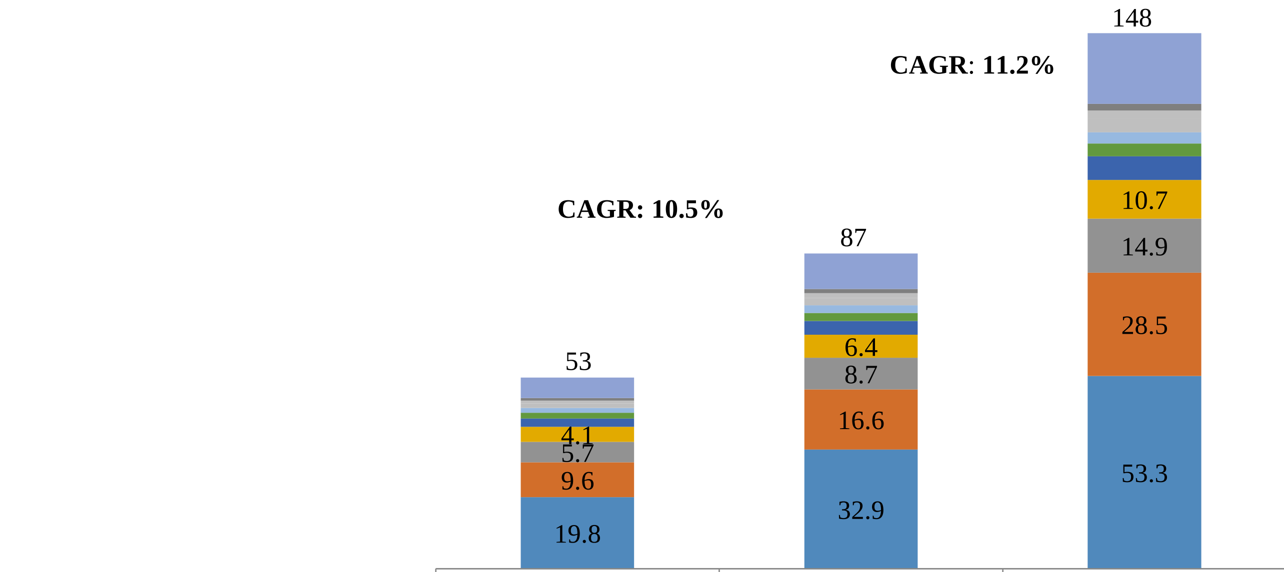
Source: Company Commissioned F&S Report

In 2020, the value of the specialty chemicals segment and the commodity chemicals segment accounted for approximately 46.8% and 45.2% of the Indian chemicals industry, respectively. The growth rate of the Indian specialty chemicals segment in 2015-2020 was higher than the growth rate of the Indian commodity chemicals (10.5% vs. 8.7%). From 2020 to 2025, the Indian specialty chemicals segment is expected to grow at a CAGR of 11.2%.

Indian specialty chemicals market by segments

Similar to the global specialty chemicals industry, the Indian specialty chemicals industry can be categorised into a mix of end-use driven segments and application-driven segments.

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



	2015	2020	2025F
Others	5.7	9.9	19.5
Construction/Infratech Chemicals	0.7	1.2	1.9
Personal Care Ingredients	0.8	1.3	2.2
Flavours & Fragrances Ingredients	1.2	2.0	3.7
Water Treatment Chemicals	1.4	2.1	3.1
Textile Chemicals	1.5	2.2	3.5
Home Care Ingredients	2.3	3.8	6.5
Paints & Coatings Additives	4.1	6.4	10.7
Dyes and Pigments	5.7	8.7	14.9
Pharmaceutical API	9.6	16.6	28.5
Agrochemicals & Fertilizers	19.8	32.9	53.3

High barriers to entry in the Indian Specialty chemicals industry

There are high barriers to entry in the Indian chemicals industry, primarily due to the following factors:-.

a) **Involvement of complex chemistries in the manufacturing of products:** The production process of specialty chemicals is complex and requires high level of technical knowledge and R&D capabilities. Companies need to invest substantially in facilities (such as research and development centres) as well as technical knowledge and training, creating barrier to entry for new entrants.

b) **Rigorous product approval standard:** Specialty chemicals products are subject to very sensitive and rigorous product approval systems with stringent impurity specifications. Intermediates that are used for API drugs are subject to an even more stringent quality and manufacturing process requirements. Typically, approval of any such product takes a few years. The costs and time involved create high barriers to entry to new entrants in the industry.

c) **Long-term relationship between suppliers and customers:** Suppliers of specialty chemicals usually enjoy long-term relationship with customers. This is partially due to the high costs involved in switching to new 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.

d) Other factors contributing to the high barriers to entry for specialty chemicals companies, API and drug intermediates manufacturers include stringent quality requirement (specifically those for human consumption), lengthy and costly registration process, high level of product customization, differentiated business models, among others.

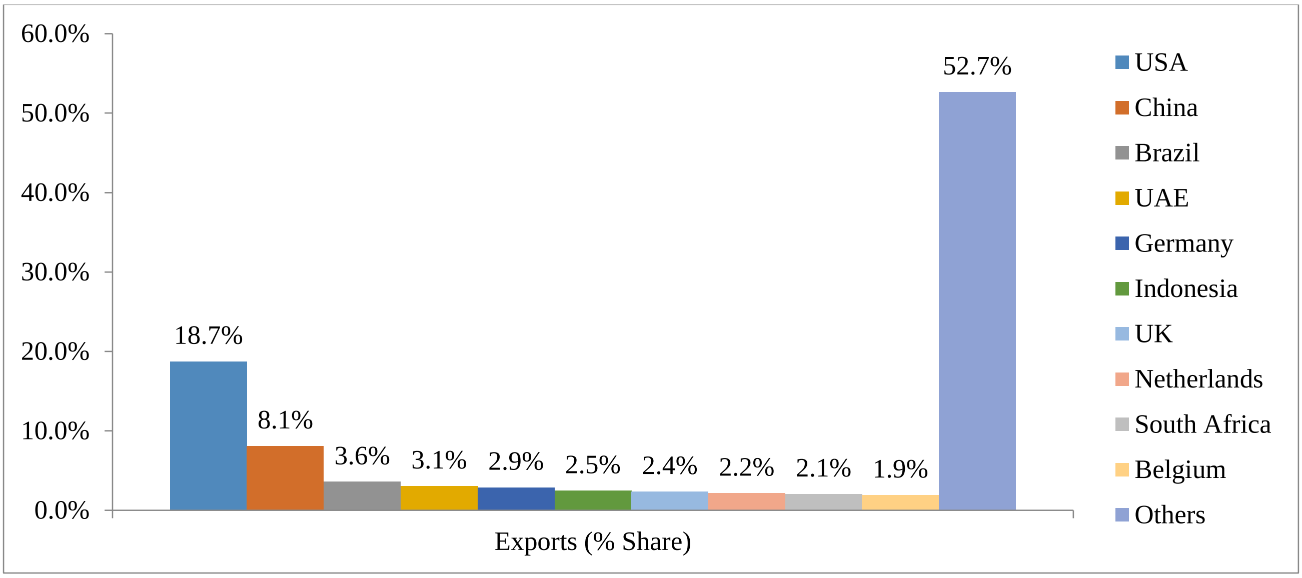
India's exports and imports of chemicals

Value of India's exports and imports of chemicals

According to the Company Commissioned F&S Report, India's chemical exports recorded a CAGR of approximately 13%

between 2015 and 2019, compared to approximately 7% for China. According to the Company Commissioned F&S Report, the top partner countries and regions to which India exported chemicals were United States, China, Brazil, United Arab Emirates and Germany. While India exported chemicals worth US$44.6 billion in calendar year 2018, over 35% of which were exported the abovementioned five countries. The key sub-segments likely to benefit from higher exports would be colorants and agrochemicals, with export shares of 45-50% and 50-55%, respectively, for the period from 2015 to 2019.

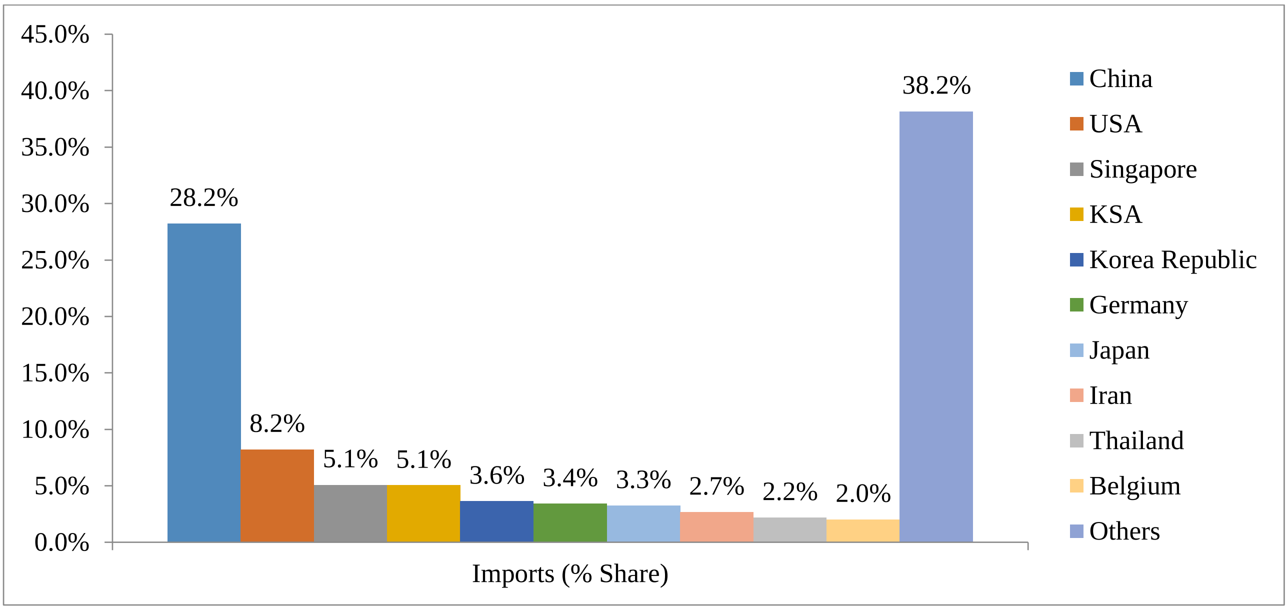
Indian Chemical Exports by Country, 2018, Value (US$44.6 billion)



Source: wits.worldbank.org; Company Commissioned F&S Report

According to the Company Commissioned F&S Report, in calendar year 2018, the top partner countries and regions from which India imported chemicals included China, the United States, Singapore, Saudi Arabia and Korea Republic. Indian imports were valued at US$57.9 billion in calendar year 2018, with China contributing to almost 28% of India's total imports.

Indian Chemical Imports by Country, 2018, Value (US$57.9 billion)



Source: wits.worldbank.org; Company Commissioned F&S Report

Chemicals exports trend – India and 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 in 2015, which have led to shutdown of a number of chemical plants. According to the Company Commissioned F&S Report, 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. As a result of stringent environmental norms, the Chinese chemical companies are witnessing a rise in capital expenditure and operational costs, making them less competitive in the export market.

Several global players prefer a "China + 1 offshore strategy", with manufacturing 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. 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 strong desires for certain countries to reduce dependence on China and develop local supply chains. Joint ventures or 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.

Government policies and initiatives in India

Aatmanirbhar Bharat Abhiyan

On May 12, 2020, the Government 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. Supplemental measures, namely *Aatmanirbhar Bharat Abhiyan* 2.0 and *Aatmanirbhar Bharat Abhiya* 3.0, were announced subsequently as well. Government seized on opportunity presented by 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.

In particular, the 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). 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.

Encouraging foreign direct investment (FDI)

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. Presently, 100% FDI is allowed under the automatic route in the chemicals sector with few exceptions (such as hazardous chemicals). The manufacturing of most chemical products, including among others, organic/inorganic dyestuff and pesticides, are de-licensed.

Market Access Initiative imposed by the Ministry of Commerce and Industry

Across India, the recent revision of the 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 is set to become the global leader in the CRAMS industry.

PLI for agrochemicals sector

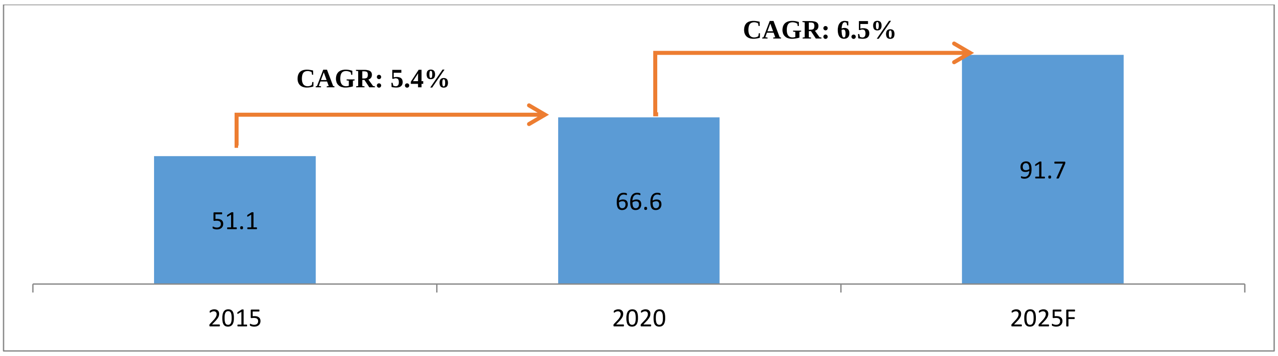
The government is also expected to introduce a production-linked incentive scheme for the agrochemicals sector with incentives of 10-20% output and creating an end-to-end manufacturing ecosystem through cluster development. The sector can progress by adopting a multi-pronged approach by leveraging the 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.

OVERVIEW OF GLOBAL AGROCHEMICALS INDUSTRY

Value of the global agrochemical industry

According to the Company Commissioned F&S Report, the global agrochemicals industry was valued at US$66.6 billion in 2020 and is forecast to grow at a CAGR of 6.5% to reach US$91.7 billion by 2025.

Global Agrochemicals Market, US$ billion



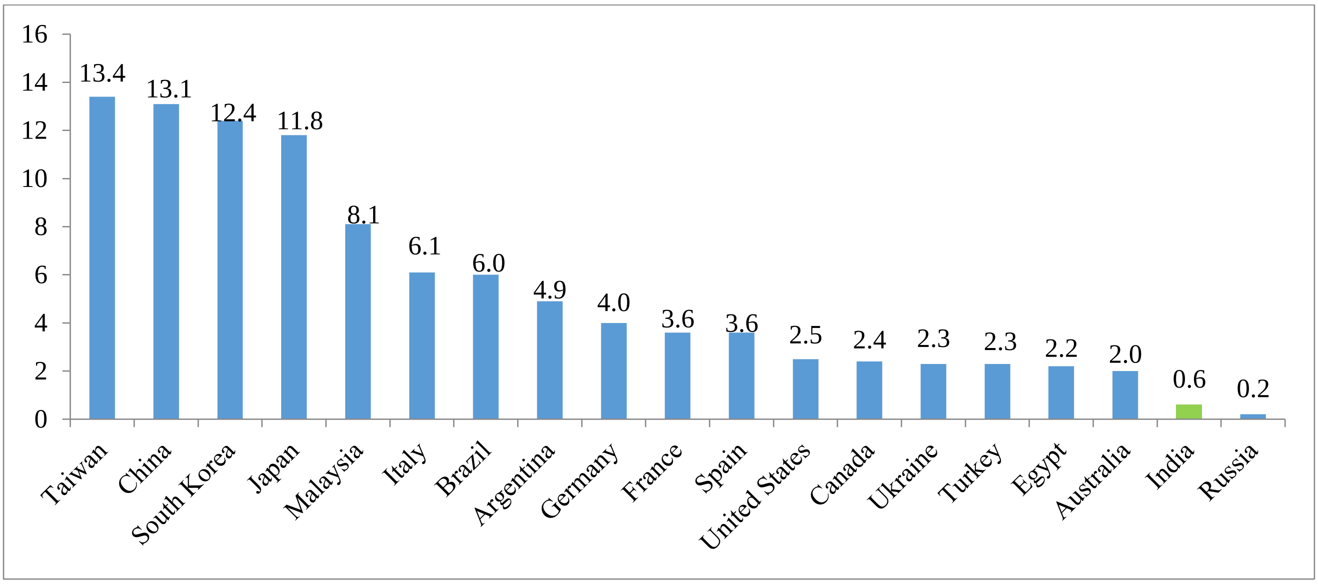
Source: Company Commissioned F&S Report

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 the production to meet the demand but also ensure that the nutritional needs of the growing population are met. The Crop Protection Chemicals & Solutions is a fast-developing industry globally – the judicious use of crop protection chemicals within the limitations of a regulatory framework is considered as one of the major tools to protect crops and increase yields.

Per capita consumption of agrochemicals in major geographies

With the growing population and shrinking arable land, crop yield has gained enormous importance in the current time. Thus, this trend has increased the demand for more agrochemicals to produce more food in less land. India, in spite of being an agricultural land consumes very low quantities of pesticides as compared to the other regions. The per capita consumption of pesticides in India is as low as 0.6 kilogram per hectare (kg/Ha); this is mainly due to the lack of awareness among farmers regarding the cost benefit ratio for the use of pesticides is one of the factors causing fluctuations in pesticide use across the country.

Per Capita Consumption of agrochemicals in Kg per hectare of cropland, 2019

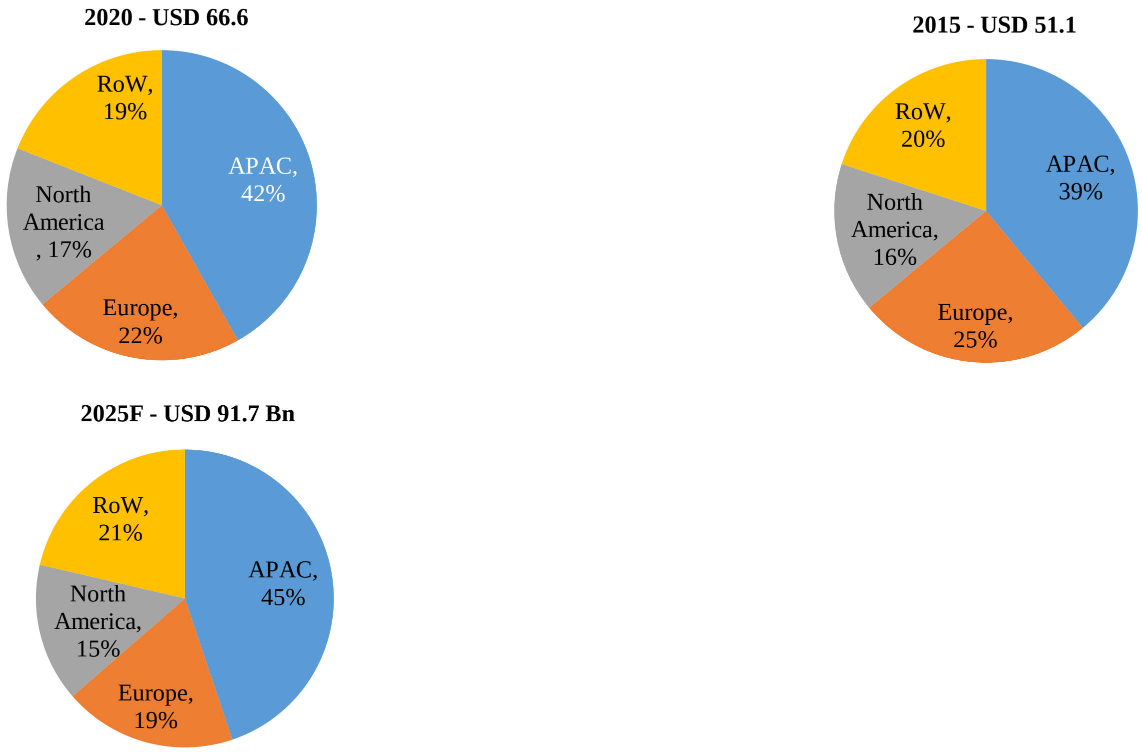


Source: Worldometers; Company Commissioned F&S Report

Global agrochemicals industry by geographical segments

APAC dominates the regional demand for agrochemicals due to the agricultural 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.

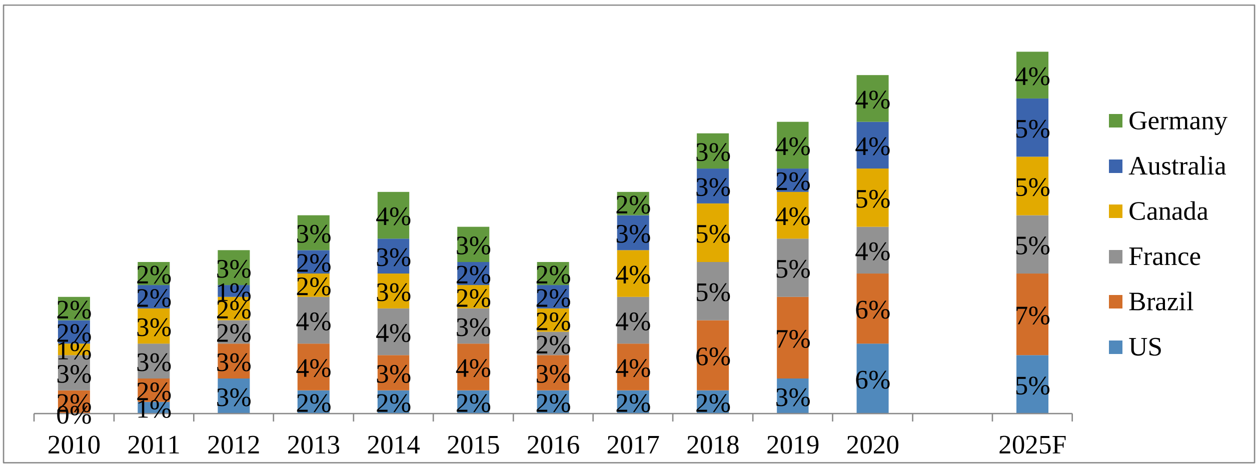
Global Agrochemicals Market, segmentation by geography, by value in US$ billion



Source: Company Commissioned F&S Report

The major importer countries of pesticides include Brazil, France, Canada, Germany and the United States. Major exporter countries by volume, to the world geographies include China, Germany, India, France and US, accounting for approximately 60% of global exports in 2020. According to the Company Commissioned F&S Report, the four largest producers of agrochemicals worldwide in 2021 include the United States, Japan, China and India. In 2020, India has emerged as the third largest exporter of pesticide globally in volume terms and the fifth largest in terms of value. India is emerging as a major exporter of agrochemicals due to its relatively cheaper manufacturing costs, skilled labour, research and development expertise, chemistry capabilities, EHS compliances, etc.

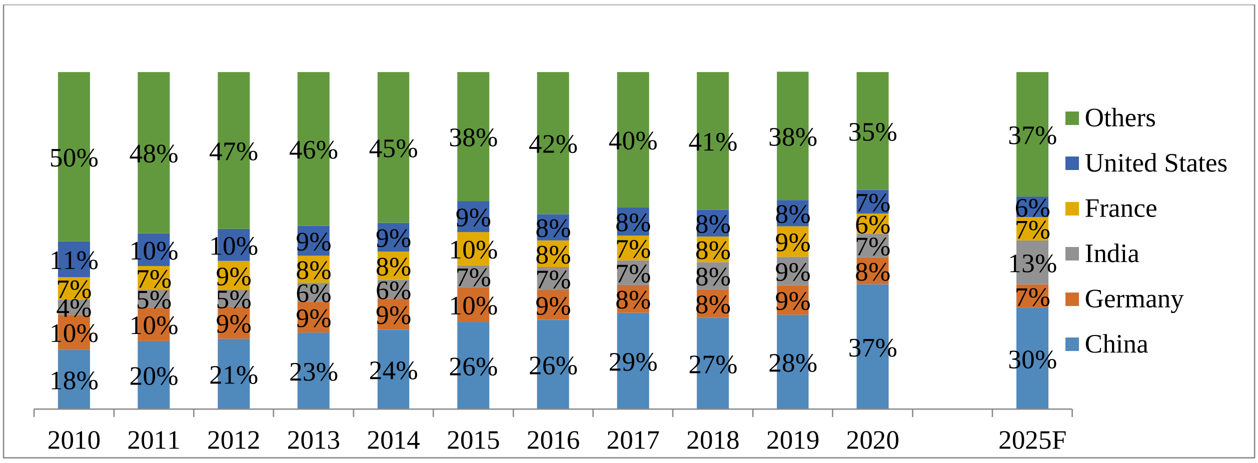
Global Agrochemicals Imports by Countries (Volume), 2010-20, 25F



Note: Others forms a huge section and has not been included in the graph

Source: Company Commissioned F&S Report

Global Agrochemicals Exports by Countries (Volume), 2010-20, 25F

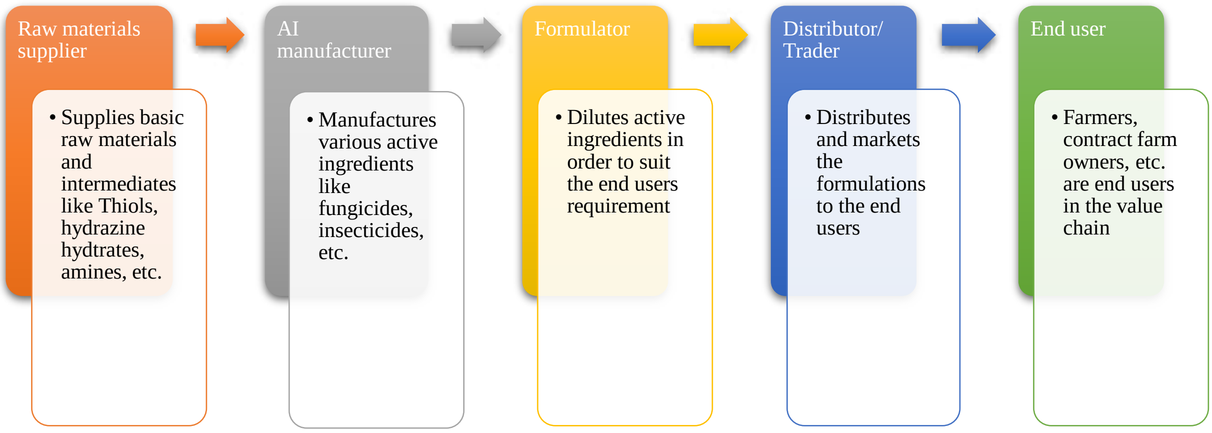


Source: UN Comtrade, Trade Map, Frost & Sullivan

Global agrochemical value chain

The global Agrochemical value chain comprises of (i) raw material suppliers (both petrochemical derivatives as well as natural feedstock), (ii) pesticide active ingredient/technical grade manufacturers, and (iii) formulators producing the end products, (iv) distributors and (v) end-user customers.

Agrochemical Value Chain



Source: Company Commissioned F&S Report

Raw material suppliers and intermediates

There are various basic raw materials used for the manufacturing of agrochemical active ingredients, including:-

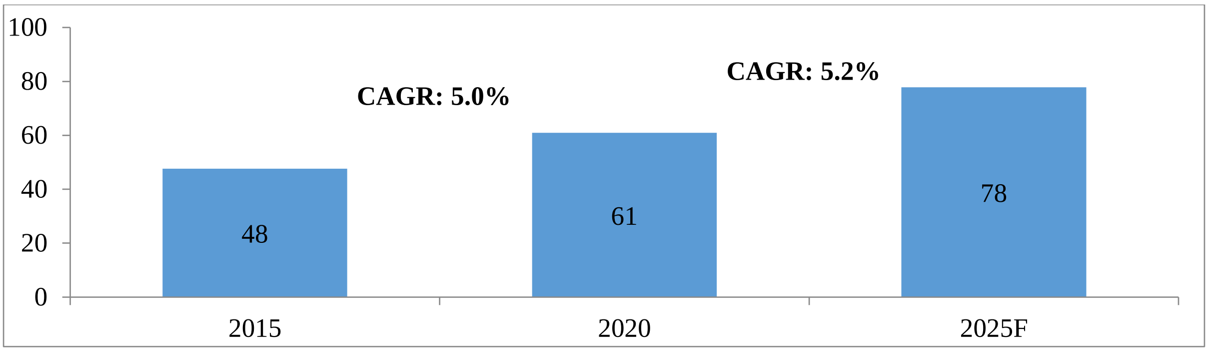
- Hydrocarbon derived petroleum feedstock
- Inorganic chemicals
  - Chlorine
  - Oxygen
  - Sulphur
  - Phosphorous
  - Nitrogen
  - Bromine, etc.
  - Natural ingredients
  - Pyrethrum class of plants

- Castor oil, etc.

Intermediates produced from basic materials are utilized in manufacturing technical ingredients of the crop protection chemicals. Intermediates refer to the substances that are semi-finished products and used as catalysts. As the basic synthetic building blocks for producing active ingredients, these intermediates include organic acids, esters, amines, nitriles, aldehydes, anhydrides, ketene, di-ketene derivatives, ketones, etc.

According to the Company Commissioned F&S Report, the global agrochemical intermediates market is expected to grow at a CAGR of 5.2% from US$61 billion in 2020 to US$78 billion in 2025.

Global Agrochemical Intermediates Market, Growth Trend, 2015, 2020, 2025F (US$ billion)



Source: Company Commissioned F&S Report

Active ingredient manufacturers

Agrochemical actives are also known as technical materials which serve as a precursor to the formulations. These are derived from intermediates like thiols, hydrazine hydrate and derivatives, amines, etc. The pesticide active ingredients are classified based on the target pest group it kills. The classes of pesticides and their related major active ingredients and main applications are set out in the table below:-

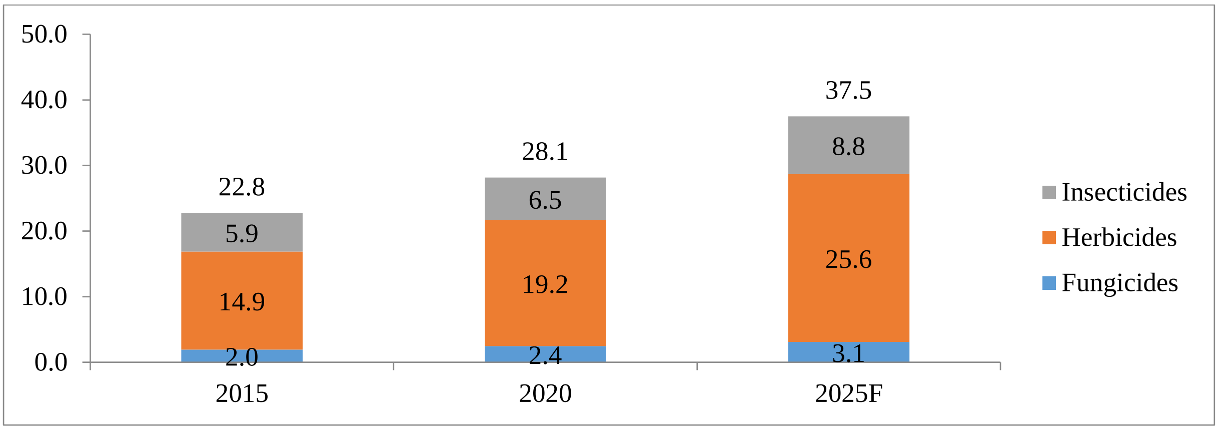
Major Crop Protection Chemical Active Ingredients by Applications

Class of pesticides	Major active ingredients	Main applications
Insecticides	Monocrotophos, Permethrin, Imidachloprid, Alphamethrin, Chlorpyriphos, Cypermethrin, etc.	Cotton, rice, tomatoes, sunflowers, soybean etc.
Fungicides	Mancozeb, Zirum, Hexaconazole, Carbendazim, etc.	Fruits such as apples, grapes, pears, vegetables such as potatoes, tomatoes etc.
Herbicides	Glyphosate, Isoproturan, Pretilachlor, Chlodinofop Propargyl, etc.	Rice, wheat, oats, corn, soybean, millets etc.
Bio-pesticides	Spinosyns, neem derivatives, etc.	Rice, maize, etc.
Others	Zinc phosphide, Aluminium phosphides, etc.	Grains, pulses, vegetables etc.

Source: Company Commissioned F&S Report

The global agrochmicals active ingredients market was valued at US$28.1 billion in 2020, and is expected to grow at a CAGR of 5.9% to US$37.5 billion in 2025.

Global Agrochemicals Active Ingredients Market by Value (US$ billion)



Source: Company Commissioned F&S Report

According to the Company Commissioned F&S Report, the volume of the global agrochemical active ingredients market was 3.3 metric million tons (MMT) in 2020, and is expected to grow to approximately 4.1 MMT by the end of 2025. Herbicides are occupying highest share in the crop protection active ingredients market predominantly due to farm labour shortage across the globe.

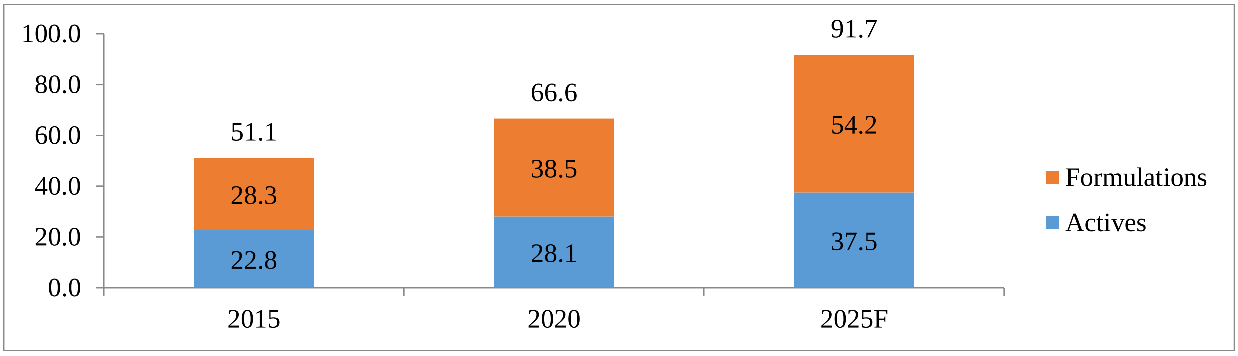
Formulators

The biological activity of a pesticide; be it chemical or biological in nature, is determined by its active ingredient. Pesticide products very rarely consist of pure technical material. The AI is usually formulated with other materials and this is the product as sold, but it may be further diluted in use. Formulation improves the properties of a chemical for handling, storage, application and may substantially influence effectiveness and safety. A formulator accepts the active ingredient, measures out the proper amount, mixes it with carrier if it is to be a liquid pesticide or with inert powders. If it is to be a dust pesticide, then bottles or packages it.

Global agrochemicals industry segmentation

Global agrochemicals industry by business segments

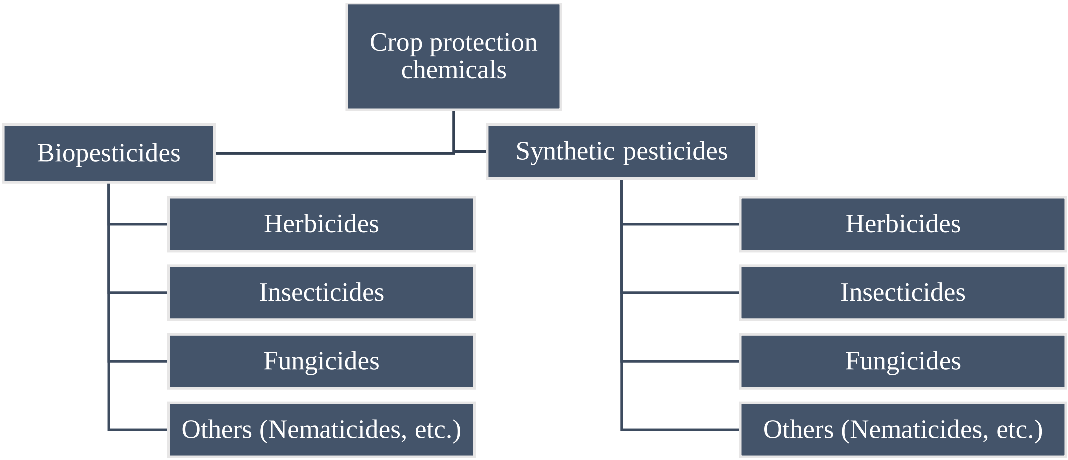
Global Agrochemicals Market by Business Segments (US$ billion)



Source: Company Commissioned F&S Report

Global agrochemicals industry by nature of pesticide

Crop protection chemicals can be segmented based on product types like insecticides, herbicides, fungicides, etc. or depending on the biodegradability index associated with the chemicals.

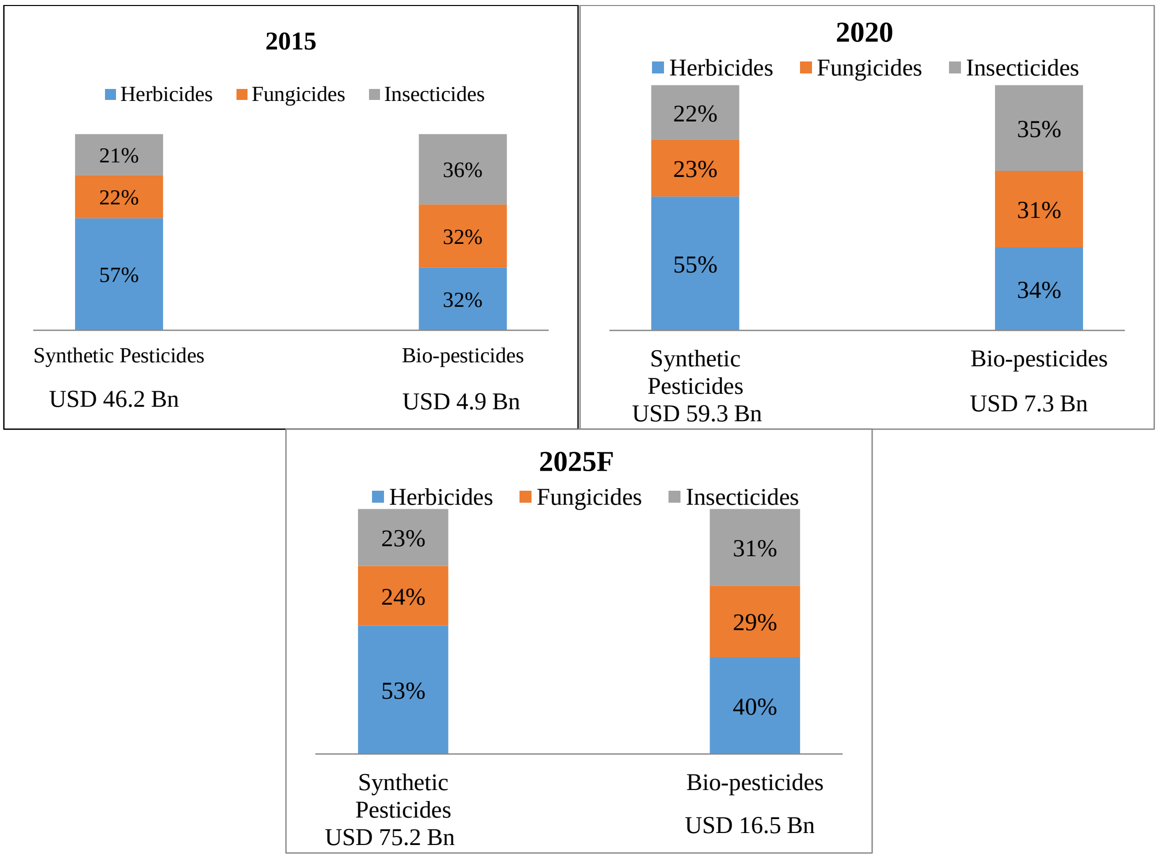


Source: Company Commissioned F&S Report

By biodegradability index, global agrochemicals market can be segmented into synthetic pesticides and bio-pesticides. Synthetic pesticides are consumed widely compared to bio-pesticides which are under developmental phase. The demand for bio-pesticides is picking up sharply due to the environmental regulations from the government as well as the growth in consumer awareness on the improving the long term soil fertility. According to the Company Commissioned F&S Report, bio-pesticides is expected to grow at a CAGR of 17-18% from US$7.3 billion in 2020 to US$16.5 billion in 2025, while synthetic pesticides is expected to grow at a CAGR of approximately 5% from US$59.3 billion to US$75.2 billion across the same period.

Global agrochemicals industry by product type

Global Agrochemicals Market segmented by Product Type (US$ billion)



Source: Company Commissioned F&S Report

Regulatory framework in developed countries

Nowadays, pesticides can only be authorized for use if they have been scientifically established that the active substances used are effective and can be used safely without harmful effects on people (consumers, growers and bystanders), animals or the environment. A large number of different regulatory authorities are involved in regulation and/or control of pesticides around the world. Consequently, systems for registration or authorization of plant protection products and post registration monitoring controls vary in different countries and regions of the world.

According to the Company Commissioned F&S Report, developed countries in the European Union, United States, Japan, etc. impose stringent regulations on these pesticides for the usage, in order to not cause adverse effect to the human health or animal health or environment. In the European Union, the registration and safe use of pesticides is regulated with the three main activities:

- approval of the active substance;
- authorization of the uses of the plant protection products containing the active substance; and
- post-registration controls to check compliance with maximum residue level to protect consumers, animals and the environment

There are three government agencies that share the responsibility for the regulation and monitoring of pesticides on the federal level in the United States:

- the U.S. Environmental Protection Agency (EPA) registers (i.e., approves) the use of pesticides and establishes tolerances (the maximum amounts of residues that are permitted in or on a food);
- the U.S. Department of Agriculture (USDA) is responsible for enforcement of pesticide tolerances primarily in meat, poultry and certain egg products; and
- the U.S. Food and Drug Administration (FDA) is responsible for enforcement of pesticide tolerances in other food categories for both domestic and imported produce shipped in interstate commerce.

There are four major laws in Japan relevant to food safety and standards in general:

- Food Safety Basic Law;
- Food Sanitation Law;
- Japan Agricultural Standards Law; and
- Health Promotion Law.

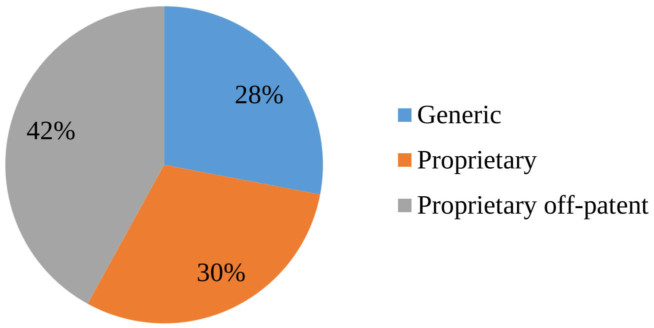
In a nutshell, the existing high entry barrier for pesticide companies to ensure compliance with US, EU, Japan and other developed nation's specifications (in terms of safety and toxicity) is one of the major restraints for growth in the crop protection chemicals or agrochemicals market. According to the Company Commissioned F&S Report, the overall cost of registration can vary from US$30,000 to more than US$500,000 for a given product, and the registration process can take anything from three months to nine months.

Global agrochemicals industry by intellectual property rights

The global agrochemicals market can be segmented based on intellectual property rights. Based on the intellectual property rights of active ingredients, the crop protection market can be categorized into:-

- Patented product: Product that is protected by a granted patent.
- Generic product: Where generic companies have registered products based on their own data and are not beholden to the main or original data holder (more competitive).
- Proprietary off-patent product: Where the active ingredient is off-patent but the final formulated product has some proprietary technology such as a new delivery system.

Global Agrochemicals Market segmented by Intellectual Property Rights (by Value), 2019-20



Source: Company Commissioned F&S Report

Although currently a majority of agrochemical products are patented products, the pace at which new molecules are innovated, patented and commercialised is quite low, thus generic products are likely to increase their share over time. According to the Company Commissioned F&S Report, in 2021, there are around 22 pesticide active ingredients which are about to get off of their IPR period in the next 10 years. These include bixafen, chlorantraniliprole, cyantraniliprole, fenpyrazamine, flubendiamide, fluopicolide, fluopyram and fluxapyroxad, among others.

The demand for some of these off-patent technical-grade molecules in the global market is expected to increase drastically. According to the Company Commissioned F&S Report, it is expected that the market size of these products will exceed US$4.1 billion by 2026.

Patent Cliff

Agrochemicals sector is deeply interested in the molecules that are going to be off-patented as they create an opportunity for its own commercial development. Pesticide companies, especially in developing countries, wait for generic active ingredient molecules as they provide huge opportunities for generic manufacturers to provide agrochemicals at a reasonable affordable price for farmers to protect their yield from pests and disease.

Moreover, generic pesticides are similar as compared to the quality of patented pesticides, but affordable in price for Indian and global farmers. Generic pesticides are based on the same active substances and work in the same way in the crop as the patented pesticide but cost much less. Both patented and generic pesticides are subject to the same approval process from the competent authority for registration, a generic pesticide is as safe and effective as the original patented pesticide and hence popular in farming community.

According to the Company Commissioned F&S Report, approximately 30%-40% of the off-patent active ingredients are taken up by the generic manufacturers. Around 60%-70% of off patented molecules are not adopted due to their limited market, difficulty to manufacture, and unavailability of key intermediates.

It has been observed that entry of generic competitors results in the fall in prices. To overcome this, the inventor companies develop cheaper and more efficient processes of manufacture for those molecules which are going to be off patent. As the manufacturing process can also be patented for a period of up to 20 years, the strategy is used by R&D-based companies to help them to protect their active ingredients. In this situation, despite the active ingredient being off-patent, generic companies can be prevented from producing the same by the alternative process if the new alternative manufacturing process for it is still protected. Many generic companies are now moving toward developing alternative manufacturing processes for generic active ingredients. Developing an alternative process for production of isoproturon without using isocyanate intermediates is one example.

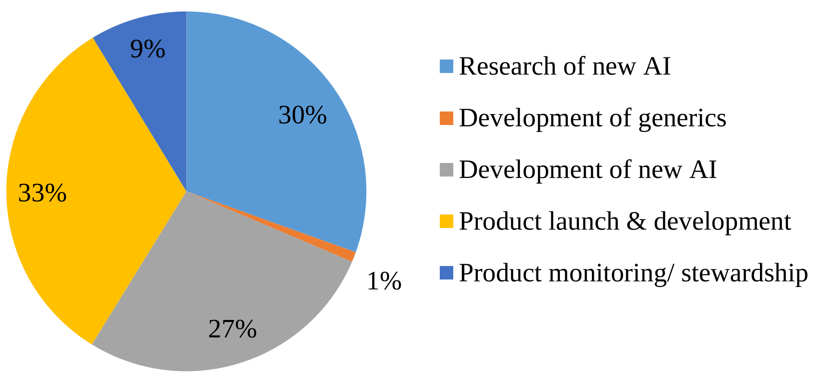
Globally, India is the fourth largest producer of agrochemicals and pesticides after the United States, Japan, and China and has emerged as one of the largest exporters of pesticides as well. It is a major hub of generic pesticides production, which leverages, among other things, the fact that branded molecules, exclusive to the producing companies, are open for larger use after the patent period of 20 years. The fact that 22 such molecules are going to come out of their patent period will substantially expand the offerings of Indian companies to people at home and abroad alike and may help fetch extra revenue.

R&D expenditures on new molecule development

Climate change presents farmers with new pest problems. According to the Company Commissioned F&S Report, a 2-degree Celsius rise in global mean surface temperatures would result in yield losses due to insects of 31% for corn, 19% for rice and 46% for wheat. In the global agrochemicals industry, innovative companies work towards developing active ingredients that are more suitable to the present climate. However, on average, it takes 11.5 years for an active ingredient to see its first sales from the time of first research trial.

According to the Company Commissioned F&S Report, the global average R&D expenditures by companies on new molecule development in fiscal 2020 was approximately US$3,300 to 3,450 million. Research of new active ingredient molecule contributes to around one-third of the cost of total expenditure on R&D on new molecule development.

Innovation in AgChem: Global average R&D Expenditures by Companies on New Molecule Development, 2019-20 (USD 3300-3450 Mn)



Source: Company Commissioned F&S Report

Key drivers, restraints and success factors of the global agrochemicals industry

The major factors driving the global agrochemicals market include the growing population and the subsequent increase in the demand for food, soil degradation, limited agricultural land, increased pest attacks and increase in awareness in the consumers regarding the benefits of agrochemicals. Improvement in rural income encouraged by various government schemes is also expected to drive the demand for agrochemicals. New demand for agricultural products is expected to 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. 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. On the other hand, demand inhibitors include increased restrictions and government regulations on usage of pesticides.

According to the Company Commissioned F&S Report, the critical success factors for players in the agrochemicals industry include:-

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

b) **Extensive research and development capabilities:** 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). According to the Company Commissioned F&S Report, the world's leading manufacturers of agrochemicals invest more than US$3 billion annually into the R&D of new products, while the overall R&D investment by the major research-based companies has remained consistently high at 7%-10% of annual sales every year.

c) **Comprehensive product portfolio:** 'One stop solution' for farmers of all the agrochemical needs will drive the success of one firm over another.

d) **Strong distribution network:** Distribution network plays vital role in reaching at the fragmented farmers' base across the world, as well as enabling adequate feedback mechanism and customer relations. Holding product registrations is also a key success factor which complements the company's revenue growth.

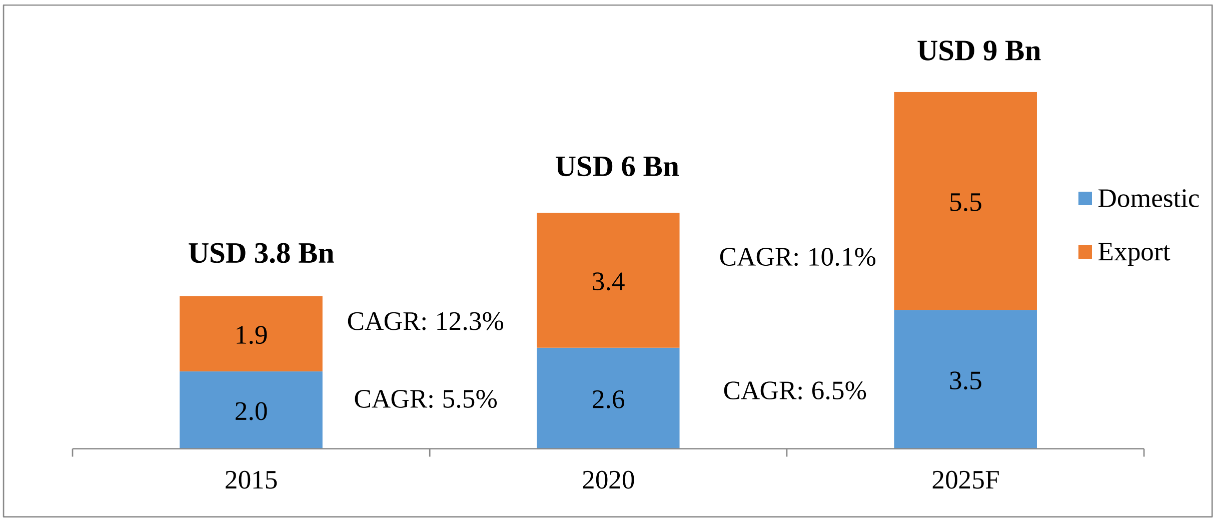
OVERVIEW OF THE INDIAN AGROCHEMICAL INDUSTRY

Value of the Indian agrochemical industry

India is the fourth largest producer of agrochemicals in the world after the United States, Japan and China, according to the

Company Commissioned F&S Report. In 2020, the Indian agrochemicals market was valued at US$5.95 billion. In 2020, domestic consumption accounted for approximately 43-45% of agrochemicals produced in India, with exports accounted for the remaining 55-57%, according to the Company Commissioned F&S Report. Exports of Indian crop protection chemicals grew at a CAGR of 9.5% from 2015 to reach US$3.4 billion in 2020, accounting for approximately 7% of global exports in 2020. According to the Company Commissioned F&S Report, Indian exports of agrochemicals is projected to grow to almost 60% of the agrochemicals produced in India in 2025.

Indian Agrochemicals Market, Exports and Domestic Consumption (US$ billion)



Source: Company Commissioned F&S Report

Indian crop protection industry value chain

Indian crop protection chemicals value chain includes intermediate suppliers, pesticide technical materials producers and formulators. Many players have been vertically integrated in the value chain, in order to take advantage of reaching to the customers by aggressive sales and marketing. Few players are backward integrated as well, taking advantage of raw material prices in the market. Some of the distributors like Sharda Cropchem, etc. are exclusively involved in sales and marketing function, taking the advantage of contract manufacturing in India.

India Crop protection chemicals value chain

Source: Frost & Sullivan

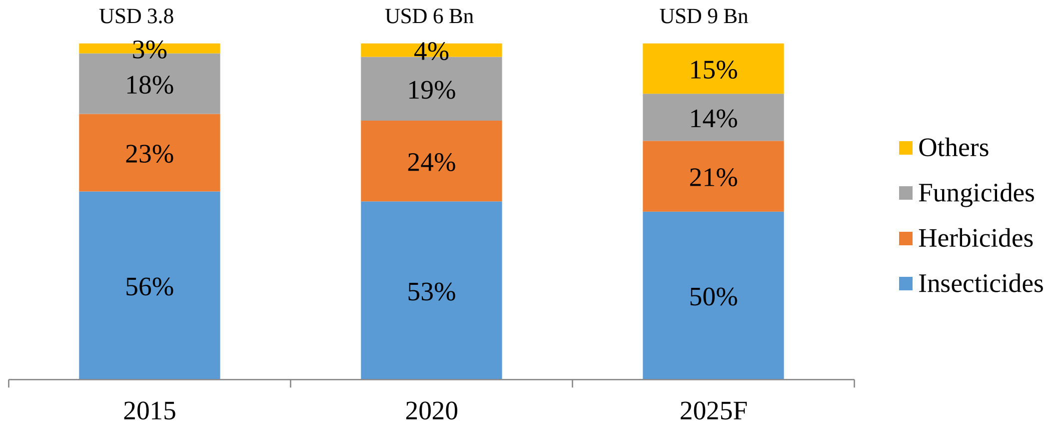
Source: Company Commissioned F&S Report

Segmentation of the Indian crop protection chemicals industry

Indian crop protection chemicals industry by product type

In 2020, insecticides contribute to the highest market share in the Indian crop protection chemicals or agrochemical market and account for over half of the total market share. India has almost 10,000 types of plant eating insects.

Indian Agrochemicals Market segmentation by Product Type, 2015-25F, US$ billion

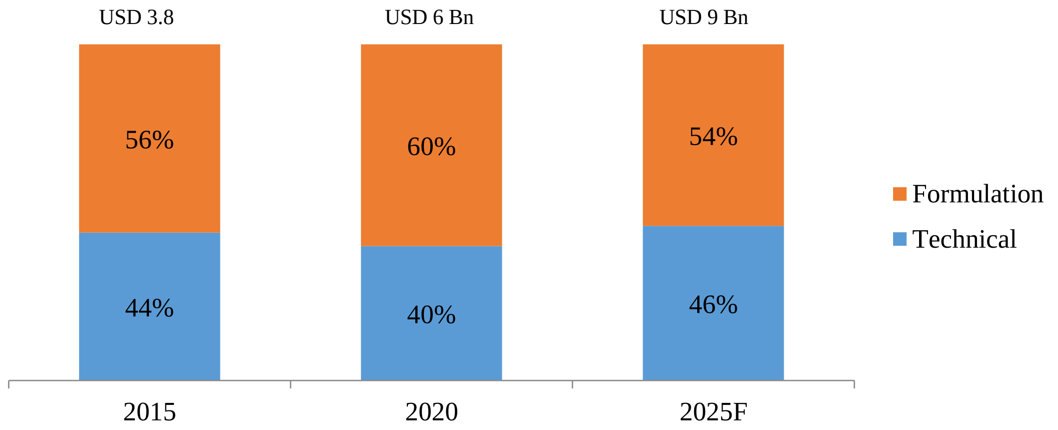


Source: Company Commissioned F&S Report

The "others" segment, comprising crop protection chemicals such as bio-pesticides, nematicides, rodenticides, plant growth regulators, etc., is expected to gain higher market share of the Indian agrochemicals industry in 2025, primarily due to the anticipated high growth of bio-pesticides from 2020 to 2025. Frost & Sullivan also expects increased usage of herbicides over the next decade, primarily due to extreme farm-labour shortage in the country. It is expected that bio-herbicides will also be gaining traction over the forecast period.

Indian agrochemicals industry by business segments

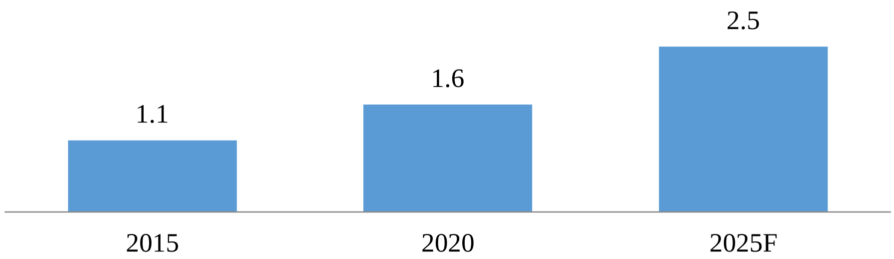
Indian Agrochemicals Market segmentation by Business Segment, 2015-25F, US$ billion



Source: FICCI, Industry research, Company Commissioned F&S Report

In 2020, the Indian agrochemical intermediates market is 2.5-3% of the global agrochemical intermediates. According to the Company Commissioned F&S Report ,the Indian agrochemical intermediates market is expected to grow at a CAGR of approximately 9% to reach US$2.5 billion by 2025.

Indian Agrochemicals Intermediates Market, 2015-25F (US$ billion)

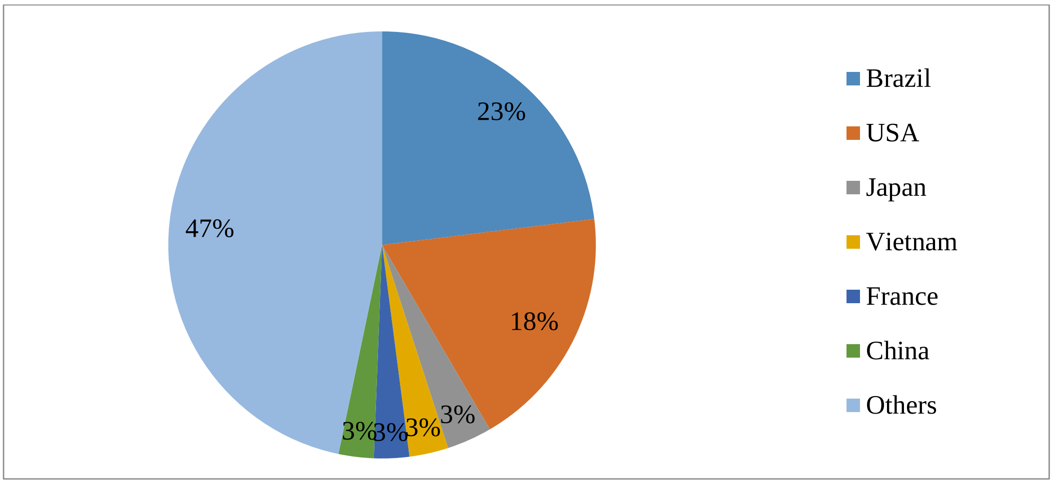


Source: Company Commissioned F&S Report

Indian agrochemicals industry segments by trade

India is a net exporter of crop protection chemicals, with nearly 55-57% of all its production being exported to other countries in 2020. The primary markets of export include the United States, Brazil, Japan, Vietnam, France, etc. The export of crop protection chemicals comprises both agrochemical active ingredients/technical and formulations.

Indian Value Agrochemical Market, US$3.4 billion – by export destinations, 2020



Source: Trade Map, Company Commissioned F&S Report

Note: The trade data is inclusive of Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators, disinfectants and similar products e.g. sulphur-treated bands, wicks and candles, and fly-papers.

Indian agrochemicals industry trends and drivers

Key demand drivers of the Indian agrochemicals industry

According to the Company Commissioned F&S Report, the key demand drivers of the Indian agrochemicals industry include the following:-

a. Leveraging off-patent molecules: As discussed above, the fact that 22 branded molecules are going to come out of their patent period will substantially expand the offerings of Indian companies to people at home and abroad alike and may help fetch extra revenue

b. Government initiative to double farmers' income: The Indian Government is proactively looking for measures to significantly improve the farmers' income in coming decade. The budget allocated to the Ministry of Agriculture & Farmer's Welfare in fiscal 2021 was 30% higher that the revised estimate for fiscal 2020. To boost farmer incomes and growth of the agricultural economy, the Indian government released funds in June 2021 for farm mechanisation such as establishment of custom hiring centres, farm machinery bank and high-tech hubs in different states. With increase in farmer income, it is expected that spending on crop protection chemicals will increase.

c. Need to increase crop yields: There is a significant increase in the global food demand on account of growing population, urbanization and shrinking arable land. The need to improve crop yields would lead to increased usage of crop protection chemicals.

d. Government thrust on the sector to encourage domestic manufacturing: The Government has introduced Production-

Linked Incentive scheme to encourage domestic production of agrochemicals. Also, the Indian technical market is expected to be driven by Government's initiatives to boost domestic manufacturing of intermediates and technical/active ingredients, in order to reduce import dependence on China.

e. Increase in CRAMS & CSM activities: Increase in CRAMS & CSM activities in the country has fuelled the increase in domestic manufacturing of pesticide technical materials. Players from developed countries are looking to collaborate with active ingredient manufacturers in India, to leverage cost effective manufacturing supported by cheap labour force and strong R&D capabilities.

f. Higher margin businesses: Promotion of higher margin businesses such as horticulture and floriculture is likely to ensure that farmers are more prone to use crop protection measures.

Phasing out of red triangle products

Toxicity labels such as red label, yellow label, blue label and green label are mandatory labels employed on pesticide containers in India, in order to identify the level of toxicity (that is, the toxicity class) of the contained pesticide. The labelling follows a general scheme as laid down in the Insecticides Rules, 1971, and contains information such as brand name, name of manufacturer, name of the antidote in case of accidental consumption etc. A major aspect of the label is a colour mark which represents the toxicity of the material by a colour code.

In the past 20 years, the Indian agrochemicals industry has been gradually phasing out red triangle products.

Red triangle classification	Major molecules
Extremely toxic	Monocrotophos, zinc phosphide, ethyl mercury acetate and others
Highly toxic	Endosulfan, carbaryl, quinalphos and others
Moderately toxic	Malathion, thiram, glyphosate and others
Slightly toxic	Macozeb, Oxyfluorfen,mosquito repellent oils & liquids, other household insecticides, etc.

Source: Company Commissioned F&S Report

Company such as Hemani Industries is way ahead with no products belonging to the red triangle segment. These companies risk less accountabilities since their product portfolios are seen as less harmful to environment.

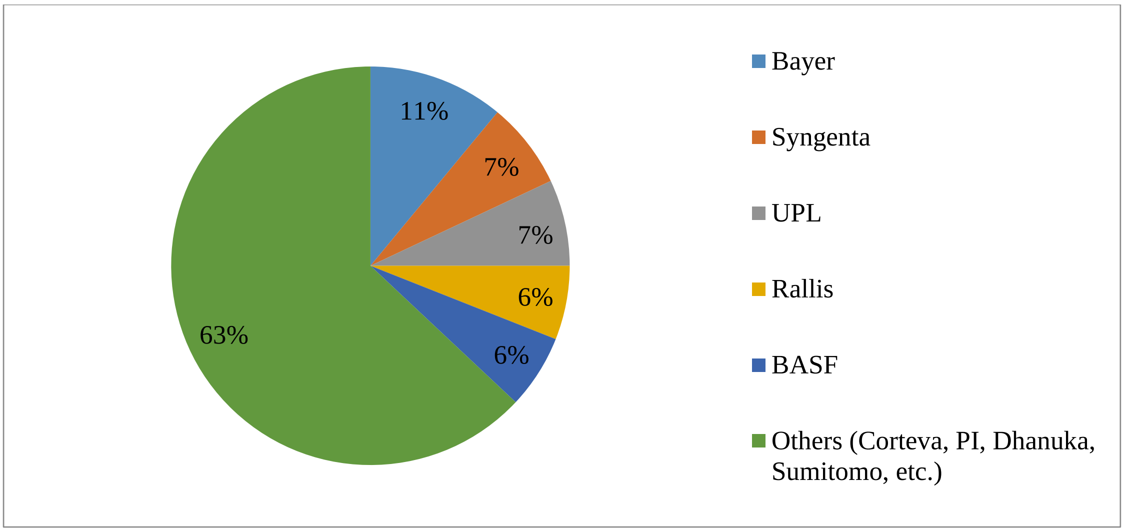
Indian agrochemical market regulatory framework

Usage, export, sales, distribution, quality, transport and manufacture of pesticides in India is currently regulated by the 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. The new Pesticide Management 2020, intended to secure farmers' interests and propagate safe and effective usages of pesticides, has received cabinet approval in February and is tabled in the parliament. In India, various insecticides, including Endosulfan, had been banned for their diverse effect on the biodiversity.

Key players in the Indian agrochemicals industry

India crop protection market is highly fragmented with presence of more than 150 active ingredient manufacturers, more than 1000 formulators and more than 200,000 plus companies engaged in distribution. In fiscal 2021, the highest market share held in India crop protection chemicals market is by Bayer (11%) followed by Syngenta, UPL and others.

India Agrochemicals Market, Competition Share by Revenue, 2019-20



Source: Industry Research, Frost & Sullivan; Company Commissioned F&S Report

OVERVIEW OF THE GLOBAL AND INDIAN CRAMS & CSM INDUSTRY

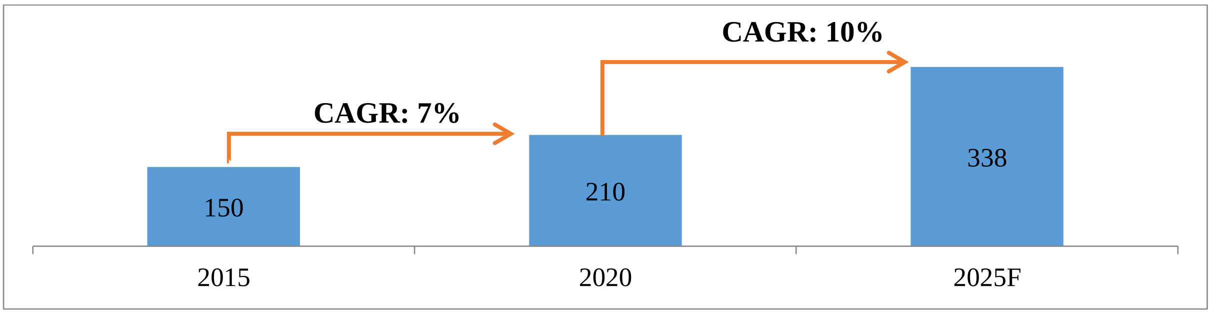
The global CRAMS & CSM industry

Contract Research and Manufacturing Services (CRAMS) refers to outsourcing research and manufacturing activities to low-cost providers which maintains quality, world class standards and meets international regulatory norms. Custom Synthesis and Manufacturing (CSM) is similar to CRAMS with the main difference lies on the products being manufactured. CRAMS is usually adopted for manufacturing of generic products while CSM is adopted for manufacturing of patented products.

Value of the global CRAMS & CSM industry

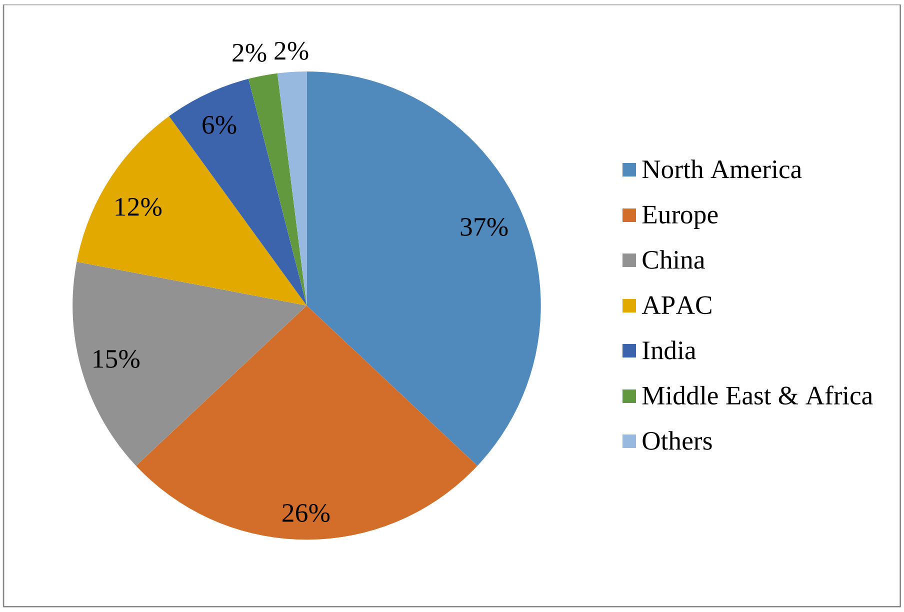
According to the Company Commissioned F&S Report, the global market for CRAMS and CSM for the global specialty chemicals industry (comprising agrochemical technical grades or active ingredients, intermediates and specialty chemicals along with other fine chemicals such as active pharmaceutical ingredients, etc.) was valued at US$210 billion in 2020, and is expected to grow at a CAGR of 10% to US$338 billion in 2025. Major drivers of global CRAMS & CSM market are new active ingredients development, innovators shifting focus to core competencies and outsourcing of production to low manufacturing cost destinations.

Global CRAMS & CSM Market (US4 billion)



Source: Frost & Sullivan

Global CRAMS & CSM Market, 2020, by Region, US$210 billion



Source: Frost & Sullivan

According to the Company Commissioned F&S Report, in calendar year 2020, the India market accounted for almost approximately 6% of the global CRAMS market, which totalled US$12-12.5 billion. In calendar year 2020, the Chinese market and the Japanese market for custom synthesis & manufacturing accounted for approximately 15% and 8-9% of global market (by value terms), respectively. North America and the European Union countries accounted for more than 60% market share in the global CRAMS/CSM segment in 2020.

China-plus-one is a business strategy that avoids overinvesting in one country and promote diversification of business in other countries. This is majorly adopted by multinationals taking proactive steps in avoiding over-dependence on China for their manufacturing operations. The advantage of cheaper labour and market demand that China initially provided has increasingly been overshadowed by emerging economies like India and few of the ASEAN countries like Vietnam, Indonesia, Philippines, etc.

Global CRAMS & CSM market players

According to the Company Commissioned F&S Report, three quarter of global contract research and manufacturing services market is concentrated in North America, Europe and China. Major CRAMS players involved in the fine chemicals business are – Quintiles, Covance, Catalent, Paraxel, Lonza, Charles River Lab, Patheon and others.

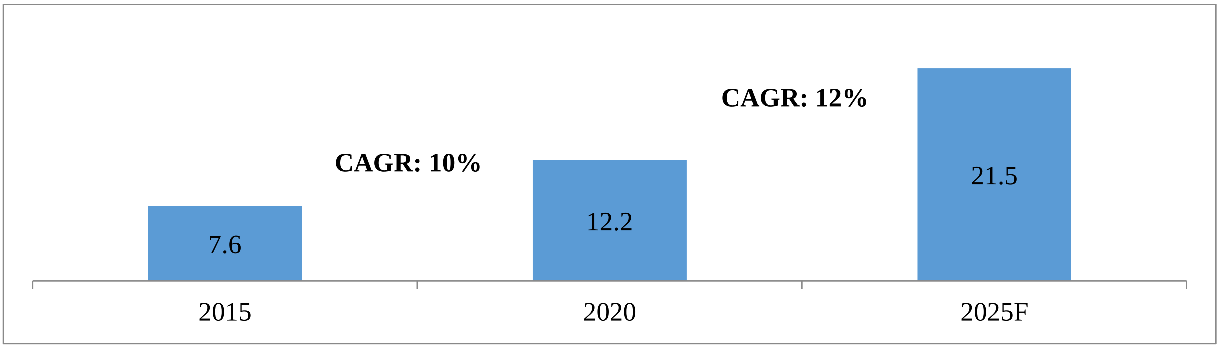
The Indian CRAMS & CSM industry

India is amongst the preferred destinations for outsourcing of research as well as manufacturing activities, primarily due to its low-cost advantage and availability of talents.

Value of the Indian CRAMS industry

According to the Company Commissioned F&S Report, the Indian CRAMS and CSM industry was valued at US$12.2 billion in 2020, and is expected to grow at a CAGR of 12% to 21.5 billion in 2025. The main driver of the market includes increasing contract manufacturing trend of fine chemicals along with niche specialty chemicals in India. In fiscal 2020, almost 80% of the Indian specialty chemicals CRAMS & CSM market was captured by fine chemicals (by value); by single molecule compounds widely used across crop protection chemicals and API industries. These single molecule compounds are mainly active ingredients in either agrochemical or pharmaceutical formulation. The active ingredients are the most-costly chemicals in the agrochemical or pharmaceutical final consumer product, significantly contributing to the total cost.

Indian CRAMS & CSM Market for Specialty Chemicals (US$ billion)

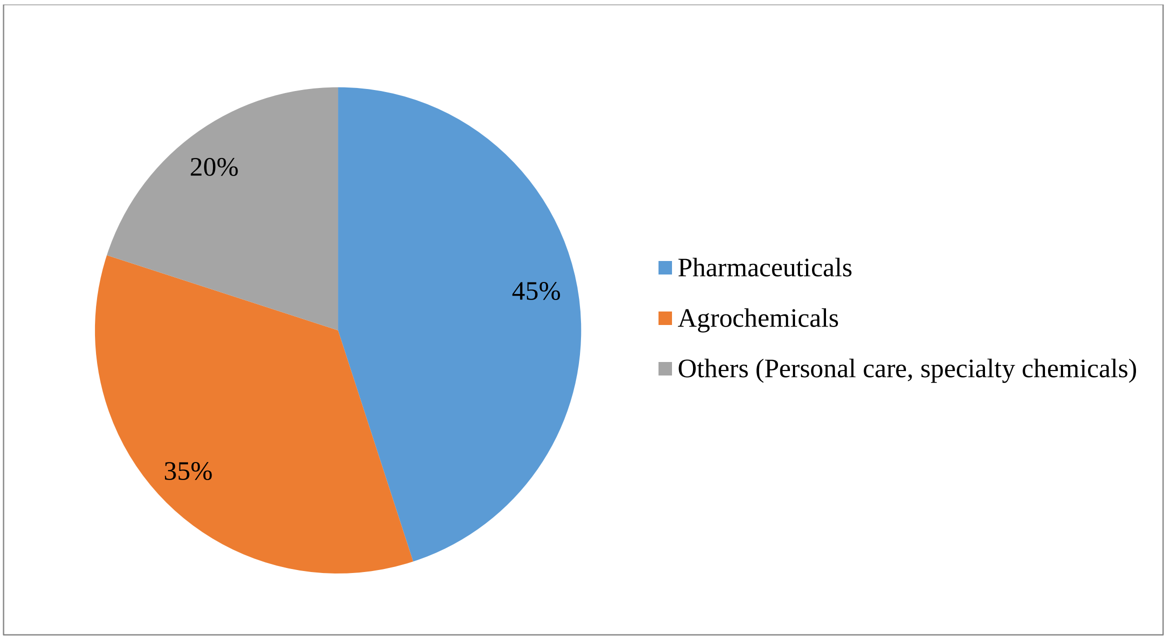


Source: Company Commissioned F&S Report

Indian CRAMS & CSM industry by application industries

Pharmaceutical contract manufacturing accounted for the largest share of the CRAMS & CSM market in India, followed by agrochemicals contract manufacturing. Other industries like personal care ingredients and specialty chemicals also contribute significant market share. According to the Company Commissioned F&S Report, in 2020, pharmaceuticals, agrochemicals and other specialty chemicals accounted for 40%, 35% and 20% of the Indian CRAMS & CSM industry, respectively.

India CRAMS & CSM market by Application Industries, 2020

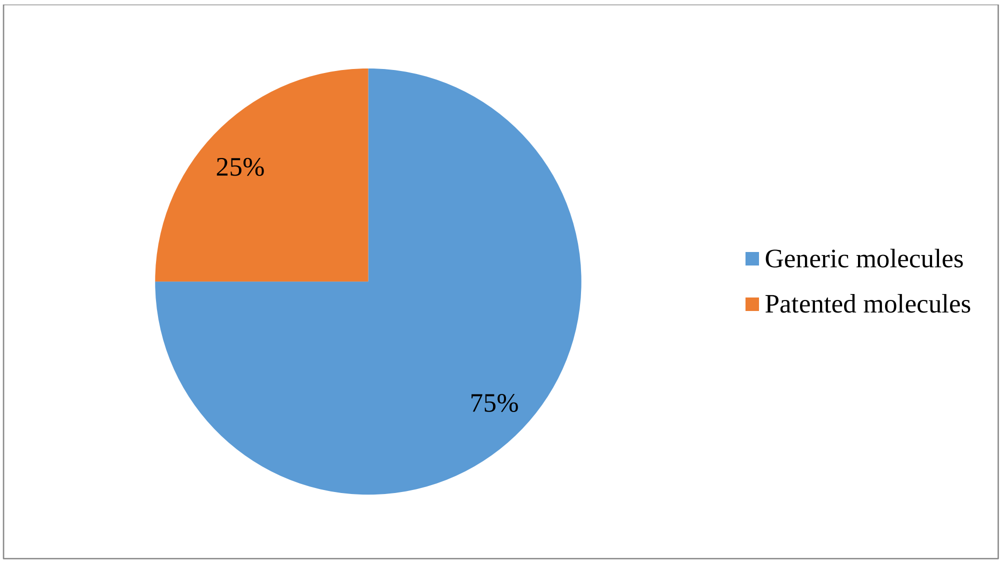


Source: Company Commissioned F&S Report

Indian CRAMS & CSM industry by application areas

In 2020, contract manufacturing of patented molecules constituted approximately a quarter of the total market with remaining 75% of the market captured by generic molecules, according to the Company Commissioned F&S Report. Pharmaceutical industry has a larger share in the contract synthesis of generic molecules in India, with agrochemicals generic molecules ranking second in the total market (by value).

India CRAMS & CSM Market by Application Areas, 2020



Source: Company Commissioned F&S Report

Key players in the Indian CRAMS & CSM industry

According to the Company Commissioned F&S Report, key players in the Indian CRAMS and CSM industry include PI Industries, Deccan Chemicals, Coromandel International, Anupam Rasayan, Navin Fluorine International, Aarti Industries and Hikal Ltd.

OVERVIEW OF THE GLOBAL AND INDIAN PYRETHROID INDUSTRY

The global pyrethroid industry

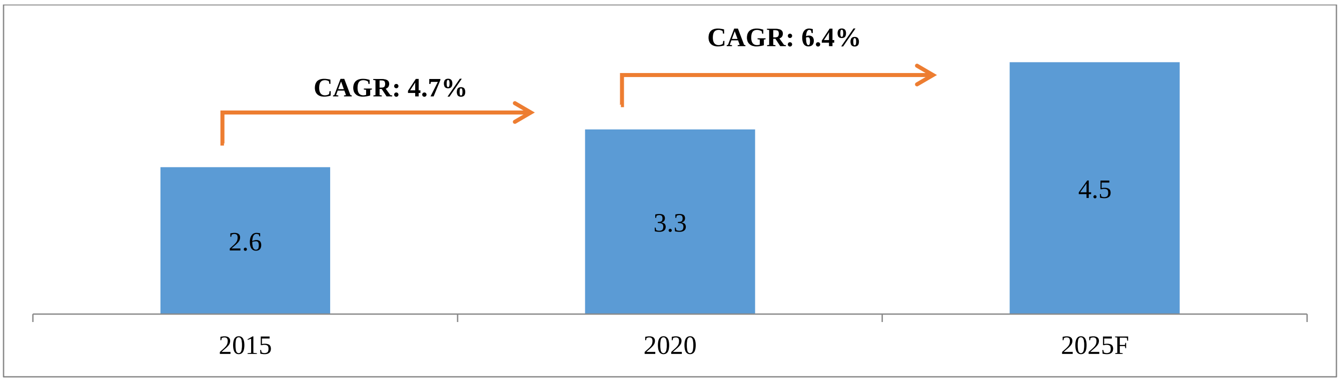
Pyrethroid insecticides are synthetic products that are developed from natural pyrethrins and perform functions similar to pyrethrins. Pyrethrins are natural pesticides present in some species of chrysanthemum flowers such as cinerariaefolium and coccineum. Natural pyrethrin extracts from the flower has been registered as a pesticide since the 1950s, however such extracts need large quantities of raw materials and are often contaminated with impurities from the flower.

Pyrethroid insecticides are man-made organic compounds that are used as a commercial and household insecticide. The household pyrethroid products include insect repellent products, pet sprays and shampoos and lice treatment products. Pyrethroids' properties of being less toxic to mammals and birds, lower quantities required to be administered as a pesticide, biodegradability and cost efficiency make it a versatile and extensively used insecticide when compared to the conventional insecticides.

Value of the global pyrethroid industry

According to the Company Commissioned F&S Report, the global pyrethroids industry was valued at US$3.3 billion in 2020, and is expected to grow at a CAGR of 6.4% to reach US$4.5 billion in 2025.

Global Pyrethroid Market (US$ billion)



Source: Company Commissioned F&S Report

Global pyrethroids industry by application segments

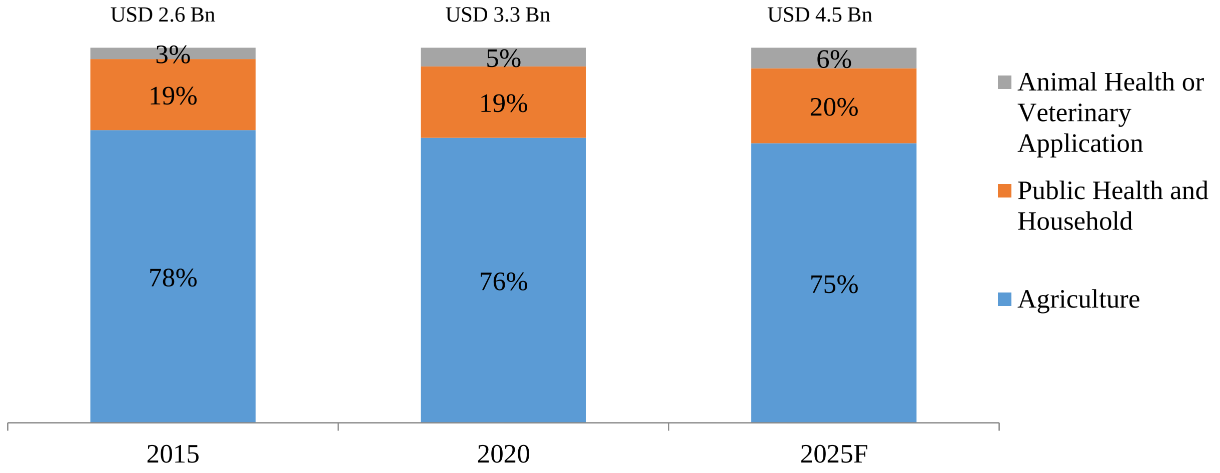
According to the Company Commissioned F&S Report, agriculture represented the largest end-use segment in 2020, accounting for 76% of global pyrethroids market. Agriculture was followed by public health and household (19%), and animal health (6%).

Pyrethroid insecticides used in agriculture is the major application segment making up for more than 75% of the total market. It has been suggested that by structural modifications through advanced technology, the potency of pyrethroids can be increased by up to 10 folds. This in turn reduces the seasonal input cost of the pesticides by the same factor.

In respect of the public health and household segment, pyrethroids are often used for lice treatments by being applied directly to the head and as mosquito repellents that can be applied to clothes as well. Pyrethroids have also known to be efficient against bed-bugs.

In respect of animal health and veterinary application segment, synthetic pyrethroids are used extensively as insecticides and acaricides for the treatment of a broad range of ecto-parasites in large and small animals, as well as in non-mammalian species such as birds, fish, and honeybees. These compounds are used in veterinary medicine in different formulations.

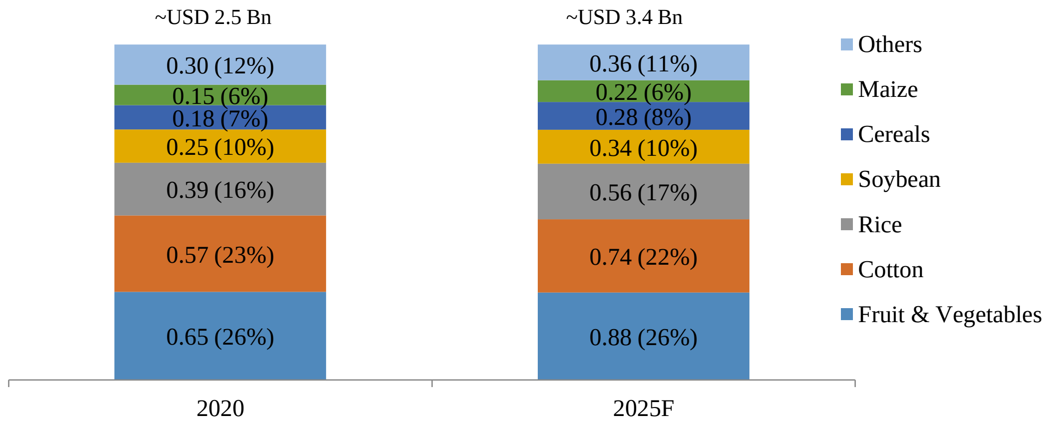
Global Pyrethroid Market segmentation by Application, 2015-25F, US$ billion



Source: Company Commissioned F&S Report

Out of the agrochemical market demand for pyrethroids, fruits and vegetables held the largest market share as of 2020 (approximately 26%), followed by cotton (approximately 23%), rice (approximately 16%), soybean (approximately 10%) and cereals (approximately 6%), according to the Company Commissioned F&S Report.

Global Agrochemical Pyrethroid Market segmentation by Application, 2020-25F, US$ billion



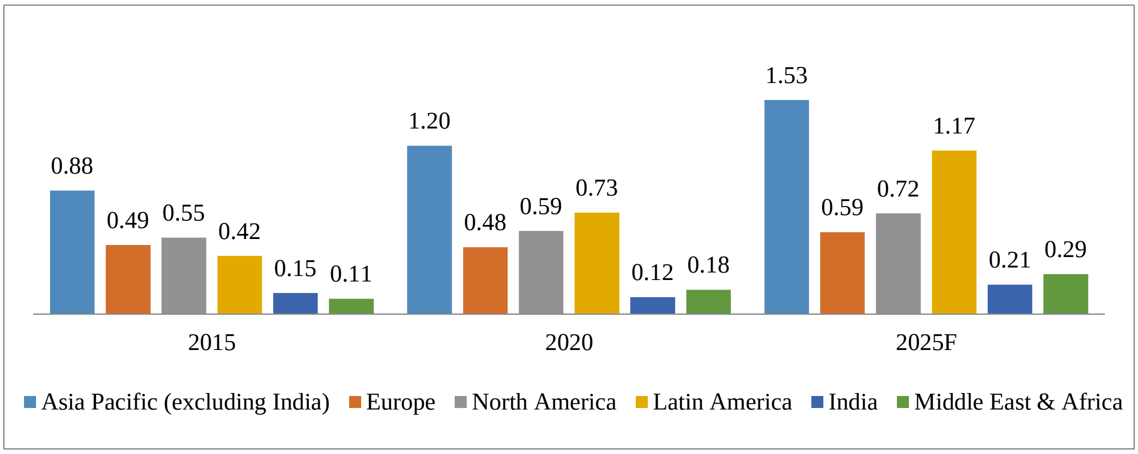
Source: Company Commissioned F&S Report

In many countries, several programmes have been initiated for public health nutrition and promoting a balanced diet to reduce diet-related disease costs. These factors have led to significant growth in the fruit and vegetable industry. The development of photostable synthetic pyrethroid insecticides has particular significance in cotton pest control while being much more acceptable environmentally. Rice is one of the major food staples and also the mainstay for the rural population and their food security, owing to which the rice industry is experiencing significant growth. By eradicating weeds, pyrethroids deliver broad-spectrum control and long-lasting activity to improve crop production. Pyrethroid insecticides are also extensively used to protect cereal grains against pests during storage and to manage aphids.

Global pyrethroid industry by geographical segments

According to the Company Commissioned F&S Report, in 2020, Asia Pacific (inclusive of India) and Latin America were the largest consumers for Pyrethroids, accounting for almost 60% of the global demand. Asia Pacific (inclusive of India) represented the largest market for Pyrethroids, accounting for approximately 40% of the total market. Asia Pacific was followed by Latin America (22%), North America (18%), Europe (14.5%), and Middle East and Africa (5%). While India contributed to a huge export market, the total consumption in India in 2020 was approximately 4% of the total global consumption. India constitutes approximately 10% of the APAC demand while China is the largest player in the region.

Global Pyrethroids Market by Geography, 2015, 2020, 2025F Value (US$2.6 billion, US$3.3 billion, US$4.5 billion)



Source: Company Commissioned F&S Report

The market for pyrethroids in Asia Pacific is driven by the rising demand for hygiene products and pyrethroid insecticides, owing to the increasing disposable income levels and growing awareness regarding the importance of maintaining hygiene. Asia Pacific has also emerged as the region with maximum potential for growth due to its growing population base. The emerging economies, including China, India, Vietnam, and Thailand, are the significant consumers of pyrethroid insecticides for application on various cereal and grain crops.

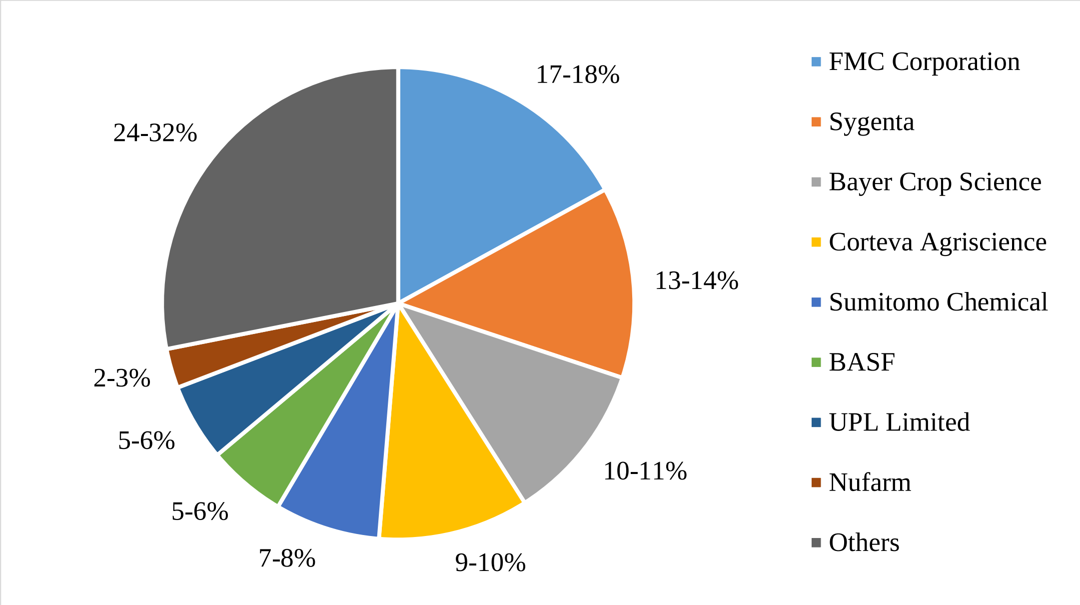
North America, in particular the United States, has developed and registered the maximum number of pyrethroid products in the world. Canada, being one of the world's leading agricultural producers and exporters, is one of the major consumers of Pyrethroid insecticides. Most of the Pyrethroid based insecticides used in vegetables such as potato, carrot, sweet corn, onion, green onion, lettuce and cabbage family and in fruits such as apples, strawberries and other berries, are registered in Canada.

The huge market growth in Latin America, specifically Brazil, is propelled by the increasing demand for hygienic household products, along with the rising population and changing lifestyle. Brazil is also a densely populated country. Intense cultivation of oil seeds, soybeans, corn, potatoes, sugarcane and sugar beets in Latin America is expected to drive the demand for Pyrethroid insecticides. The market in the Middle East and Africa (specifically South Africa) region is mainly driven by various factors such as increased local agricultural activities and growing population. High potency and effectiveness of Pyrethroids has made them the preferred ingredient to be used in the household and industrial insecticides.

Key players in the global pyrethroid industry

According to the Company Commissioned F&S Report, the global pyrethroid market is consolidated by major market players such as BASF SE, Bayer CropScience, Syngenta AG (owned by ChemChina), UPL Limited, Corteva Agriscience, FMC Corporation and Sumitomo Chemicals. FMC, Syngenta, Bayer and Corteva, collectively accounting for almost 50% of the market. The market players are actively involved in new product launches, registrations and acquisitions. The rising demand for pyrethroids has led to the major agrochemical manufacturers to actively invest in the segment.

Global Pyrethroid Market, Split by Competition, 2020 (%)



Source: Primary Research, Company Websites, Company Commissioned F&S Report

The other key players in the market include Hemani Industries, Heranba Industries Limited, The Merck Group, Nufarm, Tagros Chemicals, ADAMA Agricultural Solutions, SinoHarvest Corporation, United Phosphorus Limited, Cheminova, Arysta Lifescience, Shanghai Mingdou Agrochemical, Yangnong Chemical, Meghmani, Changlong Agrochemical, Hengdian Group, Jiangsu Huangma Agrochemicals, Jiangsu Chunjiang, Jiangsu RedSun, Shanghai Tenglong Agrochem, Guangdong Liwei, and Gharda Industries.

Key trends and growth drivers of the global pyrethroids industry

According to the Company Commissioned F&S Report, the key trends and key growth drivers of the global pyrethroids industry include the following:

(a) Need to increase crop yields: With increasing population and shrinking arable land, there is a need to increase crop yield. The use of insecticides on crops is an established technology and developed nations have seen massive demand for Pyrethroids to increase the global food supply and stop the crops from being deteriorated.

(b) High cost-benefit ratio: Pyrethroids provide an excellent cost-benefit ratio in agricultural pest insect control, as they require fewer relative applications. This high cost-benefit ratio, when compared to other insecticides, is expected to drive the demand of pyrethroids.

(c) Growing demand from textile industry and home and personal industry: Pyrethroids are highly effective and potent insecticides. It is the least expensive insecticide used in malaria vector control. It is also the only product class applied on insecticide-treated nets (ITNs). All the ITNs recommended by World Health Organization are treated with pyrethroids. This has increased their application in cloth treatment. In addition to this, demand from residential and industrial sectors for mosquito repellents is expected to further catalyse this growth.

(d) Increasing investments in pyrethroid production: Pyrethroid manufacturers are increasing their production capacities and strengthening their distribution channels to become more organized, in order to have stable demand and supply. Pyrethroid insecticides have been recognised by US EPA as a substitute for environmentally harmful insecticides, when used in recommended dosages. It is a key active ingredient in more than 35,000 insecticide formulations. Pyrethroids are susceptible to heat, moisture and sunlight, so second generation Pyrethroids are being developed to improve these qualities and also meet the stringent regulatory requirements.

(e) Substitute for certain conventional insecticides:

- Substitute for organophosphates: Organophosphates are conventionally used as insecticides in vegetables such as carrots and lettuce. Pyrethroids, unlike these products, are less toxic and cost effective. Organophosphates' ban implemented by the US EPA is expected to drive the demand of pyrethroids as its most logical substitute.

- Substitute for chlorpyrifos: Chlorpyrifos is an effective inexpensive pesticide that has been in the market since 1965. Chlorpyrifos is associated with neuro-developmental problems and impaired vision in children. In October

2019, the state of California announced the sale of chlorpyrifos to California growers should end by February 2020 and the growers were not allowed to possess or use it beyond December 2020. Two months after the order in California, European Union also voted for the ban of chlorpyrifos stating the neurodevelopmental harm. In January 2020, the European Commission formally adopted regulations proposing not to renew the approvals of the insecticides Chlorpyrifos and Chlorpyrifos-methyl. In August 2021, US EPA announced that it will end the use of chlorpyrifos on all food products nationwide.

The Indian pyrethroids industry

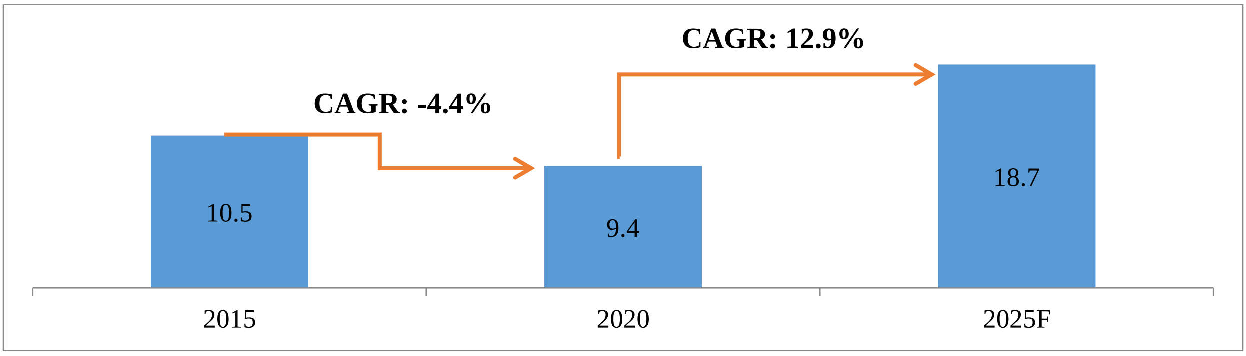
The Indian Pyrethroids market is mainly driven by the growing demand from the Asian market for agricultural pesticides and insect repellent products. Major contribution to Asian market in terms of both production and consumption are China and India. Increasing R&D activities by insect repellent manufacturers to meet of the changing customer and regulatory requirements are expected to boost the growth of Pyrethroids market in India.

Pyrethroids are used in versatile sectors including household, garden and animal health. In the segment of vector control, they are used to infuse the bed nets to reduce the spread of malaria (which is still a life-threatening disease in India) as part of World Health Organization's Malaria Programme.

Value of the Indian pyrethroids industry

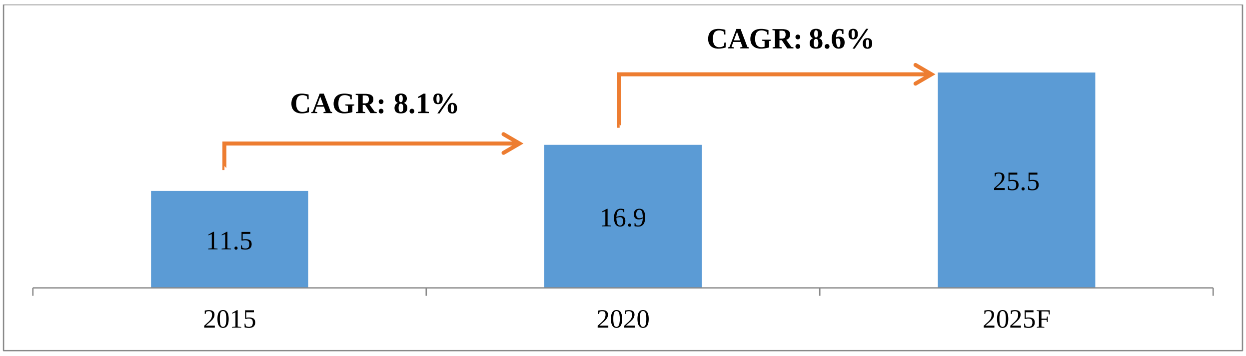
According to the Company Commissioned F&S Report, the Indian pyrethroids market was valued at US$0.12 billion in 2020, and is expected to grow at a CAGR of 12.9% to reach US$0.22 billion in 2025. Consumption of pyrethroid dropped in 2020 primarily as a result of the COVID-19 pandemic. The overall production of pyrethroids in India from 2015 to 2020 maintained an increasing trend though. The production volume of pyrethroids in India is expected to grow at a CAGR of 8.6% from 16.9KT in 2020 to 25.5KT in 2025, according to the Company Commissioned F&S Report.

Indian Pyrethroid Consumption Market (KT)



Source: Company Commissioned F&S Report

Indian Pyrethroid Production Market (KT)

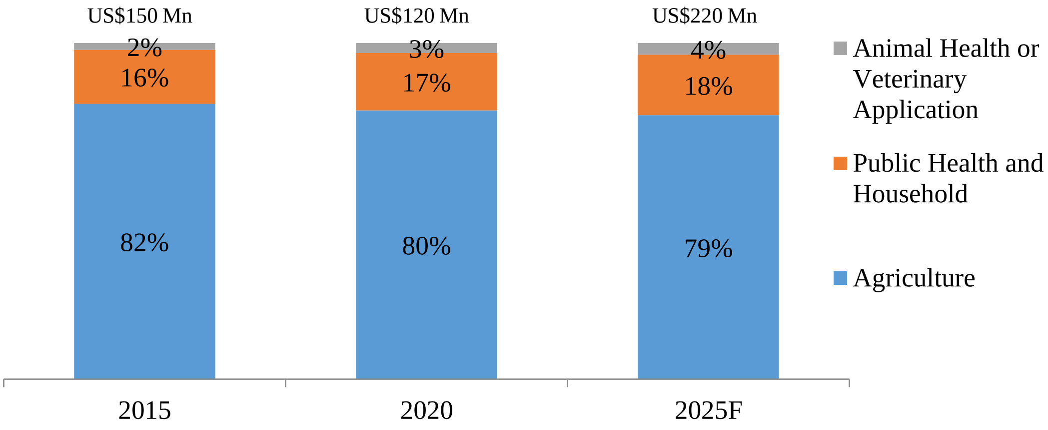


Source: Company Commissioned F&S Report

Indian pyrethroids industry by application segments

According to the Company Commissioned F&S Report, agriculture represented the largest end-use segment in 2020, accounting for approximately 80% of the total Indian pyrethroid market. Agriculture was followed by public health and household (17%), and animal health (4%). Indian consumption of Pyrethroid follows the global consumption pattern to a great extent.

Indian Pyrethroid Market segmentation by Application, 2015-25F, US$ million



Source: Company Commissioned F&S Report

Pyrethroid insecticides used in Agriculture is the major application segment making up for more than 80% of the total market. India has been a land of agriculture with a majority of the population dependent on agriculture directly or indirectly. According to the Company Commissioned F&S Report, the Indian agrochemical pyrethroid market was valued at US$0.1 billion in 2020, and is expected to grow at a CAGR of approximately 12.6% to reach US$0.17 billion in 2025. Out of the agrochemical market demand for pyrethroids in India, fruits and vegetables held the largest market share, followed by cotton and rice, in 2020.

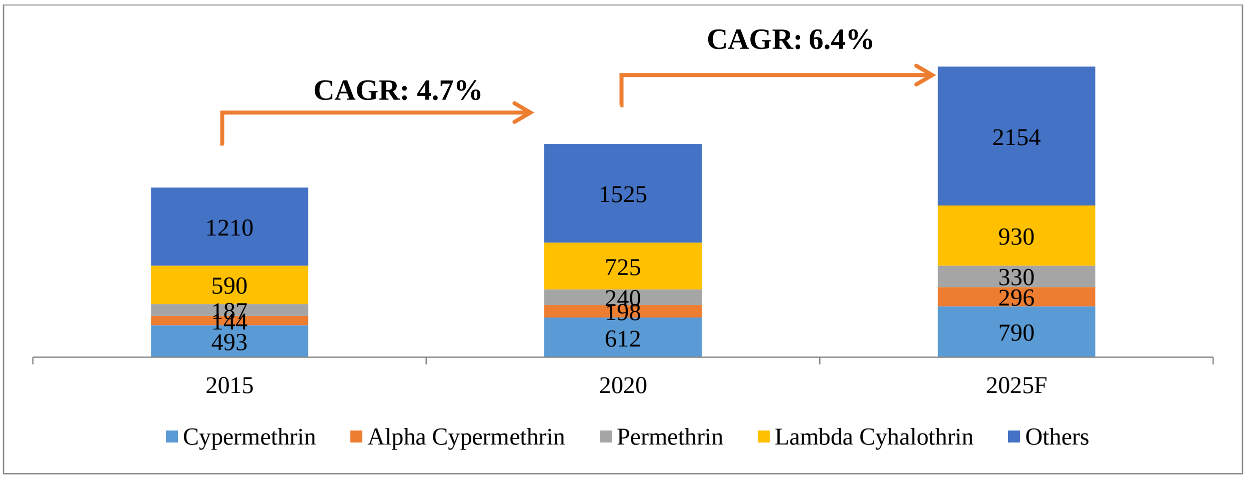
Key players in the Indian pyrethroid industry

According to the Company Commissioned F&S Report, the Indian Pyrethroid market comprises of four (4) major players which in aggregate contributed to more than 50% of the market share in 2020. The four major players include Heranba Industries, Tagros Chemicals, Hemani Industries and Dhanuka Agritech. Other key players include Insecticides India Ltd, Syngenta India, Sumitomo Chemical India, UPL, Bayer CropScience and Rallis India. According to the Company Commissioned F&S Report, Hemni Industries is one of the key players in the Indian Pyrethroid industry, with its production capacity accounting for 27% of the installed domestic capacity for Pyrethroids as of 2020.

Global and Indian pyrethroid industry by product type

The pyrethroid industry can be categorized into different types of products. The following table sets forth the value of the global pyrethroid industry by product type:

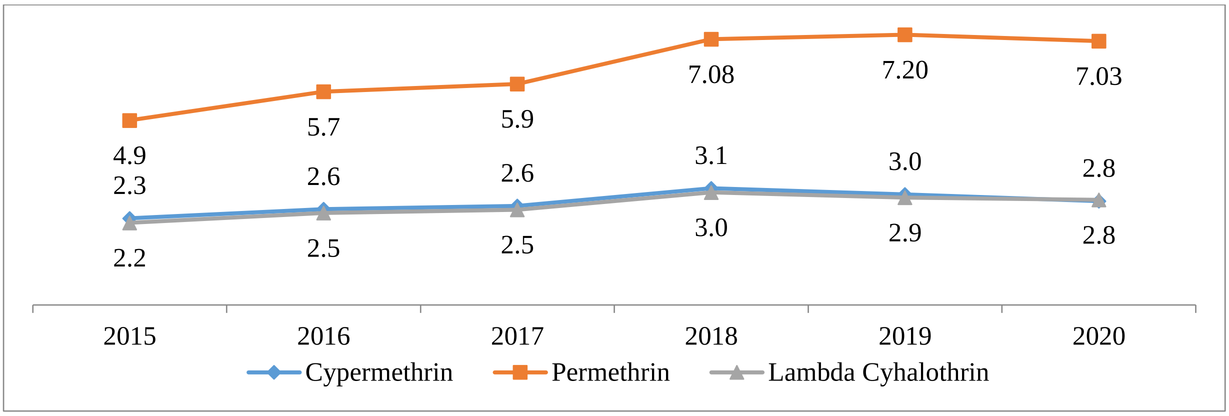
Global Pyrethroid Market by Product Type (US$ million)



Source: Philips McDougall, Primary Research, Frost & Sullivan; Company Commissioned F&S Report

The following table sets forth the price trends of these different product types for the years indicated:

Global Pyrethroid Market, Price Trends (USD/Kg), 2015-20

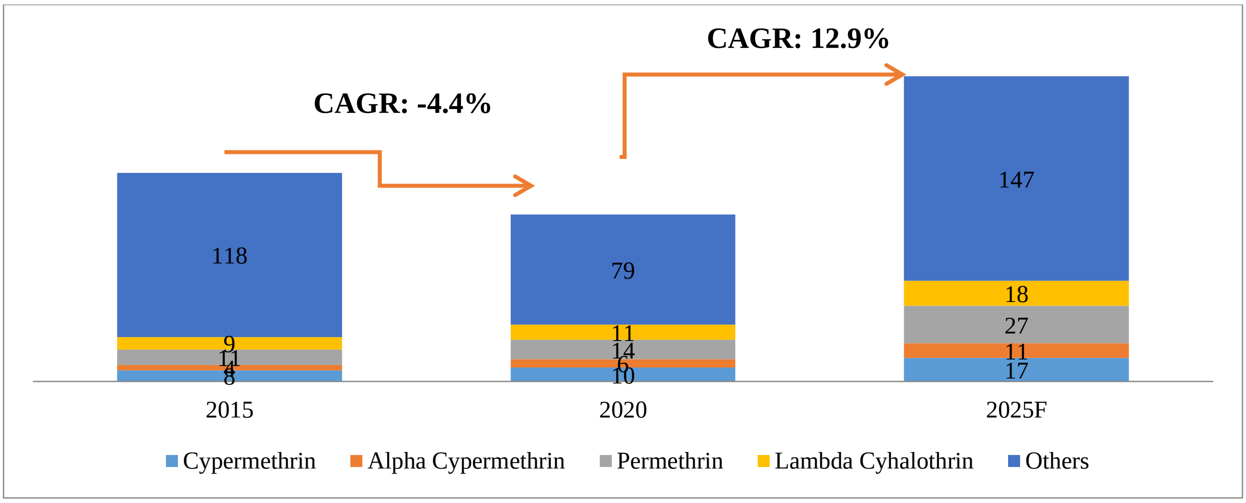


Note: The prices for Cypermethrin is for 10% EC, Lambda-cyhalothrin for 5% EC, and Permethrin for 25% EC

Source: International Trade Center, IMARC Group, Primary Research, Frost & Sullivan

The following table sets forth the value of the Indian pyrethroid industry by product types:

India Pyrethroid Market by Product Type (US$ million)



Source: Primary Research, Frost & Sullivan; Company Commissioned F&S Report

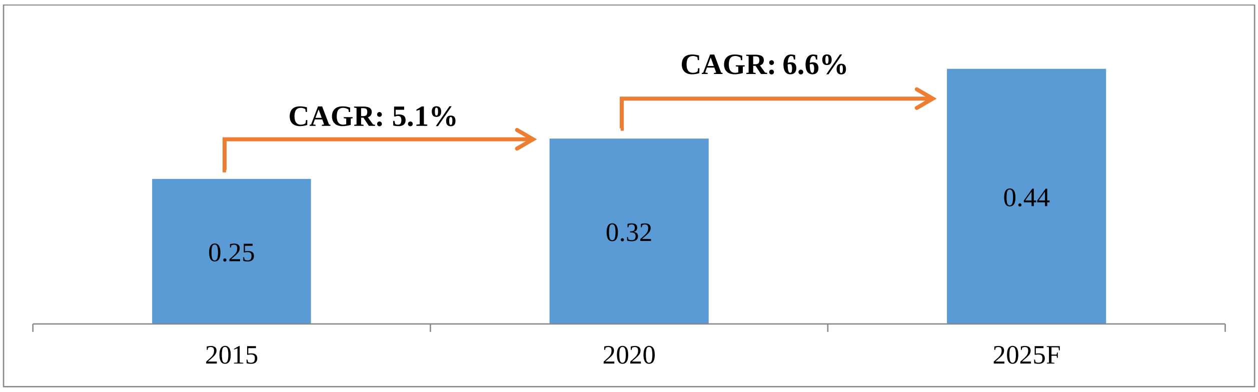
Metaphenoxy Benzaldehyde (MPBD)

Metaphenoxy Benzaldehyde is a pesticide intermediate to manufacture synthetic pyrethroid insecticides. It is mainly consumed as an intermediate into Cypermethrin and Deltamethrin, among others. Metaphenoxy benzaldehyde is mainly used in pyrethroid active pharmaceutical ingredients, or APIs, and then used in the preparation of pyrethroid insecticide and other pesticides.

Value of the MPBD market

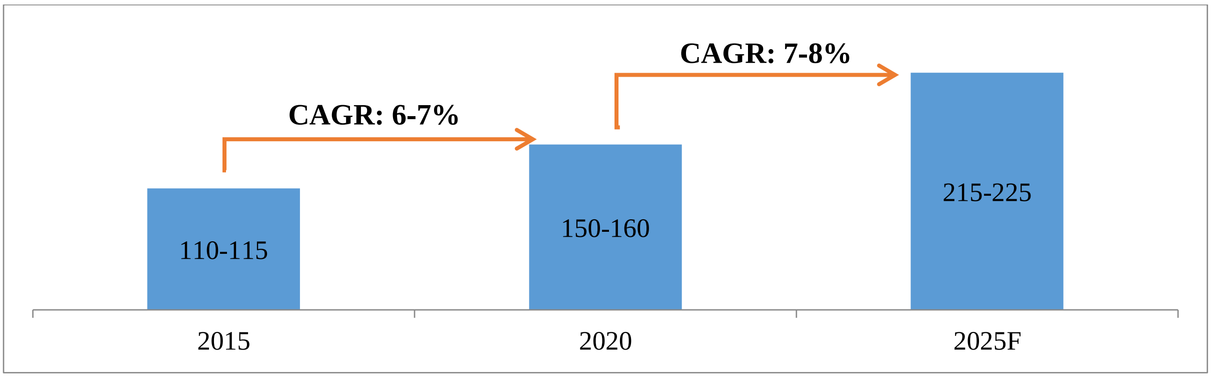
According to the Company Commissioned F&S Report, the global market for MPBD was valued at US$0.32 billion in 2020 and is expected to grow at a CAGR of 6.6% to reach US$0.44 billion by 2025. In 2020, the Indian market accounted for approximately 45-50% of the global MPBD market. The Indian MPBD market was valued at US$150-160 million in 2020 and is expected to grow at a CAGR of 7-8% to reach US$215-225 million by 2025.

Global MPBD Market (US$ billion)



Source: Primary Research, Frost & Sullivan, Company Commissioned F&S Report

Indian MPBD Market (US$ million)



Source: Primary Research, Frost & Sullivan, Company Commissioned F&S Report

Restraints in the MPBD market

In 2018, China announced that imports of MetaPhenoxy Benzaldehyde from India constituted dumping actions that were detrimental to the domestic industry. MPBD importers from India would need to furnish relevant cash deposits to the Customs authorities. China has imposed anti-dumping duties on MPBD imported from India at rates ranging from 36.4% to almost 57% for a period of five years from June 8, 2018. According to the Company Commissioned F&S Report, anti-dumping duty at the rate of 56.4%, 36.4%, 52%, and 56.9% has been imposed on imports of MPBD from Indian manufacturer Bharat Rasayan, Hemani Industries, Gujarat Insecticides, and other Indian manufacturers, respectively.

Key players in the MPBD market

According to the Company Commissioned F&S Report, the key global players operating in the MPBD market are Sigma-Aldrich, J&K SCIENTIFIC, TCI, Jintan Huasheng Chemical Auxiliaries, Shanghai RC Chemicals, Gharda Chemicals, Heranba Industries, Bharat Rasayan, Tagros Chemicals India, and Hemani Industries.

According to the Company Commissioned F&S Report, as of 2020, Hemani Industries was the largest producer of MPBD globally in terms of production volume. As of December 2021, Hemani Industries has an installed annual capacity of 12,000 MT of MPBD. Hemani Industries enjoys cost competitiveness in MPBD production due to its backward integration (Benzaldehyde). According to the Company Commissioned F&S Report, Hemani Industries is one of the leading exporters of MPBD to China.

Cypermethrin

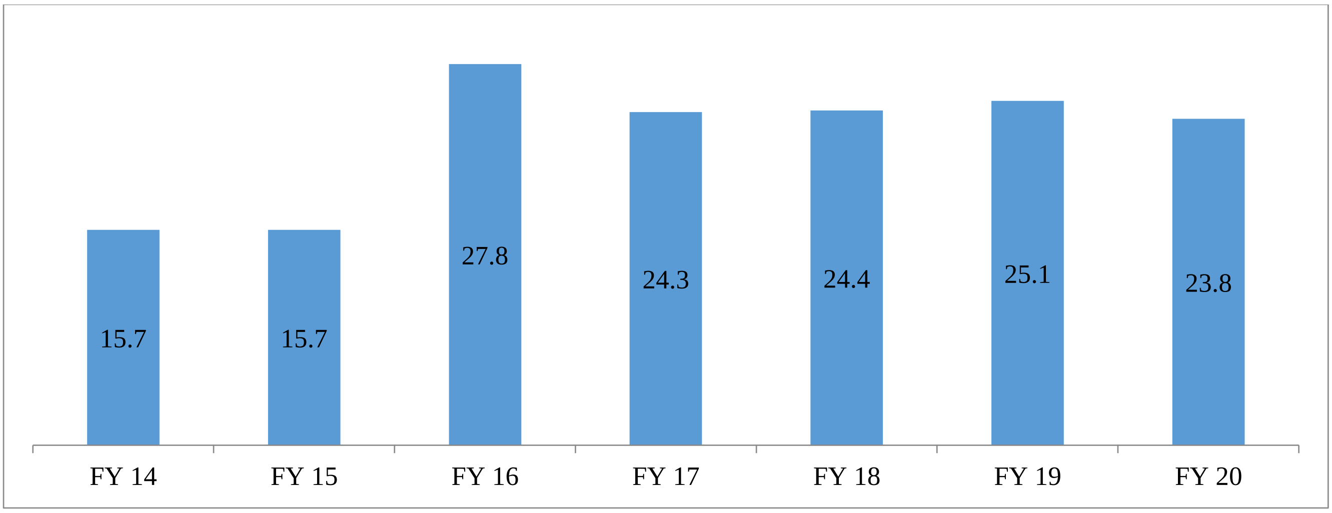
Cypermethrin (is inclusive of Zeta-Cypermethrin, but excludes Alpha-Cypermethrin) is a synthetic pyrethroid used as an insecticide in large-scale commercial agricultural applications as well as in consumer products for domestic purposes. Cypermethrin behaves as a fast-acting neurotoxin in insects. It easily degrades onto soil and plants and is also effective for weeks when applied to inert surfaces. Cypermethrin is used in agriculture to control parasites which infect cattle, sheep, and poultry. It is also found in many household products, such as cockroach and other insect killers and insect/ant chalks. It has been widely-used in long-lasting insecticidal nets to protect people from mosquitoes. Cypermethrin is known to be highly toxic to fish and other aquatic insects, according to the National Pesticides Telecommunications Network (NPTN).

Value of the Cypermethrin market

According to the Company Commissioned F&S Report, the overall global market for cypermethrin was approximately US$0.61 billion in 2020, which accounted for approximately 18% of the global pyrethroid market. This market is expected to grow at a CAGR of 5.2% to reach US$0.79 billion by 2025. According to the Company Commissioned F&S Report, the Indian Cypermethrin market was valued at US$10 million in 2020, contributing to around 8.5% of the Indian Pyrethroid market. It is expected the Indian Cypermethrin market will grow at a CAGR of 10.9% to reach US$17 million by 2025, according to the Company Commissioned F&S Report.

The installed production capacity of Cypermethrin across India was around 24,000 metric tons at the end of fiscal 2020, according to the Company Commissioned F&S Report.

India – Installed Capacity of Cypermethrin (FY14-20), KT



Source: Statista, Frost & Sullivan, Company Commissioned F&S Report

Key players in the Cypermethrin market

According to the Company Commissioned F&S Report, key global players in this segment are FMC Corporation, BASF, Bayer, Hebei Saireed Chemical, Jiangsu Lanfeng, Zhejiang Weierda, Liwei Chemical and Red Sun. Key players in the Indian cypermethrin market are Hemani Industries, Heranba, Dhanuka Agritech, Tagros, UPL among others. According to the Company Commissioned F&S Report, Hemani Industries was the largest manufacturer of Cypermethrin globally in terms of production volume in 2020.

Alpha Cypermethrin

Alpha Cypermethrin is a synthetic pyrethroid broad-spectrum insecticide, which is composed of two isomers of Cypermethrin. Alpha-Cypermethrin has major applications in the agricultural industry as a pesticide. It is used on a wide range of crops. It has an application of controlling larvae if applied at regular intervals. Alpha-Cypermethrin is available in different concentrations and formulations for a wide range of applications in food sectors, households, and other applications. It is widely used to kill insects or pest on cotton and lettuce, fleas and termites in buildings. As soon as it comes in contact with insects, it helps in residual control on the population for up to 90 days. It is available in the form of spray, and has been used for veterinary medicines as well. Key end users are companies involved with agrochemicals and veterinary drugs, among others.

Value of the Alpha Cypermethrin market

The overall global market for Alpha Cypermethrin was valued at US$0.2 billion in 2020, representing approximately 6% of the total pyrethroid market, according to the Company Commissioned F&S Report. This market is expected to grow at a CAGR of approximately 8.4% to reach US$0.3 billion by 2025. The Indian Alpha Cypermethrin market was valued at US$6 million in 2020, and is expected to grow at a CAGR of approximately 12% to reach US$11 million by 2025, according to the Company Commissioned F&S Report.

Key players in the Alpha Cypermethrin market

According to the Company Commissioned F&S Report, key global players operating in the Alpha Cypermethrin market include BASF, GSP Crop Science, Bharat Group, Amadis Chemical Company Limited, Hubei Wanye, Shanghai Yuelian Chemical, Sichuan Chuandong Pesticide Chemical, Shandong Lvshi Pesticide, Hebei Sanong Agrochemical, Zhengzhou Shalonda Plant Protection Technology, Shandong Zouping Pesticide, and Landmark.

Key players in the Indian Alpha Cypermethrin market include Hemani Industries, Heranba, Tagros, UPL, among others. According to the Company Commissioned F&S Report, Hemani Industries is one of the leading global producers of Alpha Cypermethrin in 2020, in terms of volume of Alpha cypermethrin and Permethrin. According to the Company Commissioned F&S Report, Hemani Industries was the second largest producer of Alpha Cypermethrin globally in 2020 by production volume terms.

Metamitron

Metamitron is a synthetic compound whose chemical group is triazinone. The key end application is use in agricultural applications mainly for the production of Beet. It is also used for as fruit and vegetable herbicide. It is an effective herbicide against grass and broadleaf weeds in beet crops. Metamitron herbicides are selective systemic herbicides which are absorbed both through roots and leaves and inhibit photosynthesis. Metamitron herbicides are effective both before and after the emergence of beetroots. It can be used on their own or in various combinations with other common beetroot protection units.'

Growth drivers of the Metamitron market

With the growing labour scarcity and increasing cost of manual weeding, Metamitron herbicides are now becoming increasingly popular due to its cost-effective nature and good weed control. The increasing demand and consumption of herbicides every year at a significant rate will escalate the growth of Metamitron herbicides.

Key players in the Metamitron market

According to the Company Commissioned F&S Report, the key global players in the Metamitron market include Hemani Industries, Bayer CropScience, ChemChina, Nufarm, SIPCAM-OXON Group, Ultra Group, Hutchinson Group, Shenda Chemical Industry, Nantong Reform Chemical and Hemani Industries. According to the Company Commissioned F&S Report, in 2020, Hemani Industries was the second largest producer of Metamitron in India in terms of production volume.

Permethrin

Permethrin is an insecticide in the Pyrethroid family. Permethrin is widely used as an insecticide in agriculture, to protect crops, to kill livestock parasites and for industrial and domestic insect control. In agriculture, Permethrin is mainly used on cotton, wheat, maize, and alfalfa crops. Permethrin is included in the World Health Organization's list of essential medicines as the most effective and safest medicine. It is also deemed fit for human use and is therefore available for topical use as a cream or a lotion. Permethrin is used as medication to treat scabies and lice. The other major use of Permethrin is as an insect repellent. Permethrin can be applied to clothing as it is a cloth impregnate, notably in mosquito nets and field wear. Mosquito nets used to cover beds may be treated with a solution of Permethrin. Permethrin is also used in the textile industry to prevent insect attack of woollen products. In aviation, aircraft disinfection with Permethrin-based products is also recommended prior to embarkation.

Value of the Permethrin market

According to the Company Commissioned F&S Report, the global market for Permethrin was valued at US$0.25 billion in 2020 and is expected to grow at a CAGR of 6.6% to reach US$0.33 billion by 2025. The Indian Permethrin market was valued at US$14 million in 2020 and is expected to grow at a CAGR of 13.5% to reach US$26.5 million by 2025, according to the Company Commissioned F&S Report.

Growth drivers and restraints of the Permethrin market

Going forward, the rising product demand for military suites fabrics manufacturing to provide army personnel protection from insect bites is expected to accelerate the market growth. The growth in agricultural, pharmaceutical, personal care, textile and domestic industries will propel the Permethrin demand. The growing demand for mosquito repellents will effectively drive the demand for Permethrin owing to its superior effectiveness and long-lasting effects. Initiatives by US EPA at aiming to control mosquito borne diseases including chikungunya, Zika, dengue and malaria is expected to accelerate the demand.

On the other hand, certain factors may hinder the growth in demand of Permethrin. The use of Permethrin in agriculture calls for attention, as it kills indiscriminately. While it attacks pests and insects, it is also harmful for aquatic animals and cats. Its excessive utilization for the treatment of head lice may lead to severe itching, swelling and burning sensations. Patients suffering from conditions including hay fever and asthma may experience allergic reactions from the use of Permethrin. These factors may hinder the growth of Permethrin. Stringent regulations imposed on product utilization for plant protection by EU commission owing to high toxicity is expected to affect Permethrin market price trends.

Key players in the Permethrin market

The prominent global Permethrin market players include Guangdong Liwei, Yangnong Chemical, Bayer, Sumitomo Chemical, Tagros, Heranba, Crop Life Science Limited, Gharda, Meghmani and Aestar. Key players in the Indian Permethrin market include Hemani Industries, Heranba and Tagros, among others. According to the Company Commissioned F&S Report, in 2020, Hemani Industries was the third largest manufacturer of Permethrin globally, in terms of production volume.

Lambda Cyhalothrin

Lambda Cyhalothrin is a class of Pyrethroid insecticide chemical with a broad range of applications and repellent characteristic properties. It is majorly produced in India, US, Germany, and China due to the presence of numerous industries consuming this product. Being one of the most important chemicals of the Pyrethroid family, Lambda Cyhalothrin is broadly used in agricultural products such as fruit trees, cotton, and vegetables for pest and insect control. It is highly efficient and relatively less toxic as compared to other insecticides. It also has capabilities to control lepidopterans and coleopteran insects and is recommended for control of bollworms, jassids, thrips in cotton and leaf rollers, stem borers, GLH, gall midge, hispa and thrips in rice. Lambda Cyhalothrin is also consumed or employed in household and gardens to keep insects at bay.

Value of the Lambda Cyhalothrin market

According to the Company Commissioned F&S Report, the global market for Lambda Cyhalothrin was valued at US$0.73 billion in 2020 and is expected to grow at a CAGR of 5.1% to reach US$0.93 billion by 2025. The Indian Lambda Cyhalothrin market was valued at US$11 million and is expected to grow at a CAGR of 10.4% to reach US$18 million by 2025.

Growth drivers of the Lambda Cyhalothrin market

The growth of the global Lambda Cyhalothrin market is driven by the rise in concerns towards diseases transferable by insects. The increase in demand for food grains as well as rise in awareness for a safe and healthy lifestyle is expected to drive the demand of Lambda Cyhalothrin as well.

Key players in the Lambda Cyhalothrin market

According to the Company Commissioned F&S Report, key global players in manufacturing Lambda Cyhalothrin include Nufarm, BASF, Marrone Bio Innovations, Biostadt India, Agromonti Company, Jiangsu Huangma Agrochemicals, Hamlung Chemicals, Jiangsu Xinnuo Chemicals, Yangnong Chemical, and Fengshan Group. Key players in the Indian Lambda Cyhalothrin include Hemani Industries, Heranba, Dhanuka Agritech, Tagros, UPL, among others.

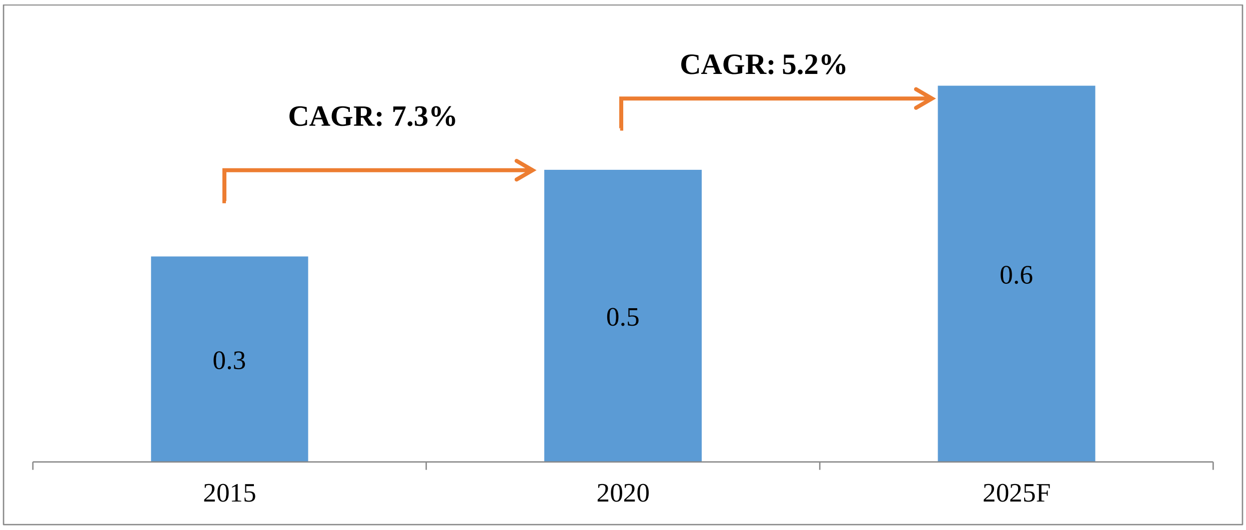
Dicamba

Dicamba is a benzoic acid herbicide that is applied to soil, plants, or leaves. It is primarily applied to control broad-leaved weeds. Dicamba is consumed mainly by the agricultural sector and over 70-75% of its consumption is to control weed growth. Other areas of application are on grasses and leaves in lawns and turfs, gardens and house plants in addition to non-commercial applications. Dicamba does not present any unusual handling hazards, however, can be moderately toxic when inhaled and ingested by humans. It can be applied for various types of crop such as cereals & grains, oil seeds & pulses, pastures, and forage seeds. In agricultural practices, Dicamba is increasingly replacing glyphosate as the weed resistance for the latter is increasing.

Value of the Dicamba market

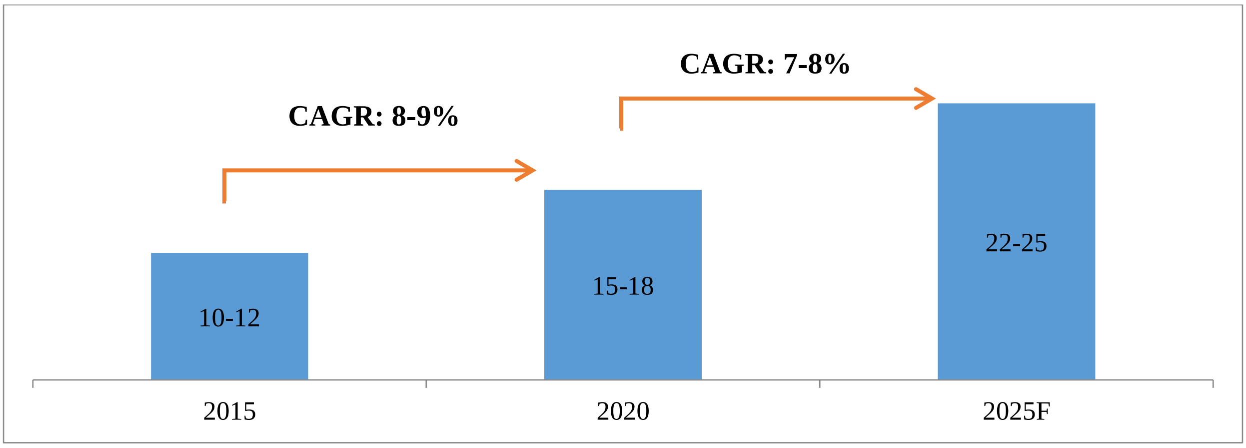
According to the Company Commissioned F&S Report, the global market for Dicamba was valued at US$0.48 billion in 2020 and is expected to grow at a CAGR of 5.2% to reach US$0.62 billion by 2025. The United States and the European Union are the major consumers of Dicamba. Asia Pacific is observing a huge growth in consumption mainly from countries like China, India, Japan, South Korea and Australia. The availability of low-cost products like Dicamba from Asia is also driving the demand. China emerged as an export hub of Dicamba formulations due to high tax rebates (between 9% and 13%) in fiscal 2020. This has attracted a large number of manufacturers to foray into the exports of Dicamba in the global market. Exporters in China have reduced their export prices due to increased tax rebates, driving in flow of Dicamba in the global market.

Global Dicamba Market (US$ billion)



Source: Company Commissioned F&S Report

India Dicamba Market (US$ million)



Source: Company Commissioned F&S Report

Growth drivers and restraints of the Dicamba market

The growth of this market is expected to be propelled by the growing activities of research & development in herbicide manufacturing technology, rising prices of agricultural commodities, and ease of application and handling of synthetic herbicides. The shrinking arable land, adoption of new technology, and the increasing willingness of farmers to spend more for higher productivity are some important factors that contribute to the increasing demand for Dicamba herbicide.

On the other hand, there is a tendency for the drift of Dicamba onto neighbouring fields. The Environmental Protection Agency (EPA) in the United States also entered into an agreement with leading Dicamba manufacturers to minimize the potential of Dicamba formulations to drift to damage neighbouring crops.

Key players in the Dicamba market

According to the Company Commissioned F&S Report, the major global players manufacturing Dicamba include BASF, Monsanto Company, Du Pont, Bayer, The Dow Chemical Company, Syngenta, Nufarm Limited, among others. Key players in the Indian Dicamba market include Hemani Industries, Tagros, UPL, among others. According to the Company Commissioned F&S Report, Hemani Industries was the third largest manufacturer of Dicamba in India in terms of production volume in 2020.

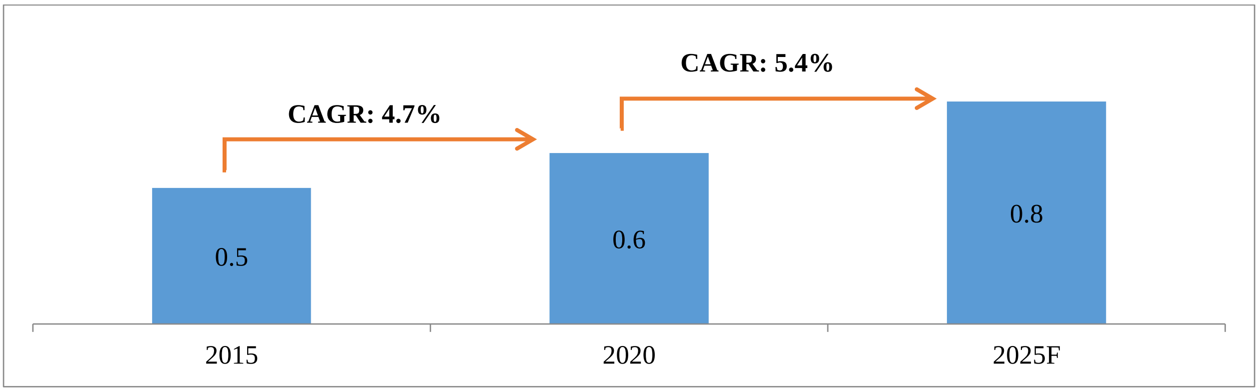
Mesotroine

Mesotrione is a systemic pre- and post-emergence herbicide used for the residual control of broadleaf weeds mainly in field corn, seed corn, yellow popcorn and sweet corn. Mesotrione applied in recommended quantities ensures the desired effects on sensitive crops and abides by the current environmental standards and food safety. It presents no significant risks to humans and other non-target organisms or to the environment. Its degradation by soil micro-organisms is fast, ensuring a low possibility to retrieve Mesotrione in ground water. Its terminal residues in soil, maize, grain, and maize straw are below the limit of quantification.

Value of the Mesotroine market

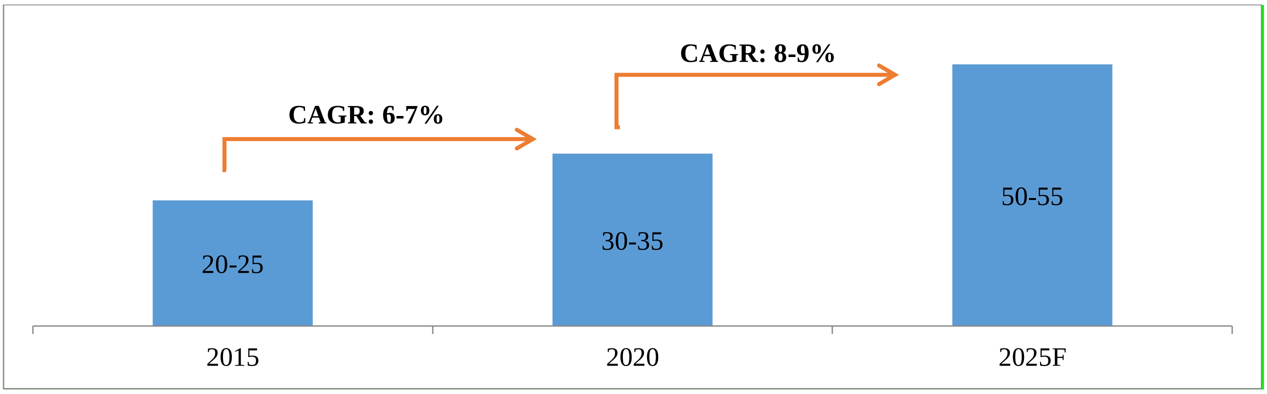
According to the Company Commissioned F&S Report, the global market for Mesotrione was valued at US$0.59 billion in 2020 and is expected to grow at a CAGR of 5.4% to reach US$0.77 billion by 2025. The Indian market for Mesotrione was valued at US$30-35 million and is expected to grow at a CAGR of 8-9% to reach US$50-55 million by 2025.

Global Mesotrione Market (US$ billion)



Source: Primary Research, Frost & Sullivan, Company Commissioned F&S Report

Indian Mesotrione Market (US$ million)



Source: Primary Research, Frost & Sullivan, Company Commissioned F&S Report

Key players in the Mesotrione market

According to the Company Commissioned F&S Report, key global players operating in the Mesotrione market are Hebei Chengxin (Liben), Zhejiang Zhongshan, Zhangye Dagong, Limin Chemicals, Shenyang Kechuang, Nutrichem, Shandong Binnong, Syngenta and UPL. Other than international players, key manufacturer of Mesotrione in India is UPL.

Benzaldehyde

Benzaldehyde is one of the basic organic chemicals. Benzaldehyde can be extracted from natural resources and can also be manufactured synthetically. The major application areas of benzaldehyde are agrochemicals and aroma chemicals. The technical grade compound is used in the production of perfumes, flavoring chemicals, dyes, and pharmaceuticals. Food Chemicas Codex (FCC) grade benzaldehyde is majorly used for the production of fragrances and soaps. The compound is generally recognized as safe (GRAS) and, therefore, finds wide application in the personal care, and food and beverage industries. The United States Food and Drug Administration (FDA) has authorized the application of benzaldehyde as a synthetic flavoring agent.

Historically, as an end-use industry, aroma chemicals occupied a significant share in the benzaldehyde market. The major factor driving the demand for the chemical in this industry is its ability to recreate artificial cherry and almond flavors for application in food and beverages. Owing to this, the market is expected to witness significant growth in this end-use category in the future as well. Moreover, in the manufacturing of certain types of fragrances and flavors, such as cinnamaldehyde and cinnamic acid, benzaldehyde is used as a primary element; hence, increase in demand for these fragrances is expected to fuel the demand for the compound in the coming years.

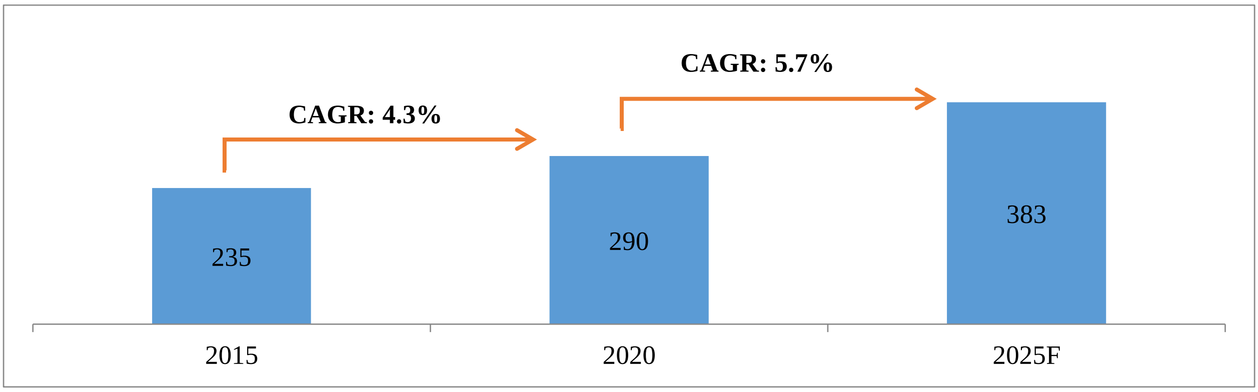
The major trend gaining momentum in the global benzaldehyde market is the increasing use of the derivatives of the aromatic compound for the synthesis of other organic compounds. The derivatives such as benzoic acid, cinnamic acid, benzyl alcohol, and sodium benzoate, are increasingly being employed in organic reactions to produce other chemicals. Thus, the demand for the compound is directly linked to the increasing application of its derivatives for the manufacturing of new compounds. This is expected to augment the production of the compound and positively impact its demand in the market.

Value of the Benzaldehyde market

According to the Company Commissioned F&S Report, the global market for Benzaldehyde was valued at US$290 million in 2020 and is expected to grow at a CAGR of 5.7% to reach US$383 million by 2025. The Indian market for Benzaldehyde was valued at US$16-20 million in 2020 and is expected to grow at a CAGR of 9-10% to reach US$25-30 million by 2025.

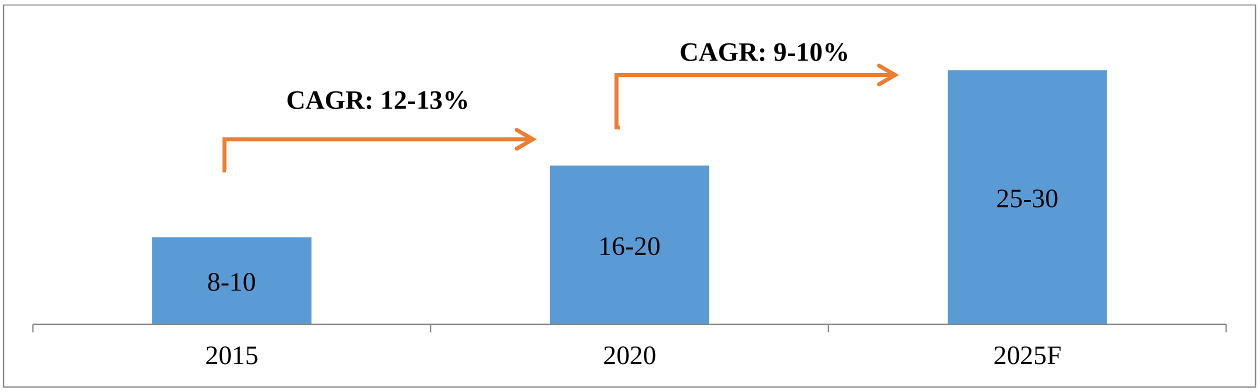
Asia Pacific accounted for more than 50% share of the benzaldehyde market in 2020. This can be attributed to the high consumption of benzaldehyde in end-use industries, such as food and beverage, and personal care, in the region. The Asia Pacific benzaldehyde market is projected to continue to be a dominating region in terms of growth during the forecast period.

Global Benzaldehyde Market (US$ million)



Source: Primary Research, Frost & Sullivan, Company Commissioned F&S Report

Indian Benzaldehyde Market (US$ million)



Source: Primary Research, Frost & Sullivan, Company Commissioned F&S Report

Growth drivers of the Benzaldehyde market

The benzaldehyde market is expected to be driven by socio-economic development across the emerging economies, globally. This is expected to result in increased demand from end-use industries, such as food and beverage, and personal care. The use of benzaldehyde in these industries for the production of fragrances and as a flavoring agent is likely to increase its application and drive its demand.

The high demand for the compound (used as a solvent) for the production of cellulose acetates, resins, oils, cellulose ethers, and nitrates is creating ample growth opportunities for the manufacturers of the compound and its derivatives. This, in turn, is expected to positively impact the growth of the benzaldehyde market, globally.

Agriculture is the prime occupation in India and also practiced on a large scale in China. Benzaldehyde is also used as the main component in the production of pesticides and herbicides. Therefore, the growing demand for pesticides and herbicides is expected to drive the benzaldehyde market.

Key players in the Benzaldehyde market

According to the Company Commissioned F&S Report, some of the major companies operating in the global benzaldehyde market are Kadillac Chemicals, Shimmer Chemicals, Emerald Performance Materials, Gujarat Alkalies and Chemicals Limited (GACL), Haihang Industry, Nantong Tianshi Chemical, Jiangsu Jiamai Chemical, Shenyang Huijinfengda Chemical, Wuhan Dico Chemical, Lianyungang Taile Chemical Industry and Merck.

Deltamethrin

Deltamethrin is a synthetic pesticide that kills insects on contact and during digestion. It is mostly used on crops such as cotton, coffee, maize, cereals, fruit, vegetables, and hops, and on stored products. Residue levels in crops treated according to good agricultural practice are generally very low. Deltamethrin is also used in animal health, in vector control, and in public health. It is a non-crop pesticide that works against a variety of insect pests, including Lepidoptera, Homoptera, Aphids and Psylla, Heteroptera, Thysanoptera, and others.

Value of the Deltamethrin market

According to the Company Commissioned F&S Report, the global market size of the Deltamethrin market stood at US$334.6 million in 2020, and is expected to grow at a CAGR of 3.5% to reach US$384.3 million by 2026. Over the next five years the Deltamethrin market is likely to register a 3.5% CAGR in terms of revenue and hence the global market size is expected to reach USD 384.3 million by 2026. By grade, the Deltamethrin market is segmented into Deltamethrin EC, Deltamethrin WP, Deltamethrin SC and Deltamethrin ULV.

In terms of market share by demand, in 2020, China is the largest market, with a share over 30%, followed by Europe and India, both having a combined share over 45%. In terms of grades, Deltamethrin EC is the largest segment, with a share over 60%. In terms of application, the largest application is Agricultural Use, followed by Public and Household.

Key players in the Deltamethrin market

Key players in the global Deltamethrin market include Bayer Crop Science, Jiangsu Yangnong Chemical, Gharda Chemicals, Tagros, Nanjign Red Sun, Sumitomo Chemical, Heranba, Meghmani, FMC Group and Hemani Industries. Hemani Industries also has a robust exports framework and is considered as one of the top four companies in the global Deltamethrin market in 2020 in terms of production volume, according to the Company Commissioned F&S Report.

Bifenthrin

Bifenthrin is a pyrethroid insecticide used primarily against the red imported fire ant by influencing its nervous system. It has a high toxicity to aquatic organisms. Bifenthrin is used for the control of red ants, borers and termites in timber, insect pests in agricultural crops (bananas, apples, pears, ornamentals) and turf, as well as for general pest control (spiders, ants, fleas, flies, mosquitoes).

Value of the Bifenthrin market

According to the Company Commissioned F&S Report, the global market size of Bifenthrin was valued at US$207.1 million in 2020 and is expected to grow at a CAGR of 6.6% for the next five years, reaching a value of US$285 million by 2025. The Asia Pacific region (APAC) is currently the global leader in the Bifenthrin market. This can be attributed to a robust agricultural base that needs chemical intervention to increase productivity. China accounts for the highest share of demand by country.

Key players in the Bifenthrin market

Global Bifenthrin main players are Yangnong Chemical, Jiangsu Huifeng Agrochemical, Jiangsu Chunjiang Agrochemical, Jiangsu Huangma Agrochemicals and FMC Group. According to the Company Commissioned F&S Report, Hemani Industries is placed among one of the leading manufacturers and exporters of Bifenthrin in India, catering to the global demand.

CyperMethrin Acid (CMAC)

CMAC is a pale-yellow liquid which is mainly used for the manufacture of Cypermethrin, Permethrin, Beta Cypermethrin, Alpha Cypermethrin and some other products. The global CMAC market is projected to grow at a CAGR of 3.85% during the period 2021-2026.

Key players in the CMAC industry include companies such as Bayer CropScience Limited, Gharda Chemicals Limited, Heranba Industries Limited, Meghmani Organics Ltd., Tagros Chemicals India Pvt. Ltd and Hemani Industries. According to the Company Commissioned F&S Report, in 2020, Hemani Industries was the second largest global manufacturers of CMAC in terms of production volume, serving clients across the globe and having an established name in the industry

Other herbicide

Sulfentrazone

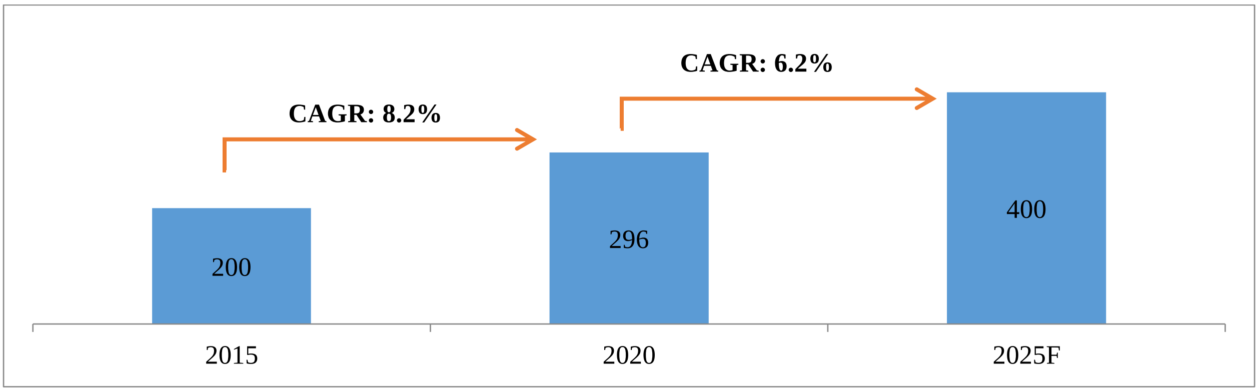
Sulfentrazone is the International Organization for Standardization common name for organic compounds used for broad-spectrum herbicides, which acts by inhibiting the enzyme protoporphyrinogen oxidase. Sulfentrazone is a herbicide used mainly on corn, soybeans, sugarcane and tobacco. It has been popular in Latin America countries for 10 years for use against glyphosate-resistant weeds.

Value of the Sulfentrazone market

According to the Company Commissioned F&S Report, the global market for Sulfentrazone was valued at US$296 million in 2020 and is expected to grow at a CAGR of 6.2% to reach US$400 million by 2025. The Indian market for Sulfentrazone was valued at US$296 million in 2020 and is expected to grow at a CAGR of 6.2% to reach US$400 million by 2025. India's domestic market for Sulfentrazone is limited and most of the produce is exported.

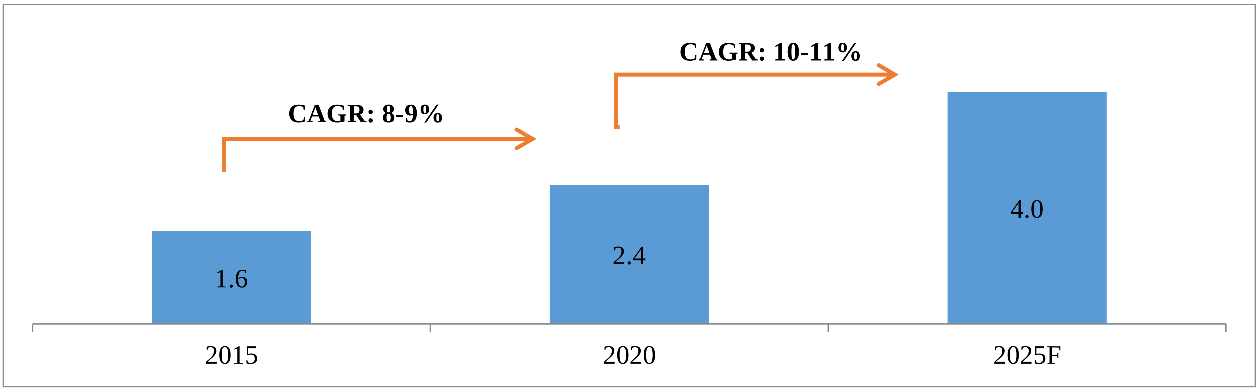
At the end of 2019, Sulfentrazone prices sharply rose to USD 38.9/ kg as compared to the average price of USD 30/kg.

Global Sulfentrazone Market (US$ million)



Source: Agropages, Primary Research, Frost & Sullivan

Indian Sulfentrazone Market (US$ million)



Source: Agropages, Primary Research, Frost & Sullivan

Growth drivers of the Sulfentrazone industry

The growth of the Sulfentrazone industry is expected to be driven by shift in farming practices towards better productivity, as arable land availability has been adversely affected by rapid urbanization. In addition, new formulation of Sulfentrazone is expected to further drive the growth of the industry. When sulfentrazone is coupled with other manufactured glyphosate products, it changed its sorption and desorption to the soil, affecting its leaching. The use of sulfentrazone in combination with the Roundup Ultra formulation has been found to be safer, minimizing product leaching and, as a result, the risk of groundwater contamination.

Key players in the Sulfentrazone market

Brazil is the major global consumer for Sulfentrazone, followed by the United States and Argentina. China is the major producer of Sulfentrazone globally, followed by India. It is expected that increasing global efforts to decrease dependency on China will benefit India in the long run. According to the Company Commissioned F&S Report, India exported a total of 2,440 tons of Sulfentrazone in 2019, valued at US$108 million, among which Tagros accounted for almost the entire Sulfentrazone export market in India.

According to the Company Commissioned F&S Report, the key players in the Sulfentrazone market include the following:-

Company	Sulfentrazone brands and capacity (2020)
FMC Corporation	Authority, Authority Nxt
Hemani Industries	1,200 MT per annum (expected to be in operation by last quarter of fiscal 2022)
Tagros Chemicals India	1,200 MT per annum
UPL	1,200 MT per annum

Source: Company Commissioned F&S Report

Hemani Industries announced that its production facility for Sulfentrazone Technical will become operational in the fourth quarter of fiscal 2022. The plant, with a capacity of 1,200 MT per annum. will be one of the largest facilities in India for the production of Sulfentrazone, according to the Company Commissioned F&S Report. This site has been earmarked for production of herbicides. In addition to Sulfentrazone, Metribuzin Technical is already being manufactured in the facility since October 2020.

OVERVIEW OF THE GLOBAL AND INDIAN DIAMIDES INDUSTRY

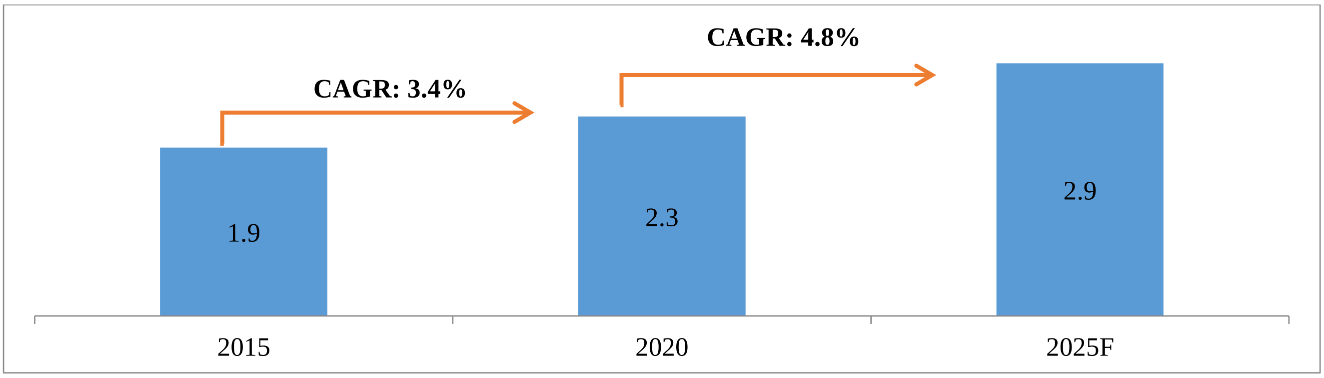
The global Diamides industry

Diamides are special kind of insecticides which can selectively activate an insect or pest without harming the beneficial insects. Diamides have low acute toxicity in mammals and do not exhibit any genotoxic properties. They are highly potent, possess favourable toxicological profile and regulate wide range of pests. They are used in wide range of crops including cotton, soybeans, fruits and vegetables. Diamides are predominantly active against lepidopteran pests that infect cruciferous crops. Their high target-mortality, quick and novel mode of action contributed to their strong demand generation in the market. According to the Company Commissioned F&S Report, fruits, vegetables and rice make up around 50% of the global Diamides crop application.

Value of the global Diamides industry

According to the Company Commissioned F&S Report, the global Diamides market was valued at US$2.3 billion in 2020. The market showed a decent growth from 2015-20 at a CAGR of 3.4% and is expected to grow at a CAGR of 4.8% till 2025 to reach US$2.9 billion in 2025.

Global Diamide Market (US$ billion)

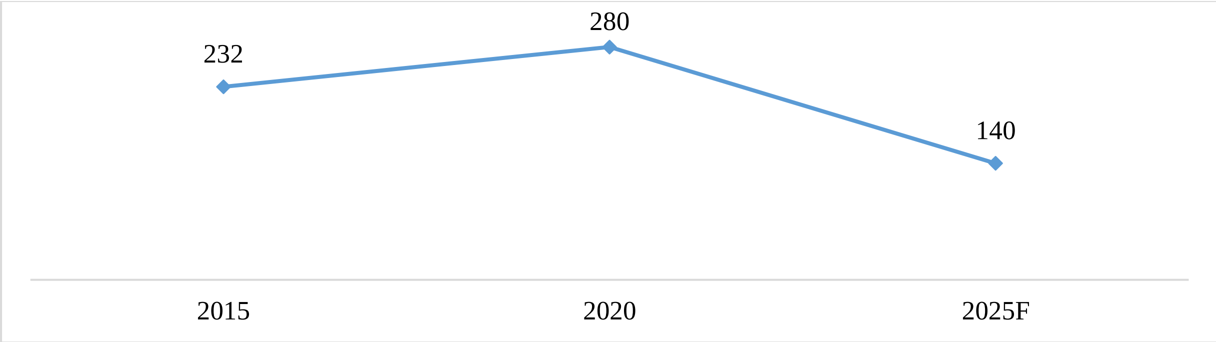


Source: Company Commissioned F&S Report

Diamides, in particular - Chlorantraniliprole and Cyantraniliprole active ingredients (AIs) contribute to more than 80% of the entire Diamides market in 2020. The market share of these two AIs within the Diamides segment has grown by 45% in three years (2017-2020).

Chlorantraniliprole is the most widely used Diamides active ingredient. It accounts for more than 50% of the Diamides market globally. The growing demand for Chlorantraniliprole has led to a steady increase in its price. As it meets the regulatory requirements, its registration, production and wide scale application in the future is expected to keep its demand growing. However, on account of its patent expiry in 2024, the prices might decline by 40-50%.

Chlorantraniliprole Price Trend, US$/Kg, 2015-25F

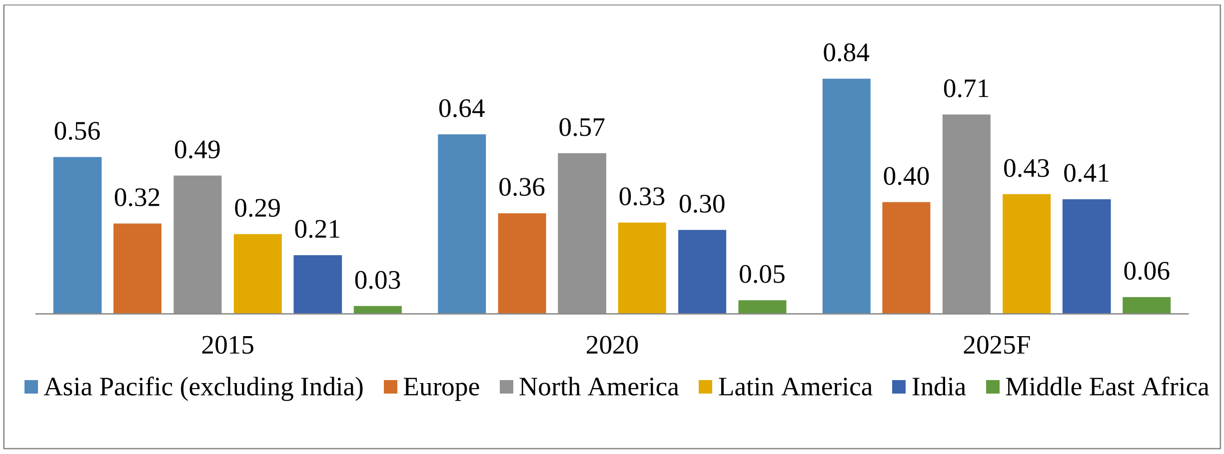


Source: Trade Map, Statista, Frost & Sullivan

Global Diamides industry by geographical segments

According to the Company Commissioned F&S Report, in 2020, Asia Pacific held the largest market for Diamides based on revenue mainly derived from Chlorantraniliprole and Cyantraniliprole, followed by North America, Europe and Latin America.

Global Diamides Market by Geography, 2015, 2020, 2025F Value (US$1.9 billion, US$2.3 billion, US$2.9 billion)



Source: Primary Research, Annual Reports and Investor presentations of companies, Frost & Sullivan

Kay players in global Diamides industry

According to the Company Commissioned F&S Report, the key players in the global Diamides market include FMC (market leader), Aristo Biotech, Syngenta, Dow DuPont, Bayer and Nihon Nohyaku. In respect of Chlorantraniliprole and Cyantraniliprole Ais, FMC held close to 1,000 granted and pending patents across 75 countries, according to the Company Commissioned F&S Report.

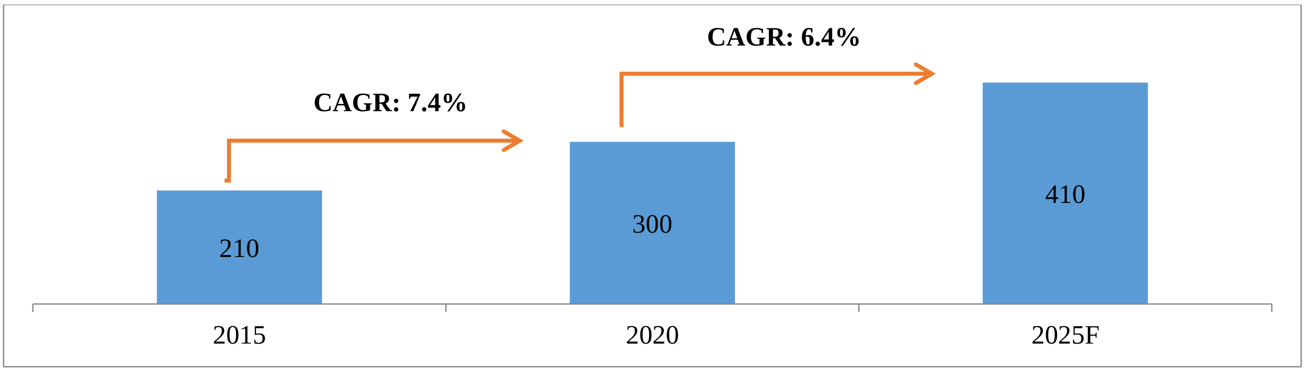
The global Diamides market is evolving to meet the high demand for insecticides across the globe. Chlorantraniliprole and Cyantraniliprole alone have been approved for more than 3000 product uses across 76 countries. R&D activities in other Diamides are also intense, thereby new formulations being launched in the market from time to time.

The Indian Diamide Industry

Value of the Indian Diamide Industry

According to the Company Commissioned F&S Report, the Indian Diamides market was valued at US$300 million in 2020 and is expected to grow at a CAGR of 6.4% to reach US$410 million by 2025. The market is mainly dominated by Chlorantraniliprole imported from China (FMC), followed by Flubendiamide imported from Japan (Nihon Nohyaku). Cyantraniliprole is also imported into India, but in much smaller quantities. Other Diamides such as Broflanilide, Cyclaniliprole, Flubendiamide and Tetraniliprole are also imported in small quantities mostly for R&D and laboratory applications. The import of Diamides such as Tetrachlorantraniliprole and Cyhalodiamide is almost negligible.

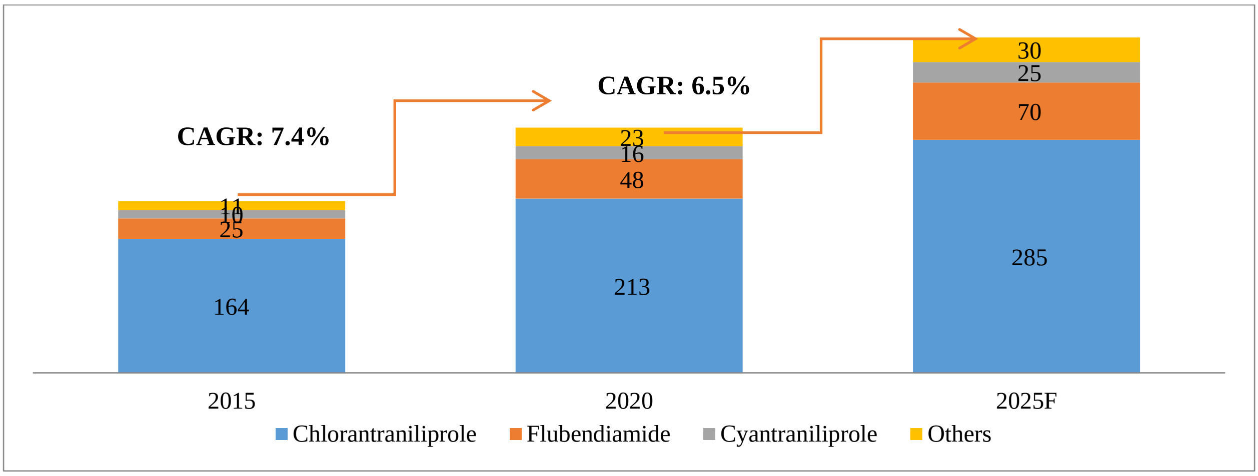
Indian Diamides Market (US$ million)



Source: Company Commissioned F&S Report

The below-mentioned market values are based on the distributor's price for the respective products with exclusively one active ingredient. The 'other' products denote the formulations with more than one active ingredient but at least one of them being Diamides.

Indian Diamides Market, by Molecule (US$ million)



Source: Primary Research, Frost & Sullivan

Indian Diamides market by trade

Currently, the India's major Diamides active ingredients Chlorantraniliprole and Cyantraniliprole are completely imported from China and Japan. The Indian Diamides market is dependent on imports. As of 2020, the two major importers of Chlorantraniliprole in India are FMC India Pvt Ltd (79%) and Syngenta India Ltd (21%).

Growth drivers and restraints of the Indian Diamides industry

Patent expiry of active ingredients by 2025

The following Diamides active ingredients are expected to go off-patent by 2025.

The Indian Diamides market is expected to witness a twist of events after the patent expiry of the main Diamides active ingredients Chlorantraniliprole and Cyantraniliprole by 2025.

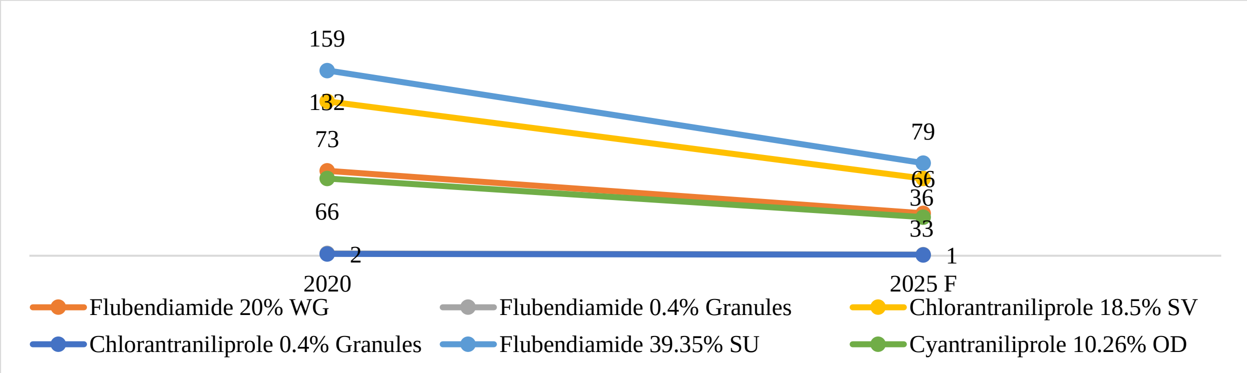
Expiry of major Diamides active ingredients by 2025

Diamide active ingredients	Name of inventor	Year of expiry	Application
Chlorantraniliprole	Corteva/FMC	2022	Effective against chewing insects of soybean, rice, fruits, vegetables, cotton, maize, sugarcane, potato and cereals
Cyantraniliprole	Corteva/FMC/Syngenta	2024	Effective against lepidopteran larvae and also on aphids, thrips and some chewing and sucking insects on a variety of crops

Source: Philips McDougall, IHS Markit, Company Commissioned F&S Report

When the product becomes generic, the prices are expected to plunge by 40–50%, although the volumes are expected to grow at a steady rate to exhibit 5% CAGR growth rate in the forecast period.

Indian Diamides Market, Price Trends (Average price in US$/Kg), 2020-25



Source: Primary Research, Frost & Sullivan

With the Government speeding up the technical registration process, insecticide manufacturers may be able to launch the generic products efficiently after the expiry of the patent at a competitive price, rather than being dependent on a large-scale importer of technical from China. As part of 'Make in India', the government is encouraging the agrochemicals manufacturers to increase the domestic production of active ingredients. The Production Linked Incentive (PLI) scheme extension to agrochemicals sector announced in 2020 is one of the milestones towards the goal of encouraging backward integration of manufacturers. The shift of chemical companies from China to India, reduction in price, availability of raw materials are the key deciding factors that determine the growth trend of the Diamides market after the patent expiry.

Government support

The government's support for agrochemicals manufacturers to convert the imports to in-house production through PLI scheme is expected to drive production growth along with an increase in the exports of the Indian agrochemical industry. This makes it more affordable and reachable to the farmers as most of the Diamides consumed in India are imported. The government has also launched various rural programmes in association with the manufacturers to educate the farmers in Integrated Pest Management (IPM), where a wide range of formulations are to be employed to prevent insecticide resistance. Such awareness programmes is expected to make the farmers shift from conventional formulations to the advanced ones.

Growing demand of end-user segment

The tropical climate of India favours large production of cereals such as paddy, sugarcane and cotton. Growing demand of these end-user segment coupled with government's Make in India schemes encouraging exports is expected to drive the market for Diamides.

Stringent regulatory requirements across the globe and high efficacy of Diamides

Stringent regulatory requirements for registration and usage of pesticides are increasing across the globe and thereby driving the demand for innovation in sustainable insecticide solutions, including Diamides. In addition, Diamides insecticides exhibit high target-mortality, quick action and appropriate toxicological profile, all of which contributed to its high efficacy and commercial success as insecticide class. High efficacy of Diamides is expected to drive the market.

PEER COMPARISON OF KEY PLAYERS

The following tables sets forth the peer comparison of key Indian players by certain financial parameters:

Competition Landscape – Total Revenue in Rs. million

	FY 20-21	FY 19-20	FY 18-19	CAGR FY 19-21 (%)
UPL	389,520	358,600	220,770	32.8%
PI Industries	47,019	34,154	29,004	27.3%
Bayer CropScience	36,754	32,204	27,487	15.6%
Sumitomo Chemicals	26,635	24,355	22,360	9.1%
Rallis India	24,699	22,862	20,146	10.7%
Tagros Chemicals	21,897	17,679	13,193	28.8%
Dhanuka Agritech	14,212	11,452	10,270	17.6%
Heranba Industries	12,257	9,679	10,118	10.1%

	FY 20-21	FY 19-20	FY 18-19	CAGR FY 19-21 (%)
Hemani Industries	11,836	10,260	8,950	15.0%
Bharat Rasayan	10,991	12,319	9,947	5.1%
Anupam Rasayan	8,373	5,398	5,206	26.8%
Average	54,927	48,997	34,314	

Source: Company Commissioned F&S Report

Competition Landscape – EBIDTA in Rs. million

	FY 20-21	FY 19-20	FY 18-19	CAGRFY 19-21 (%)
UPL	85,590.0	74,520.0	40,330.0	45.7%
PI Industries	11,415.0	7,675	6,359	34.0%
Tagros Chemicals	7,984	4,316	2,732	71.0%
Bayer CropScience	6,622	5,342	4,482	21.6%
Sumitomo Chemicals	5,054	3,439	2,963	30.6%
Rallis India	3,633	2,940	2,720	15.6%
Dhanuka Agritech	3,028	1,984	1,672	34.6%
Hemani Industries	2,594	2,148	1,513	30.9%
Bharat Rasayan	2,467	2,460	1,896	14.1%
Heranba Industries	2,284	1,459	1,388	28.3%
Anupam Rasayan	2,202	1,456	1,126	39.8%
Average	12,079	9,794	6,107	

Source: Company Commissioned F&S Report

Competition Landscape – EBIDTA Margin (%)

	FY 20-21	FY 19-20	FY 18-19
Tagros Chemicals	36.50%	24.40%	20.70%
Anupam Rasayan	26.30%	27.00%	21.60%
PI Industries	24.30%	22.50%	21.90%
Bharat Rasayan	22.40%	20.00%	19.10%
Hemani Industries	21.92%	20.93%	17.11%
UPL	21.90%	20.80%	18.30%
Dhanuka Agritech	21.30%	17.30%	16.30%
Heranba Industries	18.60%	15.10%	13.70%
Bayer CropScience	18.00%	16.60%	16.30%
Rallis India	14.70%	12.90%	13.50%
Sumitomo Chemicals	12.90%	13.30%	12.90%
Average	21.71%	19.17%	17.40%

Source: Company Commissioned F&S Report

Competition Landscape – PAT Margin (%)

	FY 20-21	FY 19-20	FY 18-19
PI Industries	15.70%	13.40%	14.10%
Bharat Rasayan	14.90%	12.80%	11.20%
Dhanuka Agritech	14.90%	12.00%	10.90%
Hemani Industries	14.31%	13.01%	8.49%
Tagros Chemicals	13.90%	8.30%	1.90%
Sumitomo Chemicals	13.00%	8.40%	7.40%
Bayer CropScience	12.90%	10.50%	10.90%
Heranba Industries	12.60%	10.10%	7.50%
Rallis India	9.30%	8.00%	7.60%
UPL	9.00%	6.10%	7.10%
Anupam Rasayan	8.40%	9.90%	9.60%
Average	12.63%	10.23%	8.80%

Source: Company Commissioned F&S Report

Competition Landscape – ROE (%)

	FY 20-21	FY 19-20	FY 18-19
Heranba Industries	36.33%	35.61%	39.06%
Hemani Industries	33.06%	36.99%	28.79%
Dhanuka Agritech	28.00%	20.94%	17.65%
Tagros Chemicals	25.43%	12.20%	3.06%
Bharat Rasayan	25.38%	32.41%	31.54%

	FY 20-21	FY 19-20	FY 18-19
Sumitomo Chemicals	25.00%	20.01%	18.65%
Rallis India	15.24%	13.72%	12.55%
UPL	16.79%	11.45%	12.49%
PI Industries	18.55%	18.62%	19.49%
Anupam Rasayan	6.57%	10.16%	10.77%
Average	23.04%	21.21%	19.41%

Source: Company Commissioned F&S Report

Competition Landscape – ROCE (Pre-tax) (%)

	FY 20-21	FY 19-20	FY 18-19
Heranba Industries	49.26%	48.48%	65.53%
Tagros Chemicals	40.73%	16.19%	11.79%
Dhanuka Agritech	36.18%	25.89%	23.04%
Hemani Industries	33.14%	40.86%	43.80%
Bharat Rasayan	33.07%	42.23%	42.45%
Sumitomo Chemicals	32.12%	25.84%	26.19%
Rallis India	18.87%	16.32%	17.20%
PI Industries	21.70%	23.04%	24.93%
UPL	12.35%	9.70%	10.19%
Anupam Rasayan	11.06%	10.90%	10.53%
Average	28.85%	25.95%	27.57%

Source: Company Commissioned F&S Report

Notes:

EBITDA = Profit before tax + Depreciation and Amortisation + Finance Costs

EBITDA Margin (%) = EBITDA/Total Revenue (including other income)

Net Profit Margin (%) = Net Profit/Total Revenue

ROE (%) = Net Income/Average Net worth

ROCE (%) = EBIT/Average Capital Employed

EBIT= Profit before tax + Net Finance Costs

Capital Employed= Total Assets-Current Liabilities

Competition Landscape – Revenue Share from Domestic Sales vs Exports (%)

Company Name	Domestic Share (FY20-21)	Export Share (FY20-21)
Hemani Industries Limited	38.32%	61.68%
Heranba Industries Ltd	53.2%	46.8%
Tagros Chemicals	14.8%	85.2%
Bharat Rasayan	52.0%	48.0%
UPL	12.7%	87.3%
Rallis	70.0%	30.0%
Dhanuka Agritech	Major share	
PI Industries	87.5%	12.5%
Anupam Rasayan	42.0%	58.0%
Sumitomo Chemical	83.2%	16.8%

Source: Company Commissioned F&S Report

The integration across the agrochemicals value chain positions Hemani Industries as a key strategic player and supplier in Indian agrochemicals space. According to the Company Commissioned F&S Report, the installed capacity as of 2021 of Hemani Industries for its key products are as follows:

Product	Application	Installed Capacity in 2021 (Estimate) (Metric Tonnes per Annum (MTPA))	Market Position based on production volume in 2020
MPBD	Intermediate goes into pyrethroids	12,000 MTPA	Largest globally
CMAC	Intermediate goes into pyrethroids	3,600 MTPA	Second largest globally
Cypermethrin	Insecticide (Technical)	6,500 MTPA	Largest globally
Alpha Cypermethrin	Insecticide (Technical)	1,100 MTPA	Second largest globally
Permethrin	Insecticide (Technical)	1,000 MTPA	Third largest globally
Dicamba	Herbicide (Technical)	1,440 MTPA	Third largest globally
Lambda Cyhalothrin	Insecticide (Technical)	250 MTPA	N/A

Product	Application	Installed Capacity in 2021 (Estimate) (Metric Tonnes per Annum (MTPA))	Market Position based on production volume in 2020
Bifenthrin	Insecticide (Technical)	400 MTPA	N/A
Metamitron	Herbicide (Technical)	1,000 MTPA	Second largest in India
Deltamethrin	Insecticide (Technical)	180 MTPA	One of top four manufacturers globally

Source: Company Commissioned F&S Report

OUR BUSINESS

Some of the information contained in this section, including information with respect to our strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward-Looking Statements" on page 17 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 27 and 372, respectively of this Draft Red Herring Prospectus for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of the Company may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated, industry and market data used in this section has been derived from the F&S Report prepared and released by Frost & Sullivan and exclusively commissioned and paid for by our Company in connection with the Offer. 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. For more information, see "Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from the F&S Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 52. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 15 .

Our fiscal year ends on March 31 of each year, and references to a particular fiscal period are to the twelve months ended March 31 of that year. References to a six month period or "Half Year" are to the six months ended September 30 of a particular fiscal year. Unless otherwise specified or as the context requires, financial information included in this section for the six months periods ended September 30, 2021 and 2020 and for Fiscal 2021, Fiscal 2020 and Fiscal 2019 is derived from our Restated Financial Statements.

Unless otherwise stated, references to "the Company", "our Company", "we", "us", and "our" are to Hemani Industries Limited and its subsidiaries.

Unless otherwise specified or as the context requires, financial and operational information contained in this section for the six months ended September 30, 2021, Fiscal 2021 and Fiscal 2020 is provided on a consolidated basis and derived from our Restated Consolidated Financial Statements, and financial information contained in this section for Fiscal 2019 is provided on a standalone basis and derived from our Restated Standalone Financial Statements.

Overview

We are an Indian chemical company focused on the manufacturing and marketing of a range of agrochemicals and specialty chemicals. The end uses of our products include crop protection (insecticides, herbicides and fungicides) as well as products used for wood protection, veterinary, household and public health applications. We are highly backward integrated with most of our raw materials being produced in-house. (*Source: F&S Report, March 2022).* In addition to manufacture and sale of our products (as Intermediates, Technical and Formulations), we also engage in contract research and manufacturing services ("CRAMS") and contract manufacturing for multi-national and domestic companies in the agrochemical and specialty chemicals areas.

We have a presence across the entire value chain, Technicals, Formulations and Intermediates. According to Frost & Sullivan, we are a leading player in the Indian pyrethroid market in Fiscal 2021. (*Source: F&S Report, March 2022).* In Intermediates, in CY 2020, we were the largest global producer by volume of Meta Phenoxy Benzaldehyde ("MPBD") and the second largest producer by volume of Cypermethrin Acid Chloride ("CMAC"). (*Source: F&S Report, March 2022).* In Technicals, in CY2020, we were the largest global producer by volume of Cypermethrin Technical, the second largest global producer by volume of Alpha Cypermethrin, the third largest global producer by volume of Permethrin Technical and the third largest manufacturer by volume of Dicamba in India. (*Source: F&S Report, March 2022).*

The table below sets forth information about each of our top five products by revenue including the product's industry application, the product launch year, the volume of the product produced in Fiscal 2021, the CAGR of our volumes of the product from Fiscal 2019 to Fiscal 2021 and the contribution of sales of the product as a percentage of our total revenue in Fiscal 2021.

Product	Category	Industry Application	Estimated Market Position (1)	Launch Year	Volume Produced in Fiscal 2021 (MT)	Volume CAGR (Fiscal 2019 to Fiscal 2021)	Total revenue in Fiscal 2021 (₹ million)	Percentage of revenue from operations (%)
Meta Phenoxy Benzaldehyde ("MPBD")	Intermediate	Crop Protection – Raw material use for production of	Largest globally	1994	7,035.75	2.79%	2,201.98	18.79%

Product	Category	Industry Application	Estimated Market Position (1)	Launch Year	Volume Produced in Fiscal 2021 (MT)	Volume CAGR (Fiscal 2019 to Fiscal 2021)	Total revenue in Fiscal 2021 (₹ million)	Percentage of revenue from operations (%)
		Cypermethrin						
Cypermethrin	Technical	Crop Protection - synthetic pyrethroid insecticide	Largest globally	2011	5,150.55	15.24%	2,465.50	21.04%
Alpha Cypermethrin	Technical	Crop Protection- synthetic pyrethroid insecticide	Second largest globally	2010	970.50	55.88%	1,206.86	10.30%
Metamitron	Technical	Crop Protection - synthetic compound used as herbicide	Second largest in India	2011	720.20	(3.85%)	822.09	7.01%
Deltamethrin	Technical	Crop Protection - non-systemic synthetic pyrethroid insecticide	Top four globally	2018	133.87	75.43%	622.27	5.31%

(1) Based on production volume in 2020. (*Source: F&S Report, March 2022).*

We are predominantly focused on exports. In Fiscal 2021, we exported our products to 60 countries. According to F&S, we carry out our operations in high growth regions such as the Asia Pacific, Latin America, the United States, Russia, Africa and Australia. *(Source: F&S Report, March 2022).* We are one of the leading exporters of MPBD to China as Chinese producers lack MPBD domestic production (MPBD is the key starting material for Lambda). *(Source: F&S Report, March 2022).*

During the six month period ended September 30, 2021 and during Fiscal 2021, Fiscal 2020 and Fiscal 2019, our revenues from exports were ₹4,086.38 million, ₹7,140.82 million, ₹6,445.39 million and ₹6,137.07 million, respectively, and our revenues from exports as a percentage of revenues from operations were 58.18%, 61.68%, 65.62% and 70.74%, respectively, during the same periods. As of December 31, 2021, our largest export countries by value include China, the United Kingdom and the United States. We are a certified "Three Star Export House" as certified by the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India, and we have an international sales and marketing team that is dedicated to generating business orders and understanding the requirements of our customers. We currently have three wholly-owned subsidiaries located in Australia, South Korea and India. Our two overseas subsidiaries operate as our marketing and distribution arms and help identify new customers as well as to understand their evolving needs. We cater to our global customers though our two international offices, three overseas stock points and our commission agents. Our dedicated marketing teams endeavour to explore new markets and identify potential customers as well as take care of the needs of our existing customers. Our sales across India are augmented by our distribution network of dealers and distributors.

To ensure continuing international growth and expansion into new markets and customers, we obtain and maintain numerous international product registrations across geographies. We are in the process of entering highly regulated markets. In the nine months ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, we had 128, 116, 111 and 64 product registrations, respectively, and we spent approximately ₹90.00 million, ₹45.10 million, ₹28.50 million and ₹51.50 million in each of the same respective periods in connection with obtaining and maintaining our international product registrations. Holding these international product registrations bolsters our position as a key agrochemicals exporter and strengthens our position against other chemical exporting competitors. According to Frost & Sullivan, holding product registrations is also a key success factor which complements the Company's revenue growth. (*Source: F&S Report, March 2022).* Given the nature of the application of our products and the complex processes involved, our products are subject to, and measured against, high quality standards, and sensitive and rigorous product approval systems with stringent specifications. For example, our regulatory team ensures compliance with the guidelines set out with United States' Environmental Protection Agency, Office of Pollution Prevention and Toxic Substances ("OPPTS") for all our Technical and Formulation products. Further, due to the stringent regulatory and industry standards of the end use products manufactured by our customers, any change in the vendor of the component Intermediates and Technicals may require significant time and expense for customers, which acts an entry barrier and as a disincentive for any such change. Accordingly, customer acquisition is difficult and the number of competitors involved in the manufacturing of products similar to ours is limited.

Our product portfolio was sold to over 1,700 total customers during the last ten years. We added 166 new customers and served 665 total customers during the nine month ended December 31, 2021, added 207 new customers and served 766 total customers in Fiscal 2021, added 207 new customers and served 698 total customers in Fiscal 2020 and added 347 new customers and served 633 total customers in Fiscal 2019. Select examples of our major customers include Alchemie Overseas Ltd., Arysta LifeScience Benelux SRPL, Bayer Vapi Private Limited, Dhanuka Agritech Limited, Jiangsu Yangnong Chemical Co., Ltd., Shandong Rainbow Agrosciences Co. Ltd, Sharda Cropchem Limited, Tagros Chemicals India Pvt. Ltd. and UPL Limited. We are also engaged in CRAMS and contract manufacturing for large international and domestic chemical companies in agrochemicals and specialty chemicals. Our customer relationships are longstanding, and out of our over 1,700 total customers over the past ten years, we have enjoyed business relationships for more than five years with 31% of these customers. We added 927 customers between April 1, 2018 and December 31, 2021.

We operate three modern manufacturing facilities in Gujarat, located in Dahej (our "Dahej Facility"), Ankleshwar (our "Ankleshwar Facility") and Saykha (our "Saykha Facility"), which are strategically located near the Hazira Port. As of September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, these facilities had a total installed capacity of Intermediates and Technicals of 29,088 MTs, 25,638 MTs, 22,614 MTs and 19,064 MTs, respectively, and a Formulations capacity of 9,200 KL at Ankleshwar during the same periods. In the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our aggregate manufacturing capacity utilization for Intermediates and Technicals was 40.29%, 75.42%, 75.99% and 81.15%, respectively, and our Formulations manufacturing capacity utilization at Ankleshwar was 43.59%, 38.91%, 39.17% and 15.75% in the same respective periods. We invested ₹2,722.83 million to increase our aggregate manufacturing capacity at a CAGR of 11.34% from April 1, 2018 to March 31, 2021 to add capacity for our MPBD, Prosulfocarb and Metribuzin products. Our manufacturing facilities are equipped with modern machinery and equipment, including reactors, agitated nutsche filters and dryer ("ANFDs"), centrifuges and reactive chemical vapor deposition ("RCVD") systems, high pressure autoclaves, which enable our facilities to undertake various chemistry processes, including but not limited to esterification, hydrolysis, bromination, epimerization, pressure reactions, carboxylation, diazotization reaction, friedel craft reaction and oxidation to produce our agrochemicals and other specialty chemicals. Our Ankleshwar Facility and Dahej Facility are compliant with the requirements of ISO 9001, ISO 14001 and ISO 45001. In addition to our manufacturing facilities, we also have a pilot plant including four reactors (two of 100L capacity and two of 250L capacity) and downstream equipment across a range of scale-up volumes and process parameters.As part of our eco-friendly initiatives, we have installed a windmill at Kutchh, Gujarat in Fiscal 2020 to compensate for the fossil fuels used at our Ankleshwar Facility. Further, we intend to install solar energy power generation systems as an alternative source of power at our Dahej Facility. Additionally, we have also installed advanced effluent treatment capabilities, multi effect evaporators and incinerators to reduce discharge and waste.

We have a R&D laboratory at our Ankleshwar Facility. As of December 31, 2021, our R&D facility had 20 employees holding various designations such as chemist, assistant qc, manager etc. Their qualifications vary from completion of higher secondary education to master's degree in science. Our R&D efforts are mainly focused on the development of new products and processes, improvement of our existing production processes, adoption of advance production technology, and improvement of quality of our existing products coupled with cost efficiency. We believe that these capabilities enable us to handle more complex chemistries and explore, among others, green and continuous flow chemistry processes which may give us a competitive edge in future. Our R&D efforts are very important to maintain our competitive position in various business lines, as well as, to address changing customer needs, industrial development and business models. Since Fiscal 2019, our R&D efforts have resulted in the development of processes for Deltamethrin, Prosulfocarb, Metribuzin and Bifenthrin, the sales of which contributed to 14.58% of our revenue from operations in the six months ended September 30, 2021, 11.91% of our revenue from operations in Fiscal 2021, 7.32% of our revenue from operations in Fiscal 2020 and 2.42% of our revenue from operations in Fiscal 2019. According to F&S, we are one of the top four companies in the global Deltamethrin market in 2020, in terms of production volume, and we are placed among one of the leading manufacturers and exporters of Bifenthrin in India, catering to the global demand. (*Source: F&S Report, March 2022).*

Our business has grown under the vision, leadership and guidance of our experienced management team comprising of our promoters, Jayesh Mohan Dama (Joint Managing Director of the Company) and Mohan Sunderji Dama (Managing Director), who collectively have more than 52 years of experience in the chemical industry. Each of our Promoters have assisted our Company to establish strong business relationships with domestic and overseas customers and suppliers. For further information, see "*-Strengths – Experience Promoters and Senior Management*", "*Our Management*" and "*Our Promoters and Promoter Group*" on pages 171, 202 217, respectively.

Our Company was recently awarded with (a) the Export Excellence Award under large scale unit category and (b) the Social Responsibility Excellence Award, by the Pesticides Manufacturers and Formulators Association of India (the "PMFAI") at PMFAI-SML Annual Agchem Awards 2022 held in Dubai.

Key Financial Information

Set forth below is certain of our key financial information.

(*in* ₹ millions *except percentages and ratios*)

Particulars	**Six months ended September 30, 2021**	**Six months ended September 30, 2020**	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2019**
Revenue from operations	7,143.99	4,950.36	11,719.23	10,000.19	8,823.03
Total Revenue	7,304.47	4,967.34	11,836.09	10,259.97	8,949.78
EBITDA (1)	1,708.29	1,065.38	2,594.43	2,147.75	1,531.33
EBITDA margin (2)	23.39	21.45	21.92	20.93	17.11
Operating EBITDA (3)	1,547.81	1,048.40	2,477.58	1,887.96	1,404.58

Operating EBITDA Margin [(4)]	21.67%	21.17%	21.14%	18.88%	15.92%
Profit after tax	1,127.64	683.44	1,694.14	1,334.69	759.77
PAT margin [(5)]	15.44	13.76	14.31	13.01	8.49
Fixed asset turnover ratio [(6)]	1.92*	1.63*	3.21	3.76	4.22
Free cash flow (FCF) [(7)]	(251.55)	917.33	171.13	18.78	(397.26)
Capital expenditure	634.00	465.86	1,279.50	896.87	546.46
Net working capital days [(8)]	85	40	63	75	39
ROCE [(9)]	18.19%*	16.38%*	33.14%	40.86%	43.80%
ROE [(10)]	17.23%*	14.78%*	33.06%	36.99%	28.79%
Debt / equity ratio	0.37	0.19	0.33	0.36	0.42
Net debt / EBITDA ratio [(11)]	1.28*	0.53*	0.55	0.66	0.79

** Not Annualized*

(1) EBITDA is calculated as the sum of (i) profit for the period/year from continuing operations (including other income), (ii) total tax expenses, (iii) depreciation and amortization expenses, and (iv) financial costs.

(2) EBITDA Margin is calculated as EBITDA divided by total revenue.

(3) Operating EBITDA is calculated as the sum of (i) profit before tax, (ii) financial costs and (iii) depreciation and amortization expense, reduced by other income.

(4) Operating EBITDA Margin is calculated as Operating EBITDA divided by revenue from operations.

(5) PAT Margin is calculated as profit for the period/year from continuing operations divided by total revenue.

(6) Fixed asset turnover ratio is calculated by dividing the sum of net block of fixed assets and right of use assets by revenue from operations.

(7) FCF is calculated as deducting capital expenditure and tax shield on interest expense from the sum of cash from operating activities and interest expenses.

(8) Net working capital days is calculated as deducting Payable days from the sum of Inventory days and Receivable days. Payable days are calculated as trade payable divided by the cost of goods sold multiplied by 365. Inventory days are calculated as inventory divided by the cost of goods sold multiplied by 365. Receivable days are calculated as trade receivables divided by the total revenue multiplied by 365.

(9) ROCE is calculated as profit before tax and financial costs from continuing operations divided by Capital Employed, i.e., total assets less current liabilities.

(10) ROE is calculated as profit for the period/year available for equity shareholders divided by average shareholders' equity.

(11) Net debt / EBITDA ratio is calculated by dividing Total Debt by EBITDA.

Our Strengths

We believe that we possess a number of competitive strengths, which enable us to successfully execute our business strategies, including the following:

Leading market positions across our major agrochemical and specialty chemical products

We manufacture, produce and supply various agrochemicals and specialty chemicals to international and domestic markets. We have a presence across the entire value chain, Technicals, Formulations and Intermediates according to Frost & Sullivan. In Fiscal 2021, we were a leading player in the Indian pyrethroid market. (*Source: F&S Report, March 2022).* In Intermediates, in CY 2020, we were the largest global producer by volume of MPBD and the second largest producer by volume of CMAC. (*Source: F&S Report, March 2022).* In Technicals, in CY2020, we were the largest global producer by volume of Cypermethrin Technical, the second largest global producer by volume of Alpha Cypermethrin, the third largest global producer by volume of Permethrin Technical and the third largest manufacturer by volume of Dicamba in India. (*Source: F&S Report, March 2022).* In addition, we are one of the top four companies in the global Deltamethrin market in 2020, in terms of production volume, and we are placed among one of the leading manufacturers and exporters of Bifenthrin in India, catering to the global demand. (*Source: F&S Report, March 2022).*

The following table sets forth the market size in CY2020 of certain of our products and the expected growth in these markets forecast for CY 2025 by Frost & Sullivan.

Global Market	CY2020	CY2025	CAGR (2020-25)
MPBD	$0.32 billion	$0.44 billion	6.6%
Cypermethrin Technical	$0.61 billion	$0.79 billion	5.2%
Alpha Cypermethrin	$0.2 billion	$0.3 billion	8.4%
Permethrin Technical	$0.25 billion	$0.33 billion	6.6%
Dicamba	$0.48 billion	$0.62 billion	5.2%
Deltamethrin	$334.6 million	$384.3 million	3.5%
Bifenthrin	$207.1 million	$285.0 million	6.6%

(Source: F&S Report, March 2022).

For further information on global and Indian agrochemical markets, see "Industry Overview" on page 114.

We believe that we have achieved these market positions using our core competencies in chemistry and technology, which helped us to optimize our production, enhance yields, and increase cost competitiveness. According to Frost & Sullivan, the integration across the agrochemicals value chain, positions us as a key strategic player and supplier in Indian agrochemicals space. *(Source: F&S Report, March 2022).* We also attribute our leading positions to various factors including commitment to product quality, advanced infrastructure, modern manufacturing facilities, management expertise and continued product and process improvisation, coupled with cost effectiveness led by our R&D efforts.

By leveraging our experience in Intermediates and Technicals for insecticides, we developed and expanded our product range to include Intermediates and Technicals for herbicides and fungicides, and we successfully developed a Formulations business. We are focused on product diversification and adding more fast-growing product categories to our portfolio. In the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our top four non-pyrethroids products contributed sales representing 27.18%, 18.01%, 18.60% and 17.87%, respectively, of our revenue from operations.

Further, our leadership position in our key products offers us advantages such as cost efficiency due to economies of scale, competitive product pricing, ability to scale our business, ensure customer loyalty and expand our product pipeline into new end-uses.

Global presence in a market with high entry barriers

We are an export-focused business catering to over 60 countries covering major geographies in Asia, Europe, North America, South America and Australia. Our largest export countries by revenues include China, the United Kingdom, and the United States. We are a Three Star Export House under the Indian Ministry of Commerce scheme, and we have an international sales and marketing team that is dedicated to generating business orders and understanding the requirements of our customers.

We currently have three wholly-owned subsidiaries located in Australia, South Korea and India. Our two overseas subsidiaries operate as our marketing and distribution arms for those regions and help identify new customers as well as to understand their evolving needs. In addition to serving the customers in their respective regions, these subsidiaries also carry inventory of our products in order to meet with immediate requirements of the customers and thus substantially reduce the lead time. As of December 31, 2021, we had two international offices located in Australia and South Korea and three overseas stock points located in Australia, South Korea, and the Netherlands to cater to our global customers. Our sales across India are augmented by our distribution network of dealers, and distributors.

The table set forth below provides geographic split of our revenue from operations and as a percentage of revenue from operations in the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019.

Geography	**Six months ended September 30, 2021**		**Six months ended September 30, 2020**		**Fiscal 2021**		**Fiscal 2020**		**Fiscal 2019**	
	₹ million	**% of revenue from operations**	**₹ million**	**% of revenue from operations**	**₹ million**	**% of revenue from operations**	**₹ million**	**% of revenue from operations**	**₹ million**	**% of revenue from operations**
India (domestic sales)	2,937.14	41.11	2,055.02	41.51	4,669.36	39.84	3,554.80	35.55	2,685.96	30.44
China	458.85	6.42	442.15	8.93	942.53	8.04	1,300.72	13.01	1,405.97	15.94
Rest of Asia	785.19	10.99	606.17	12.24	1,268.94	10.83	1,007.09	10.07	913.36	10.35
European Union (incl. CIS Countries)	1,516.60	21.23	880.73	17.79	2,339.29	19.96	2,543.26	25.43	1,979.49	22.44
North America [(1)]	268.56	3.76	251.55	5.08	690.49	5.89	508.69	5.09	198.08	2.25
South America	660.41	9.24	310.94	6.28	645.86	5.51	432.03	4.32	1,074.41	12.18
Central America	7.36	0.10	47.17	0.95	107.03	0.91	16.33	0.16	72.30	0.82
Rest of the world	509.88	7.14	356.63	7.20	1,055.73	9.01	637.27	6.37	493.46	5.59
Total	**7,143.99**	**100.00%**	**4,950.36**	**100.00%**	**11,719.23**	**100.00%**	**10,000.19**	**100.00%**	**8,823.03**	**100.00%**

(1) North America includes the United States, Mexico, Honduras and Cuba.

To ensure continuing international growth and expansion into new markets and customers, we obtain and maintain numerous international product registrations across geographies through our Company and our wholly-owned subsidiaries. We have successfully entered highly regulated markets and adhered to international regulatory standards to sell our products. In the nine months ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, we had 128, 116, 111 and 64 product registrations, respectively, and we spent approximately ₹90.00 million, ₹45.10 million, ₹28.50 million and ₹51.50 million in each of the same respective periods in connection with obtaining and maintaining our international product registrations. The time required to obtain an international product registration varies from country to country but on average we spend between 12 and 60 months to process the application, file for registration and clear regulatory approval. According to F&S, obtaining registration involves long approvals and is a time taking process - consumes over 3-4 years due to the voluminous documentation and disclosures requirements. (*Source: F&S Report, March 2022).* Holding these international product registrations bolsters our position as a key agrochemicals exporter and strengthens our position against other chemical exporting competitors. According to Frost & Sullivan, Holding product registrations is also a key success factor which complements the Company's revenue growth. (*Source: F&S Report, March 2022).*

Our competitive advantage is further augmented by the high barriers to entry in the agrochemical industry. Such entry barriers include the high cost, complex regulatory approvals, intricacy of product development and manufacturing, lead time, expenditure required for R&D, building customer confidence and relationships, which can only be achieved over a period of time.

Given the nature of the application of our agrochemical and specialty chemical products and the complex processes involved, such products are subject to, and measured against, high quality standards, and sensitive and rigorous product approval systems with stringent specifications. We have a dedicated regulatory team which helps us in ensuring compliance with the guidelines set out with United States' EPA OPPTS ("OPPTS") for all our Technical and Formulation products. Further, due to the stringent regulatory and industry standards of the end use products manufactured by our customers, any change in the vendor of the component Intermediates and Technicals may require significant time and expense for customers, which acts an entry barrier and as a disincentive for any such change. Accordingly, customer acquisition is difficult and the number of competitors involved in the manufacturing of products similar to ours is limited.

Large customer base with long lasting relationships

Our customers have included over 1,700 multinational, regional and local companies over the past ten years. Select examples of our major customers include Alchemie Overseas Ltd., Arysta LifeScience Benelux SRPL, Bayer Vapi Private Limited, Dhanuka Agritech Limited, Jiangsu Yangnong Chemical Co., Ltd., Shandong Rainbow Agrosciences Co., Ltd, Sharda Cropchem Limited, Tagros Chemicals India Pvt. Ltd. and UPL Limited. We are also engaged in CRAMS and contract manufacturing for large international and domestic chemical companies in agrochemicals and specialty chemical areas.

In the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our top 10 customers contributed to 39.22%, 32.77%, 42.21% and 41.89%, respectively, of our revenue from operations, and our top 20 customers contributed to 49.81%, 42.74%, 53.49% and 53.68%, respectively, of our revenue from operations from the same respective periods.

The following table sets forth certain key information about our customers and products for the periods indicated.

Period	Number of new customers in the period(1)	Percentage of total revenue contribution from new customers *	Number of customers served in the period *	Number of Countries to which our products are exported
Fiscal 2019	347	15.27	633	55
Fiscal 2020	207	20.98	698	49
Fiscal 2021	207	18.10	766	61
Half Year 2022	109	22.97	563	49

** Does not include our CRAMS and contract manufacturing customers.*

Our customer relationships are longstanding, and out of our over 1,700 total customers over the past ten years, we have enjoyed business relationships for more than five years with 31% of these customers. We added 927 customers between April 1, 2018 and December 31, 2021.

In addition to producing quality products and fulfilling orders and projects on-time, we believe that our customer loyalty has been earned by:

- approachable management addressing their concerns and relationships developed by our marketing team;
- nurturing customer centric culture that focuses on quality assurance and performance standards;
- building strong technical and R&D team; and
- offering modern facilities with an emphasis on sound environmental and safety practices.

Our market positions coupled with our long-term relationships and ongoing active engagements with customers allow us to plan our capital expenditure well in advance as well as benefit from increasing economies of scale, strong purchasing power for raw materials and a lower cost base. Our customer relationships have also helped us expand our product offerings and geographic reach of our revenue from operations in the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, 41.11%, 39.84% 35.55% and 30.44% were from India, respectively, 21.23%, 19.96%, 25.43% and 22.44% were from EU countries, respectively, 13.11%, 12.32% 9.57% and 15.24% were from the America (South, North and Central), 10.99%, 18.87% 23.08% and 26.29% were from Asia and 7.41%, 9.02%, 6.37% and 5.59% from the rest of the world. Our diversified global customer base assists us in reducing our geographic dependence, which helps in mitigating the effects of economic and industry-specific cycles.

Our customer engagements are dependent on delivering quality products consistently. Our potential customers often take several years to approve us as suppliers to ensure that all their quality parameters are fulfilled and that we meet all their requirements across a variety of jurisdictions and multiple regulators. Further, the costs involved of approving any change in suppliers of specialty chemical products are relatively high, consequently de-incentivising any such change in suppliers. Accordingly to Frost & Sullivan, specialty chemical customers typically select suppliers after carefully reviewing them and tend to develop long-term relationships with them as well as limit the number of such suppliers. *(Source: F&S Report, March 2022).*

Specialty chemicals companies, in the view of Frost & Sullivan, enjoy strong entry barriers in the form of vendor acquisition, lengthy and complex product approval, registration process, and customer loyalty, among others. *(Source: F&S Report, March 2022).* According to Frost & Sullivan, the level of technical skill and expertise that is essential for developing in-house innovative processes, undertaking complex chemistries and handling some of the raw materials and Intermediates, requires a significant amount of training that can only be achieved over a period of time thereby creating a further entry barrier for new entrants. *(Source: F&S Report, March 2022).*

Strong R&D Capabilities

Our R&D laboratory is located at our Ankleshwar Facility with modern research and development infrastructure. Our R&D efforts are mainly focused on developing new products and processes, improving our existing production processes, adopting advance production technology, and improving the quality of our existing products coupled with cost efficiency. Set forth below is the list of our complex chemistries and processes:

- Hydrolysis
- Bromination
- Esterification
- Isomerization
- Free radical reaction
- Cyanation reaction
- Diazotization reaction
- Chlorination
- Pressure reactions
- Epimerization
- Ring formation & Ring contraction reaction
- Functional group protection
- Condensation
- Carboxylation
- Oxidation
- Friedel Craft reaction
- Rearrangement reaction
- Coupling reaction

We believe that these capabilities enable us to explore, among others, green and continuous flow chemistry processes, which may give us a competitive advantage in the future. Our R&D efforts are important to maintain our competitive position in various business lines as well as to address evolving customer needs, industrial development and business models. Additionally, our R&D laboratory focuses on operating cost efficiency, product design and improvement, development of alternative processes and technologies with a focus on reduction of discharge and emissions to the environment, recycling of waste and environmental management. As of December 31, 2021, our R&D facility has 20 employees holding various designations such as chemist, assistant qc, manager etc. Their qualifications vary from completion of higher secondary education to master's degree in science.

Our laboratories are equipped with sophisticated instruments which include gas chromatography–mass spectrometry and high-performance liquid chromatography machines, particle size analyzers, PH meters, Karl Fischer titrators, conductivity meters, melting point apparatus and water purification systems. Our analytical capabilities include critical quality control measures, stability studies, method validation and method development.

Our R&D activities have enhanced our ability to handle more complex reactions and processes. We have also emphasized the development of different Formulations prepared from both our own products and outsourced Technicals. In addition, we also work on the development of various combination products suitable for different end uses in different countries.

We believe that our ability to manufacture such products are the key factor which has contributed to our growth. Since Fiscal 2019, our R&D efforts have resulted in the development of processes for Deltamethrin, Prosulfocarb, Metribuzin and Bifenthrin, the sales of which contributed to 14.58% of our revenue from operations in the six months ended September 30, 2021, 11.91% of our revenue from operations in Fiscal 2021, 7.32% of our revenue from operations in Fiscal 2020 and 2.42% of our revenue from operations in Fiscal 2019, According to F&S, we are one of the top four companies in the global Deltamethrin market in 2020, in terms of production volume, and we are placed among one of the leading manufacturers and exporters of Bifenthrin in India, catering to the global demand. (*Source: F&S Report, March 2022).*

An example of one of our products developed by our R&D team is the herbicide, Prosulfocarb, which we developed using our own inhouse synthesis and processes and indigenous raw materials. We developed a single step process in a closed system where a small quantity of gas generation is continuously consumed and reacted to form the Profsulfocarb molecule. This process involves the simultaneous addition of two reactants but avoided the need for the handing and storage of the toxic Intermediate Benzyl Mercapton. We then studied our single step process at our pilot plant with various parameters and achieved a 98% purity level against a 97% purity specification. We now manufacture the Profsulfocarb product at our Saykha Facility after our own successful commercial trials.

In addition to R&D and manufacturing of own products, we also undertake CRAMS and contract manufacturing for international and domestic chemical companies in agrochemicals and specialty chemical areas under a contractual supply agreement based model. We have recently executed two major contract manufacturing assignments from leading global agrochemical companies. *(Source: F&S Report, March 2022).* These contracts are both short-term and long-term in nature either with exclusive or non-exclusive arrangements. In the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, revenues from our CRAMS and contract manufacturing business constituted 8.27%, 6.84%, 9.35% and 8.11%, respectively, of our revenues from operations. Our CRAMS customers work jointly with our scientists and chemists to develop their products in our R&D facility. Molecules developed in our CRAMS business for our customers ensures business stickiness as well as longstanding relationship with them.

Operational excellence with focus on quality and vertical integration

We operate three manufacturing facilities in Gujarat- our Dahej Facility, Ankleshwar Facility and Saykha Facility, which are strategically located near the Hazira Port. As of September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, these facilities had a total installed capacity of Intermediates and Technicals of 29,088 MTs, 25,638 MTs, 22,614 MTs and 19,064 MTs, respectively, and a Formulations capacity of 9,200 KL at Ankleshwar during the same periods. According to F&S, we accounted for 27% of the installed domestic capacity for pyrethroids as of 2020. *(Source: F&S Report, March 2022).* We also have a pilot plant including four reactors (two of 100L capacity and two of 250L capacity) and downstream equipment across a range of scale-up volumes and process parameters. Our manufacturing facilities are equipped with modern machinery and equipment, including reactors, ANFDs, centrifuges and RCVD systems, which enable our facilities to undertake various chemistry processes, including but not limited to esterification, hydrolysis, bromination, epimerization, pressure reactions, carboxylation, diazotization reaction, friedel craft reaction and oxidation to produce our agrochemicals and other specialty chemicals.

Our Ankleshwar Facility and Dahej Facility are ISO 9001, ISO 14001 and ISO 45001 certified. As part of our eco-friendly initiatives, we have installed a windmill at Kutchh, Gujarat in Fiscal 2020 to compensate the fossil fuels used at our Ankleshwar Facility. Further, we intend to install solar energy power generation systems as an alternative source of power at our Dahej Facility. Additionally, we have also installed advanced effluent treatment capabilities, multi effect evaporators and incinerators to reduce discharge and waste.

We primarily source the key raw materials used in manufacturing process from our own backward integrated production of Technicals and from third party suppliers in India and globally. Similarly, we manufacture our Formulation products using our own manufactured Technicals made from our Intermediates. As of September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, 43.04%, 48.18%, 47.30% and 43.10% of our Intermediates were used for own captive consumption as part of the production of our Technicals and Formulations. We produce a number of Intermediates used in crop protection which are used for backward integration including but not limited to Cypermethric Acid Chloride and MPBD. We believe that this backward integration greatly reduces our production costs for our Technicals and Formulations, enhances our security of raw material supply, ensures the consistency of quality and reduces our dependence on from China and other countries. For example, we use our production of MPBD and CMAC as raw material for producing Cypermethrin and Permethrin which reduces our costs significantly. According to F&S, we enjoy one of the best cost competitiveness in MPBD production because of backward integration (Benzaldehyde). *(Source: F&S Report, March 2022).* In addition, we started manufacturing Metribuzin Technical in October 2020. We also launched Prosulfocarb Technical in 2021. Further, a new plant of monthly 100 MT capacity has been introduced for Sulfentrazone Technical, extending our backward integration. *(Source: F&S Report, March 2022).*

We also have a centralised system for procurement of raw material from third parties for our manufacturing facilities. The majority of our raw materials are sourced from domestic markets. In the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our consumption of imported raw materials was ₹1,440.31 million, ₹1,796.79 million, ₹820.74 million, and ₹585.39 million, and constituted 34.24%, 29.10%, 14.63% and 11.25 %, respectively, of our total raw material consumption. Our vendors are selected based on a pre-defined policy. Further, we identify and approve multiple vendors to source our key raw materials pursuant to an examination of the potential vendor's regulatory accreditations, supply strength in terms of delivering large quantities on a consistent basis, and contingency arrangements in the event of stoppages.

Robust financial performance

We have built our business organically and have demonstrated consistent growth in terms of revenues and profitability. According to Frost & Sullivan, we are one of the fastest growing agrochemical companies in India with a broad portfolio of Insecticides, Herbicides, Fungicides, Formulations and Intermediates. (*Source: F&S Report, March 2022).* Our revenue from operations have increased at a CAGR of 15.25% from ₹8,823.03 million in Fiscal 2019 to ₹11,719.23 million in Fiscal 2021 Our revenue from operations was ₹7,143.99 million in the six months ended September 30, 2021. Our revenue from exports have grown at CAGR of 7.87% from ₹6,137.07 million in Fiscal 2019 to ₹7,140.82 million in Fiscal 2021. Our revenue from exports was ₹4,086.38 million in the six months ended September 30, 2021.

In the six months ended September 30, 2021 and Fiscal 2021, Fiscal 2020 and Fiscal 2019, our EBITDA was ₹1,708.29 million, ₹2,594.43 million, ₹2,147.75 million, and ₹1,531.33 million, respectively, while our EBIDTA margins in the same periods were 23.39%, 21.92%, 20.93% and 17.11%, respectively. Our profit after tax have increased at a CAGR of 49.33% from ₹759.77 million in Fiscal 2019 to ₹1,694.14 million in Fiscal 2021. In the six months ended September 30, 2021 and Fiscal 2021, Fiscal 2020 and Fiscal 2019 our profit after tax was ₹1,127.64 million, ₹1,694.14 million, ₹1,334.69 million, and ₹759.77 million, respectively, while our profit after tax margins were 15.44%, 14.31%, 13.01% and 8.49%, respectively, for the same periods.

During the six months ended September 30, 2021 and during Fiscal 2021, Fiscal 2020 and Fiscal 2019, our ROCE was 18.19%, 33.14%, 40.86% and 43.80%, respectively; our ROE was 17.23%, 33.06%, 36.99% and 28.79%, respectively; and our fixed asset turnover ratio was 1.92, 3.21, 3.76 and 4.22, respectively.

Experienced Promoters and Senior Management

Our business has grown under the vision, leadership and guidance of our experienced management team comprising of our Promoters, Mohan Dama, Managing Director, and Jayesh Dama, Joint Managing Director, who are collectively having more than 52 years of experience in chemical industry. Each of our Promoters have assisted our Company to establish robust business relationships with domestic and overseas customers and suppliers. Our senior management team is comprised of a six member board, including members Mohan Sunderji Dama, Jayesh Mohan Dama, Dinanath Ramayan Rai, Ravi Sunderarajan, Avani Rajesh Umatt, Sameer Ashok Painganka r, who have significant experience in the agrochemical and specialty chemicals industry. Our senior management team has also enabled us to capture market opportunities, formulate and execute business strategies, manage client expectations and adapt to changing market conditions. Additionally, we believe we also benefit from our senior technical management team and by our department heads.

Our Strategies

Our key business strategies are set forth below.

Expand our manufacturing capacities to capture demand growth

According to Frost & Sullivan, stringent regulations and complex chemistries create high entry barriers in the specialty chemicals industry. These entry barriers act as catalysts for growth in the medium to long term.

The global agrochemicals market was valued by Frost & Sullivan at US$66.6 billion in CY2020 and is forecast to reach USD 91.7 billion by CY2025 growing at a CAGR of 6.5%. In addition, according to the F&S Report, in the crop protection segment, the demand for agrochemical Intermediates is likely to grow at a CAGR of approximately 5.2% between CY2020 and CY2025 and reach a market size of US$78 billion by CY2025. (*Source: F&S Report, March 2022).*

Our market position, coupled with our cost efficiency initiatives, leads us to believe that we are well positioned to capitalize on such market opportunities. Over the years, we have consistently grown our manufacturing and production capabilities. For example, we invested ₹2,722.83 million to increase our aggregate manufacturing capacity at a CAGR of 11.34% from total capacity of 18,576 MT as of April 1, 2018 to 26,472 MT as of March 31, 2021 to add capacity for our MPBD, Prosulfocarb and Metribuzin products. In the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our aggregate manufacturing capacity utilization for Intermediates and Technicals was 40.29%, 75.42%, 75.99% and 81.15%, respectively, and our Formulations manufacturing capacity utilization at Ankleshwar was 43.59%, 38.91%, 39.17% and 15.75% in the same respective periods. Our capital expenditure during the six months ended September 30, 2021 and during Fiscal 2021, Fiscal 2020 and Fiscal 2019 was ₹634.00 million, ₹1,279.50 million, ₹896.57 million and ₹546.46 million, respectively. We seek to capitalize on the growth opportunities in the agrochemical and specialty chemicals industry based on our well positioned operations and being led by an experienced management team. Accordingly, we intend to scale up our manufacturing capacities for insecticides and herbicides.

In addition, we will look for opportunities for strategic acquisitions to acquire manufacturing facilities and entities which can provide us a competitive advantage through forward or backward integration by adding production capacities, adding new products to our portfolio and securing sources of raw material supply. We also look for opportunities to acquire businesses to add new chemistry and technological competencies where we are not present. We will focus on identifying acquisition targets that will benefit from our management expertise, our core competencies and the scale of our operations.

Grow our product portfolio and expand across geographies

Since our inception, we consistently sought to diversify our portfolio of products which could cater to our customers across various segments, sectors outside of agrochemicals (like wood protection, veterinary, household and public health applications) and geographies. We intend to continue to strengthen our existing product portfolio and to further diversify into products with prospects for increased growth and profitability. For example, we intend to increase our focus on insecticides, herbicides and fungicides as these will provide us promising value propositions with an increased range of product offerings. In addition, we aim to capitalize on molecules going off patent in the next five years and look for opportunities to add these molecules as products. According to Frost & Sullivan, the demand for some of these off-patent technical-grade molecules in the global market is expected to increase drastically. Frost & Sullivan expects that the market size of these products will crossover $ 4.1 billion by 2026. (*Source: F&S Report, March 2022).*

Set forth below, among others, are some of the new products that we expect to launch in Fiscal 2023 through Fiscal 2025.

New Product	**Application**	**Estimated Global Market Size CY2020 (3)**	**Forecast CAGR from CY 2020 to CY2025 (3)**
Sulfentrazone (1)	Herbicides (Technicals)	US$296 million	6.2%
Diamides	Insecticides (Technicals)	US$2.3 billion	4.8%
Benzaldehyde (2)	Backward integration for our Intermediates	US$290 million	5.3%

(1) We are expanding our Saykha Facility to provide a capacity of 1,200MT per annum of sulfentrazone. The plant will be one of the largest facilities in India for sulfentrazone. Source: F&S Report, March 2022).
(2) We are proposing to construct a 500TPM Benzaldehyde plant. See "Objects of the Offer" on page 92.
(3) Estimates and forecasts of Frost and Sullivan. (Source: F&S Report, March 2022).

Further strengthen our R&D capabilities

We have consistently invested in our R&D capabilities and technologies at our manufacturing facilities to enable more cost efficient, faster "go-to-market" and scalable processes. During the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, we have invested ₹34.90 million, ₹44.74 million, ₹25.00 million and ₹0.25 million, respectively, in our R&D activities. We intend to further develop our research and development capabilities in order to enhance our diversified product portfolio and reduce production cost. We have expanded our product offerings from 8 products as at April 1, 2018 to more than 48 products as at December 31, 2021, and all 48 products have been developed using our in-house R&D capabilities. In addition, we aim to capitalize on molecules going off patent in the next five years and look for opportunities to add these molecules as products. We are also aiming to develop technologies to produce conventional products using new-age technologies such as continuous flow chemistry. This will enable us to achieve better productivity, quality and cost effectiveness. In addition, we intend to further improve our manufacturing processes to make them more environment friendly and sustainable. We will continue to develop and improve products and processes to meet existing and prospective customer demands, to enhance the quality and purity of our products, and to meet increasing compliance requirements under the environmental regulations. We also intend to expand our R&D team and to hire experienced personnel to achieve this vision. We believe that investment in R&D and expansion of our R&D team, provides us a long-term growth opportunity, and helps us align ourselves with the projected demand in our product segments and better position ourselves to meet the evolving requirements of our customers.

Increase wallet share with existing customers and continued focus on expanding our customer base

Our customer relationships are longstanding, and out of our over 1,700 total customers over the past ten years, we have enjoyed business relationships for more than five years with 31% of these customers. Select examples of our major customers include Alchemie Overseas Ltd., Arysta LifeScience Benelux SRPL, Bayer Vapi Private Limited, Dhanuka Agritech Limited, Jiangsu Yangnong Chemical Co., Ltd., Shandong Rainbow Agrosciences Co., Ltd, Sharda Cropchem Limited, Tagros Chemicals India Pvt. Ltd. and UPL Limited. We believe that the long-standing relationships that we have enjoyed with our customers over the years, including repeated and increasing orders from such customers, are an indication of our position as a preferred supplier. We believe that our continuing R&D endeavors and our reputation for quality and timely delivery will help us to increase our wallet share and product portfolio with existing customers. For example, we developed one of our herbicide products in a different physical form from competing products which led to reduced dusting while formulating this product, and greater customer acceptance. We have built up long-standing relationships with many customers through various strategic endeavors, which we intend to leverage by capitalizing on the cross-selling opportunities that our diversified product portfolio offers.

We also regularly take part in trade shows, road shows and exhibitions. In past, we have participated in many agrochemical trade shows in China and the United States. We have also participated in buyer-seller meets organized by Chemexcil and the PMFAIin various countries. Going forward, we will continue to leverage our sales and marketing network, diversified product portfolio and our industry standing to establish relationships with new multinational, regional and local customers to expand our customer base.

We have been selling Formulations under our own brands since 2018 and under white labels since 2019. We intend to grow our own branded products portfolio by launching our existing Formulation products in new geographies, as well as launching new Formulation products into both existing and new geographies. To build our brand and expand our customer base for our new products, we intend to undertake initiatives such as conducting field demonstrations and product promotion through advertisements and other publications, and participation in various national and international exhibitions. We believe that developing our branded consumer Formulation products will further build our international market position and offer an opportunity for growth.

Expand our CRAMS and Contract Manufacturing Business

We built our contract manufacturing business with key international and domestic customers in the agrochemical and specialty chemicals area. We plan to utilize our competency in complex chemistries and processes to perform custom manufacturing in the crop protection segment for a range of customers in new geographies. We also seek to continue to explore opportunities to enhance our existing customer relationships by undertaking contract manufacturing for new molecules. We intend to enter into additional long-term contracts with these customers to grow our contract manufacturing business. Further, we intend to focus on early-stage process innovation and development that we believe will enable us to capitalize on the complete lifecycle of these products and give us the opportunity to be the initial suppliers for customized Intermediates, Technicals and Formulations and strengthen our client relationships. Our CRAMS and contract manufacturing will allow us to scale up our operations, which in turn should allow us to increase efficiencies and improve our supply costs.

Expand our Global Sales and Distribution Network

In Fiscal 2021, we marketed our product portfolio in over 60 countries. We have an international sales and marketing team that is dedicated to generating business orders and understanding the requirements of our customers. We intend to expand our sales network internationally and in India by additional sales teams and sales offices in selected jurisdictions. In that regard, we also will setup new international subsidiaries as required to support our export business. We will also look for acquisition opportunities that will allow us to penetrate regulated markets by acquiring regulatory assets and improve our international distribution capabilities. In particular, we will focus on identifying acquisition targets that expands the geographic spread of our export business.

Our future growth depends on expanding our supply chain capabilities, particularly to our export markets, through improved and robust sales and distribution network. We will continuously seek to increase the penetration of our products by appointing new distributors and dealers targeted at different customer groups and geographies. Further, our focus will be to increase the number of stock points and strengthen our sales team in India and globally to ensure that we are able to deliver our products to customers in a timely and desired manner.

Our Products and Services

Our Company is vertically integrated. We have a presence across the value chain including Intermediates, Technicals and Formulations. (*Source: F&S Report, March 2022).*

"Intermediates" are the specialty chemicals used to produce active ingredients, which we refer to as "Technicals", which are further used for manufacturing of end use products, which we refer to as "Formulations". Formulations contain specific proportions of Technicals, solvents and other auxiliary chemicals to form the end use products.

The table set forth below provides our revenue from operations contributed by each of our operating verticals in the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019:

Product End Use	**Six months ended September 30, 2021**		**Fiscal 2021**		**Fiscal 2020**		**Fiscal 2019**	
	₹ million	**% of revenue from operations**	**₹ million**	**% of revenue from operations**	**₹ million**	**% of revenue from operations**	**₹ million**	**% of revenue from operations**
Intermediates	1,361.11	19.05	1,804.65	15.40	1,592.96	15.93	1,490.66	16.90
Technicals	3,958.84	55.41	7,246.82	61.84	5,739.91	57.50	5,513.49	62.49
Formulations	973.01	13.62	1,486.94	12.69	841.20	8.41	869.33	9.85

Product End Use	Six months ended September 30, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
Contract Manufacturing	590.84	8.27	802.05	6.84	934.56	9.35	715.64	8.11
Others	260.19	3.64	378.77	3.23	891.56	8.92	233.91	2.65
Total	**7,143.99**	**100.00**	**11,719.23**	**100.00**	**10,000.19**	**100.00**	**8823.03**	**100.00**

We manufacture and export Intermediates, Technicals and Formulations used in agrochemical and specialty chemicals as various end use applications, including crop protection (insecticides, herbicides and fungicides), wood protection, veterinary health, seed treatment and public health. We also engage in contract manufacturing for international and domestic chemical companies that similarly operate in the agrochemical and specialty chemical manufacturing space. In the six months ended September 30, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019, our top five products were used in the crop protection segment and accounted for 63.86%, 62.45%, 66.43% and 76.71%, respectively, of our revenue from operations and, in the six months ended September 30, 2021, they included meta phenoxy benzaldehyde (an Intermediate), Cypermethrin (a Technical), Alpha Cypermethrin (a Technical), Metamitron (a Technical) and Deltamethrin (a Technical).

The table set forth below provides our revenue from operations contributed by our products by end use applications in the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019:

Product End Use	Six months ended September 30, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	₹ million	**% of revenue from operations**	**₹ million**	**% of revenue from operations**	**₹ million**	**% of revenue from operations**	**₹ million**	**% of revenue from operations**
Insecticides	3,761.74	52.66	6,750.10	57.60	5,246.13	52.46	4,807.33	54.49
Herbicides	1,113.50	15.59	1,790.41	15.58	1,217.14	12.17	1,421.85	16.11
Fungicides	26.25	0.37	12.62	0.11	0.00	0.00	0.00	0.00
Intermediates and Others	2,242.50	31.39	3,160.10	27.02	3,536.92	35.37	2,593.85	29.40
Total	**7,143.99**	**100.00%**	**11,719.23**	**100.00%**	**10,000.19**	**100.00**	**8,823.03**	**100.00%**

Crop Protection:

We manufacture crop protection Intermediates, Technicals and Formulations to be used in applications such as insecticides, herbicides and fungicides. *(Source: F&S Report, March 2022).*

Insecticides are chemical substances used to kill or control insects by preventing them from engaging in undesirable or destructive behaviors. Insecticides are commonly used in agricultural, public health, household, industrial and commercial applications.

Herbicides, also commonly known as weed-killers, are pesticides designed specifically to kill weeds and applied to the foliage of unwanted plants or the soil beneath. Selective herbicides control specific weed species, while leaving the desired crop relatively unharmed, while non-selective herbicides (sometimes called total weedkillers in commercial products) can be used to clear waste ground, industrial and construction sites, railways and railway embankments as they kill all plant material with which they come into contact.

Fungicides are pesticides used to kill or inhibit fungi or fungal spores. Fungi can cause serious damage in farming and food production, which can result in critical losses of yield and quality. Fungicides are extensively used in the agriculture and home and garden industries.

Intermediates

We produce a range of Intermediates used in crop protection Technicals, including CMAC, MPBD and others. We produce these Intermediates at our own facilities, which provides numerous benefits, including a reduction of raw material cost and lead time, security of raw material supply, consistency of quality, timely delivery and less dependence on an external supply chain.

In the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, Intermediates contributed to 19.05%, 15.40%, 15.93% and 16.90%, respectively, of our revenue from operations.

Technicals

We produce the entire value chain of Technicals used for Formulations as set forth below.

Product	Description
Cypermethrin	Synthetic pyrethroid insecticide. It controls a wide range of insect pests on a variety of crops by stomach and contact action.
Deltamethrin	A non-systemic synthetic pyrethroid insecticide with contact and stomach action. It is used to control many insect species, particularly lepidoptera, homoptera and coleoptera in a wide range of crops.
Metamitron	A synthetic compound, of the chemical group the triazinones. It is a herbicide, being selective and systemic in its action. Metamitron can be used on pre-emergence or post-emergence weeds.
Dicamba	A selective herbicide in the cholrophenoxy family of chemicals. It is used to control both pre-emergence and post-emergence weeds.
Transfluthrin	A fast acting pyrethroid insecticide with low persistency. It is used in indoor environment against flies, mosquitoes, moths and cockroaches.
Alpha Cypermethrin	A synthetic pyrethroid insecticide. It is effective on a wide range of insects in a variety of crops.
Lambda Cyhalothrin	A non-systemic insecticide with broad range of uses and repellent properties. It controls wide spectrum of insect pests in cereals, hops, potatoes, cotton and other crops.
Bifenthrin	A pyrethroid insecticide used to control a range of pests.
Permethrin	A synthetic pyrethroid non-systemic. It is also used for insect control in animal houses and in public health as a wool preservative.

In the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, Technicals contributed to 55.41%, 61.84%, 57.40% and 62.49%, respectively, of our revenue from operations.

Formulations

We produce a wide range of insecticides, herbicides and fungicides used for Formulations under white label as well as our own branded products, either supplied directly to customers or through our distribution network. As of December 31, 2021, we produced 36 Formulation products that we have developed over the past 5 years. We produce different types of Formulations including but not limited to emulsifiable concentrate, soluble concentrate, wettable granules, soluble liquid, emulsion in water, wettable powder and zeon concentrate.

Details of major key Formulation products and their applications are set out below.

Formulation Product	Application
Insecticides:	
Anicid	Used on cotton, rice and sugarcane against pests such as the bollworm whitefly, stem borer leaf folder GLH and termites.
Hem 5	Used on rice, cotton and pre and post construction buildings against pests such as stem borer and leaf rollers, bollworms and termites.
Hemgent	Used on cotton, rice, soybeans, and brinjal against pests such as bollworms, whiteflies, stem borers, lead folders, hispas, green leaf hoppers, brown plant hoppers, white back plan hoppers, girdle beetles, lead miners, shoot and fruit borers and epilachna beetles.
Hemthrin Duo	Used on cotton and rice against pests such as aphids, jassids, thrips, whiteflies, spodoptera lituras, spotted bollworms, pink bollworms, American bollworms, stem borers and leaf folders.
Anithrin	Used on cotton against pests such as bollworms
Fungicides:	
Hemban	Used on wheat, rice, groundnut, tea and soybeans against crop diseases such as karnal bunt, leaf rust, stem rust, stripe rust, sheath blight, early and late lead spots, rust and blister blight.
Hemcombi	Used on paddies, groundnuts, potatoes and tea against crop diseases such as blast, leaf spot, early and late blight, black scurf, blister blight, grey blight, red rust and black rot.
Hemken	Used on grapes, mangos, apples and pulses against crop diseases such as powdery mildew and scab.
Herbicides:	
Anisten	Used on wheat, rice, cotton and soybean against invasive weeds.
Hemchlor	Used on transplanted rice, rice and sugarcane against invasive weeds and species.
Hemko	Used on soybeans, wheat, sugarcane, potatoes and tomatoes against invasive weeds and species.
Hempik	Used on wheat against invasive weeds such as Phalaris minor.
Hemrux	Used on potato, sugarcane, wheat, maize, sorghum, non-crop areas and aquatic weeds against invasive weeds.

In the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, Formulations contributed to 13.62%, 12.69%, 8.41% and 9.85%, respectively, of our revenue from operations.

The following photograph illustrates some of our major Formulation brands :

Wood Protection

We manufacture and produce the chemicals used in wood protection products set forth below.

Product	Description
Permethrin based products	A synthetic pyrethroid insecticides popularly used in wood preservation.

Veterinary

We manufacture and produce the chemicals used in veterinary products set forth below.

Product	Description
Cypermethrin based products	A synthetic pyrethroid anti-parasitic active ingredient used in veterinary medicine in livestock and pets against external parasites.

Household

We manufacture and produce the chemicals used in household products set forth below.

Product	Description
Cypermethrin based products	A synthetic pyrethroid which is used as a general household spray to control pests indoors.
Deltamethrin based products	A synthetic pyrethroid which is used as a general household spray to control pests indoors.
Transfluthrin based products	A fast acting pyrethroid insecticide with low persistency. It is used in indoor environments against flies, mosquitoes, moths and cockroaches.

Seed Treatment

We manufacture and produce the chemical used in seed treatment products set forth below.

Product	Description
Imida based products	A neonicotinoid insecticide which is very effective in seed treatment programs.

Public Health

We manufacture and produce the chemicals used in public health products. Some of our key products in the public health segment are set forth below.

Product	Description
Cypermethrin based products	A synthetic pyrethroid which is used to control pests outdoors.
Deltamethrin based products	A synthetic pyrethroid which is used to control pests outdoors.

CRAMS and Contract Manufacturing

We undertake CRAMS and contract manufacturing for our international and domestic customers under a contractual supply agreement based model. These contracts are both short-term and long-term in nature either with exclusive or non-exclusive arrangements. In the six months ended September 30, 2021 and Fiscal 2021, Fiscal 2020 and in Fiscal 2019, revenues from our contract manufacturing business constituted 8.27%, 6.84%, 9.35% and 8.11%, respectively, of our revenues from operations.

Our CRAMS customers work jointly with our scientists and chemists to develop their products in our R&D facility . Molecules developed in our CRAMS business for our customers ensures business stickiness as well as longstanding relationship with them.

Customers

Our customers have included over 1,700 multinational, regional and local companies over the past 10 years. We added 927 customers between April 1, 2018 and December 31, 2021. Select examples of our major customers include Alchemie Overseas Ltd., Arysta LifeScience Benelux SRPL, Bayer Vapi Private Limited, Dhanuka Agritech Limited, Jiangsu Yangnong Chemical Co., Ltd., Shandong Rainbow Agrosciences Co., Ltd, Sharda Cropchem Limited, Tagros Chemicals India Pvt. Ltd. and UPL Limited. We are also engaged in contract manufacturing for large international and domestic chemical companies in agrochemicals and specialty chemical areas.

In the nine months ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, we added 166 new customers and served 665 total customers, 207 new customers and served 766 total customers, 207 new customers and served 698 total customers and 347 new customers and served 633 total customers, respectively.

In the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019 respectively, our top 5 customers contributed to 30.38%, 24.02%, 31.37% and 30.56% of our revenue from operations; our top 10 customers contributed to 39.22%, 32.77%, 42.21% and 41.89% of our revenue from operations, and our top 20 customers contributed to 49.81%, 42.74%, 53.49% and 53.68% of our revenue from operations for the same respective periods.

Exports and Geographies

We are an export-focused business catering to more than 60 countries covering major geographies in Asia, Europe, North America, South America and Australia. Our largest export countries by Value include China, the United Kingdom and the United States. We are a Three Star Export House under the Indian Ministry of Commerce scheme, and we have an international sales and marketing team that is dedicated to generating business orders and understanding the requirements of our customers. During the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our sales from exports, as a percentage of our revenue from operations were 58.18%, 61.68%, 65.62% and 70.14%, respectively.

The table set forth below provides geographic split of our revenue from operations and as a percentage of revenue from operations in the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019.

Geography	Six months ended September 30, 2021		Six months ended September 30, 2020		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
India (domestic sales)	2,937.14	41.11	2,055.02	41.51	4,669.36	39.84	3,554.80	35.55	2,685.96	30.44
China	458.85	6.42	442.15	8.93	942.53	8.04	1,300.72	13.01	1,405.97	15.94
Rest of Asia	785.19	10.99	606.17	12.24	1,268.94	10.83	1,007.09	10.07	913.36	10.35
European Union (including CIS	1,516.60	21.23	880.73	17.79	2,339.29	19.96	2,543.26	25.43	1,979.49	22.44

Geography	Six months ended September 30, 2021		Six months ended September 30, 2020		Fiscal 2021		Fiscal 2020		Fiscal 2019	
Countries)										
North America [(1)]	268.56	3.76	251.55	5.08	690.49	5.89	508.69	5.09	198.08	2.25
South America	660.41	9.24	310.94	6.28	645.86	5.51	432.03	4.32	1,074.41	12.18
Central America	7.36	0.10	47.17	0.95	107.03	0.91	16.33	0.16	72.30	0.82
Rest of the world	509.88	7.14	356.63	7.20	1,055.73	9.01	637.27	6.37	493.46	5.59
Total	**7,143.99**	**100.00%**	**4,950.36**	**100.00%**	**11,719.23**	**100.00%**	**10,000.19**	**100.00%**	**8,823.03**	**100.00%**

(1) North America includes the United States, Mexico, Honduras and Cuba.

As of the date of this DRHP, we have three wholly-owned subsidiaries located in Australia, South Korea and India. Our two overseas subsidiaries operate as our marketing and distribution arms for those regions and help identify new customers as well as to understand their evolving needs. In addition to serving the customers in their respective regions, these subsidiaries also carry inventory of our products in order to meet with immediate requirements of the customers and thus substantially reduce the lead time. As of December 31, 2021, we had two international offices located in Australia and South Korea and three overseas stock points located in Australia, South Korea, and Netherlands to cater to our global customers. Our dedicated marketing teams endeavor to explore new markets and identify potential customers as well as take care of the needs of our existing customers.

Manufacturing

We operate three manufacturing facilities in Gujarat, our Dahej Facility, Ankleshwar Facility and Saykha Facility, which are strategically located near the Hazira Port.

As of September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, our Dahej Facility, Ankleshwar Facility and Saykha Facility had a total installed capacity of Intermediates and Technicals of 29,088 MTs, 25,638 MTs, 22,614 MTs and 19,064 MTs, respectively, and a Formulations capacity of 9,200 KL at Ankleshwar during the same periods. In the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our aggregate manufacturing capacity utilization for Intermediates and Technicals was 40.29%, 75.42%, 75.99% and 81.15%, respectively, and our Formulations manufacturing capacity utilization at Ankleshwar was 43.59%, 38.91%, 39.17% and 15.75% in the same respective periods.

Set forth below is a map showing the locations of our facilities.

Our facilities are located on land leased from the Gujarat Industrial Development Corporation (the "GIDC') in the State of Gujarat and are spread across approximately 95,602.8 square meters of operational space for our manufacturing activities.

Our manufacturing facilities are equipped with modern machinery and equipment, including reactors, ANFDs, centrifuges and RCVD systems, which enable our facilities to undertake various chemistry processes, including but not limited to esterification, hydrolysis, bromination, epimerization, pressure reactions, carboxylation, diazotization reaction, friedel craft reaction and oxidation to produce our agrochemicals and other specialty chemicals. Additionally, we have also installed advanced effluent treatment capabilities, multi effect evaporators and incinerators to reduce discharge and waste.

Our Ankleshwar Facility and Dahej Facility are ISO 9001, ISO 14001 and ISO 45001 certified.

We also have a pilot plant located at our Ankleshwar Facility with four installed reactors (two of 100L capacity and two of 250L capacity) and downstream equipment across a range of scale-up volumes and process parameters.

Dahej Facility

Our Dahej Facility, which is strategically located near to the Hazira Port, commenced operations in 2010. Our Dahej Facility had a total installed capacity of 19,488 MTs, as of September 30, 2021.

Set forth below is a photograph of our Dahej Facility.

Ankleshwar Facility

Our Ankleshwar Facility, which is located near to the Hazira Port, commenced operations in 1994. Our Ankleshwar Facility had a total installed capacity of 6,000 MTs, as of September 30, 2021.

Set forth below is a photograph of our Ankleshwar Facility.

Saykha Facility

Our Saykha Facility which is strategically located near to the Hazira Port, commenced operations on September 29, 2020. Our

Saykha Facility had a total installed capacity of 3,600 MTs, as of September 30, 2021.

Set forth below is a photograph of our Saykha Facility.

Capacity Utilization

Our manufacturing facilities have the ability to manufacture a wide range of Intermediates, Technicals and Formulations within individual production capacities.

Intermediates and Technicals

The following tables sets forth information relating to the installed capacity, actual production, and capacity utilization of Intermediates and Technicals at our Ankleshwar Facility, Dahej Facility and Saykha Facility as of, and for, the six months ended September 30, 2021 and September 30, 2020, and as of, and for, Fiscal 2021, Fiscal 2020 and Fiscal 2019:

		As of, and for year ended, March 31,								
Facilities	**Unit**	**2021**			**2020**			**2019**		
		Annual Installed Capacity	**Annual Actual Production**	**Capacity Utilization (%)**	**Annual Installed Capacity**	**Annual Actual Production**	**Capacity Utilization (%)**	**Annual Installed Capacity**	**Annual Actual Production**	**Capacity Utilization (%)**
Ankleshwar	**MT**	3,600	2,827.35	78.54	3,600	3,443.73	95.66	3,600	3351	93.08
Dahej	**MT**	18,438	16,209.15	87.91	17,814	13,741.41	77.14	15,464	12,119.23	78.37
Saykha	**MT**	3,600	299.34	8.32	1,200	-	-	-	-	-
Total	**MT**	**25,638**	**19,335.84**	**75.42**	**22,614**	**17,185.14**	**75.99**	**19,064**	**15,470.23**	**81.15**

As certified by Manish B Kevadiya, Chartered Engineer vide certificate dated March 28, 2022.

		As of, and for the six months period ended, September 30,					
Facilities	**Unit**	**2021(1)**			**2020(1)**		
		Annual Installed Capacity	**Annual Actual Production**	**Capacity Utilization (%)(1)**	**Annual Installed Capacity**	**Annual Actual Production**	**Capacity Utilization (%)(1)**
Ankleshwar	**MT**	6,000	1,933.65	32.23	3,600	1,150.45	31.01
Dahej	**MT**	19,488	8683.00	44.56	17,814	6,580.43	36.94
Saykha	**MT**	3,600	1,101.52	30.60	3,600	-	-
Total	**MT**	**29,088**	**11,718.17**	**40.29**	**25,014**	**7,730.88**	**30.91**

As certified by Manish B Kevadiya, Chartered Engineer vide certificate dated March 28, 2022.
Note:
(1) Capacity utilization not annualized.

See "*Risk Factors - Information relating to the installed manufacturing capacity of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.*"

Formulations

The following tables sets forth information relating to the installed capacity, actual production, and capacity utilization of Formulations at our Ankleshwar Facility for, the six months ended September 30, 2021 and September 30, 2020 and as of, and for, Fiscal 2021, Fiscal 2020 and Fiscal 2019:

		As of, and for year ended, March 31,								
Facilities	Unit	2021			2020			2019		
		Annual Installed Capacity	Annual Actual Production	Capacity Utilization (%)	Annual Installed Capacity	Annual Actual Production	Capacity Utilization (%)	Annual Installed Capacity	Annual Actual Production	Capacity Utilization (%)
Ankleshwar	**KL**	9,200	3,580	38.91	9,200	3,603.59	39.17	9,200	1,448.60	15.75

As certified by Manish B Kevadiya, Chartered Engineer vide certificate dated March 28, 2022.

		As of, and for the six months period ended, September 30,					
Facilities	Unit	2021			2020		
		Annual Installed Capacity(1)	Annual Actual Production(1)	Capacity Utilization(1) (%)	Annual Installed Capacity(1)	Annual Actual Production(1)	Capacity Utilization(1) (%)
Ankleshwar	**KL**	9,200	4,010.72	43.59	9,200	1788.51	19.44

As certified by Manish B Kevadiya, Chartered Engineer vide certificate dated March 28, 2022.
Note:
(1)Formulation capacity is calculated on the basis of one shift per day and accordingly installed and utilized capacity adjusted to arrive at capacity utilization for the period.

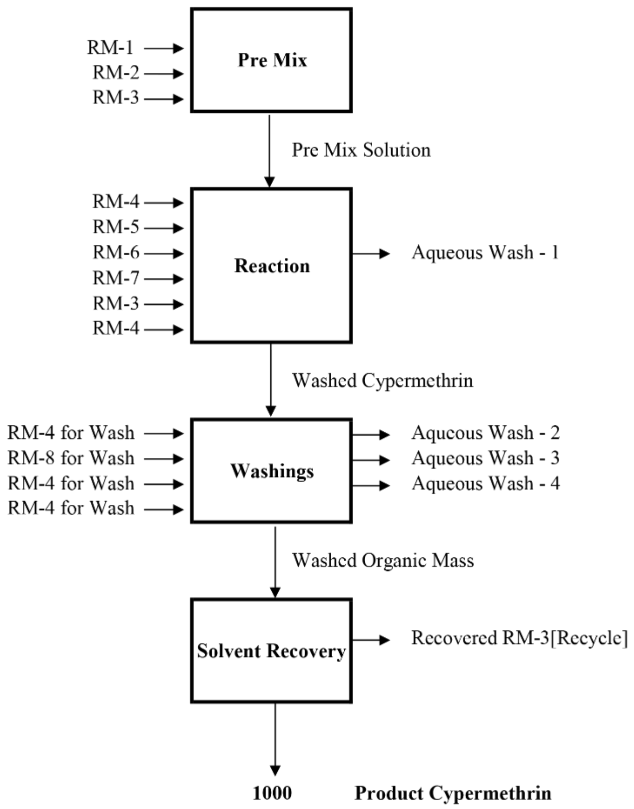
See "*Risk Factors - Information relating to the installed manufacturing capacity of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.*"

Manufacturing Process

Our facilities have been designed and developed to handle complex, clean and sustainable chemistry and technology, with dedicated plants for most of our products.

Set forth below is an illustrative process chart for Cypermethrin Technical.

Process Flow Diagram: Cypermethrin Tech.



Research and Development

Our R&D laboratory is located at our Ankleshwar Facility. Our R&D efforts are mainly focused on developing new products and processes, improving our existing production processes, adopting advance production technology, and improving the quality of our existing products coupled with cost efficiency. Set forth below is the list of our complex chemistries and processes, which we have developed and acquired proficiencies in over the years:

- Hydrolysis
- Bromination
- Esterification
- Isomerization
- Free radical reaction
- Cyanation reaction
- Diazotization reaction
- Chlorination
- Pressure reactions
- Epimerization
- Ring formation & Ring contraction reaction
- Functional group protection
- Condensation
- Carboxylation
- Oxidation
- Friedel Craft reaction
- Rearrangement reaction
- Coupling reaction

We believe that these capabilities enable us to explore, among others, green and continuous flow chemistry processes, which may give us a competitive advantage in the future. Our R&D efforts are important to maintain our competitive position in various business lines as well as to address evolving customer needs, industrial development and business models. Additionally, our R&D laboratory focuses on operating cost efficiency, product design and improvement, development of alternative processes and technologies with a focus on reduction of discharge and emissions to the environment, recycling of waste and environmental management. As of December 31, 2021, our R&D facility had 20 employees holding various designations such as chemist, assistant qc, manager etc. Their qualifications vary from completion of higher secondary education to master's degree in science. In the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our expenditures (revenue and capital) incurred on research and development were ₹34.90 million, ₹45.92 million, ₹25.84 million and ₹1.04 million, respectively.

Our laboratories are equipped with sophisticated instruments which include gas chromatography–mass spectrometry and high-performance liquid chromatography machines, particle size analyzers, PH meters, Karl Fischer titrators, conductivity meters, melting point apparatus and water purification systems. Our analytical capabilities include critical quality control measures, stability tests, method validation and method development.

Raw Materials and Suppliers

We primarily source the raw materials we use in our manufacturing process from our own backward integration and from third party suppliers in India and globally. We produce our own Intermediates used in crop protection, including but not limited to CMAC, MPBD and others. We believe that such backward integration greatly reduces our production costs, ensures the availability of raw materials, reduces lead time and minimizes the dependence on an external supply chain for the production of Technicals and Formulations.

The majority of our raw materials are sourced indigenously, contrasted with imports which represent a comparatively smaller amount of our total raw materials purchased. In the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our indigenously sourced raw materials accounted for 67.00%, 71.80%, 85.44% and 89.13%, respectively, of our total raw materials purchased, whereas imported sourced raw material accounted for 33.00%, 28.20%, 14.56% and 10.87% of our total raw materials purchased in the same respective period.

Our reliance from China has been as follows:

Fiscal 2019: 2.65% of overall purchases;

Fiscal 2020: 10.20% of overall purchases;

Fiscal 2021: 12.08% of overall purchases; and

Up to September 30, 2021: 17.13% of overall purchases.

We select vendors based on our pre-defined policy. To identify and approve multiple vendors for our key raw materials, we undertake examination and verification processes, which includes a review of the potential vendor's regulatory accreditations, supply strength with regards to timely delivery of large quantities, and contingency arrangements in the event of stoppages.

We usually do not enter into long-term supply contracts with our raw material suppliers, and typically source raw materials on a purchase order or contract basis. The terms and conditions of these purchase orders or contracts contain provisions related to the supplier's product quality, return policy, pricing and production volumes. We typically purchase raw materials based on the projected levels of sales, actual sales orders on hand, and the anticipated production requirements, taking into consideration any expected fluctuation in raw material prices and lead time.

Utilities

We consume a substantial amount of fuel and power for our operations at our manufacturing facilities, which is sourced through the local state power grid and available via interstate open access to ensure continuous supply. Additionally, we have also installed generators in our manufacturing facilities to ensure uninterrupted supply of power. In the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, power and fuel expenses accounted for 4.66%, 4.69%, 4.53% and 4.41%, respectively, of our total expenses.

As part of our eco-friendly initiatives, we installed a windmill in Kutchh, Gujarat in the year 2020 to help mitigate our carbon footprint. We intend to install solar energy power generation systems as an alternative source of power at our Ankleshwar Facility.

We have also installed well equipped ETP with MEE and incinerators at both our manufacturing facilities in an effort to reduce our environmental impact as a result of any discharge or waste.

Inventory Management

Our finished products are stored in numerous locations, including on-site at our manufacturing facilities, at our domestic depots located in various states of India, and also in rented warehouses located overseas. The quantum of finished products is typically based on a combination of confirmed and expected orders, as well as a projected annual forecast from customers.

Production and inventory levels of our raw materials and finished products are planned monthly, based on the projected sales volumes, production schedule and actual orders on hand. We closely supervise our daily production activity to maintain suitable inventory levels of raw materials and finished goods at each of our manufacturing facilities, sales and distribution locations, depots and warehouses.

For raw materials and packing materials, we maintain different inventory levels depending upon the lead time, BOQ, Re-order level and safety stock required to obtain additional supplies.

Distribution and Logistics

At present, we have three wholly-owned subsidiaries located in Australia, South Korea and India. Our two overseas subsidiaries operate as our marketing and distribution arms for those regions and help identify new customers as well as to understand their evolving needs. In addition to serving the customers in their respective regions, these subsidiaries also carry inventory of our products in order to meet with immediate requirements of the customers and thus substantially reduce the lead time. As of December 31, 2021, we had two international offices located in Australia and South Korea and three overseas stock points located in Australia, South Korea and the Netherlands to cater to our global customers. Our dedicated marketing teams endeavor to explore new markets and identify potential customers as well as take care of the needs of our existing customers.

In India, we have five depots located at Karnal, Hissar, Sri Ganganagar, Ghaziabad and Bhatinda to cater to any immediate demand from our domestic customers. Additionally, we also maintain ongoing relationships with distributors and dealers across India to ensure prompt supply to customers.

We believe our sales across geographies is augmented by our supply chain management as well as by monitoring exposure to specific commercial and geographical risks. Our future growth depends on expanding our supply chain capabilities, particularly to our export markets, through improved and robust sales and distribution network. Further, our focus will be to strengthen our logistics team in India and globally to help ensure that we are able to deliver our products to customers in a timely and desired manner.

Typically, we transport our raw materials, packing materials and finished products by land, air and sea. Further, our semi-finished products are transported by road between our manufacturing facilities and our domestic subsidiary facility. All our facilities have a stock point, which enables the smooth functioning of our transportation operations. We sell our products on cost, insurance and freight basis (CIF), and door delivery/delivered duty paid basis (DDP). Generally, we pay transportation costs for raw materials and other inputs to be delivered at our manufacturing facilities. Since we do not own our own vehicles, we rely on third party transportation and logistics providers for delivery of our raw materials and finished products. However, we do not have any long-term contractual arrangements with such third-party transportation and logistics providers.

Our export sales require our freight forwarders to arrange for the finished products to be transported to the respective port, and to be further loaded onto a shipping vessel. Our customs house agents handle the requisite custom clearance procedures and coordinate with the shipping lines to file and release the necessary bills of lading. The International Commercial Terms ("Incoterms") determine the delivery terms, which include business terms such as delivery of goods, payment by the parties, risk of loss and loading procedures at the destination ports.

By contrast, for our domestic sales, our products are mostly transported by road with no long-term contractual arrangement with transport service provider. A third-party transport contractor collects the goods from our manufacturing facilities or warehouse to be delivered to the applicable customer.

In the six months ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, 58.18%, 61.68%, 65.62% and 70.74%, respectively, of our revenue from operations was from exports, and consumption of imported raw materials constituted 34.24%, 29.10%, 14.63% and 11.25% of our total raw material consumption in the same respective periods. A significant portion of our expenses is due to freight carriage and transport and freight and forwarding expense and export freight charges. Freight costs (both inward and outward) represented 4.49%, 3.83%, 3.04% and 2.73% of our total expenses in the six months ended September 30, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively.

Pricing

We determine the prices of our products based on various parameters, such as market demand, production capacity, transportation costs, raw materials costs, inventory levels, competitor prices, regional regulatory environment and credit terms. Prices for different regions are also affected by local regulations, tax policies and freight costs. We periodically review our prices based on prevailing costs and global market conditions. Our product sales are often against advance payment, letter of credit or by clean credit which is backed by our credit insurance policy.

Sales and Marketing

Currently, our business is predominantly conducted on a business-to-business model, which we intend to continue and expand as well as to develop business-to-customer model as part of growth strategy. We aim to expand these models through a continued focus on constant direct contact with customers and understanding their evolving needs in changing market conditions. Our sales and marketing team is responsible for customer relationship management ("CRM"), which includes understanding customer needs, quoting prices, booking orders, coordinating with our production teams to ensure timely and prompt delivery, providing updates about delivery of product and resolving queries and complaints, if any. As of December 31, 2021, our sales and marketing team is comprised of 20 personnel.

In addition to our business-to-business model, we sell Formulations both under white labels and under our own brands directly to consumers. We intend to grow our own branded products portfolio by launching our existing Formulation products in new geographies, as well as launching new Formulation products into both existing and new geographies. For further information, see "- *Our Strategies*" on page 171. We undertake a number of initiatives to build our Formulation brands such as conducting field demonstrations and product promotion through advertisements, and participation in various exhibitions.

We provide regular mock drill training sessions to improve their skills and keep them updated with new developments in the agrochemical and specialty chemicals markets, including products, regulatory environment and technologies. We participate in various major agrochemical and specialty Chemical exhibitions, such as the AgriBusiness Global Trade Summit, and AgroChemEx (ACE). We also participate in various buyer-seller meetings that are organized by Chemexcil and the PMFAI.

Quality Control

To ensure and maintain the quality of any final product, we have a team of 31 employees who work in our quality control department . We have quality control labs that are equipped with the latest instruments. In our industry, strict adherence to quality control standards is critical, as any defects in our products or failure to comply with the stringent quality standards may lead to rejection of our products by customers. In order to maintain the quality standards and to comply with the quality specifications provided by our customers, the quality control team is tasked with undertaking pre-manufacturing checks and monitor quality control mechanisms at each stage of the manufacturing process.

Both of our manufacturing facilities have been accredited and hold ISO 9001:2015 certifications for quality management systems. Our quality control and quality assurance team monitors the manufacturing process at all stages of the manufacturing and development of our products, from initial testing stage of incoming raw materials up to the final product prior to packaging and shipment. Any of our final products receive clearance only after the quality control and quality assurance teams test a sample of the product batch against customer specifications as well as in-house specifications before any dispatch to a customer.

The table below sets out our total return and rejection of our products as a percentage of our sales attributable to such products, during the Fiscals 2019, 2020 and 2021 and in the six months ended September 30, 2021.

Product Category	**Fiscal 2019**	**Fiscal 2020**	**Fiscal 2021**	**Six Months ended September 30, 2021**
Intermediates	0.09%	NIL	0.08%	0.28%
Technicals	0.23%	1.21%	0.18%	0.54%
Formulations	0.67%	3.37%	0.18%	0.00%
Contract Manufacturing	NIL	NIL	NIL	NIL
Others	0.01%	0.00%	0.03%	0.08%
Total returns and rejections as a percentage of revenue from operations	**0.25%**	**1.07%**	**0.15%**	**0.38%**

Environment, Health and Safety

We are subject to central and state laws and government regulations in India, including regulations related to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, environmental requirements imposed by the Government of India and state governments will continue to have an effect on our operations

Our Ankleshwar Facility and Dahej Facility have been accredited and hold ISO 14001 and ISO 45001:2015 certifications. We implement work safety measures to ensure a safe working environment, including general guidelines for health and safety at our stock product points, depots and manufacturing facilities, accident reporting, wearing safety equipment and maintaining clean and orderly work locations. We have obtained all material environmental consents and licenses from the relevant governmental authorities that are necessary for us to carry out our business operations. We periodically conduct mock drills, safety training and on-job training sessions. We have also entered into arrangements with various hazardous waste management disposal facilities and incineration facilities.

We undertake an annual ESG audit and strive to ensure that we do not discharge any harmful elements from our manufacturing operations. As of December 31, 2021, we had an environmental and safety team of 58 employees (constituting 6.50% of our workforce).

As part of our environmental and sustainability efforts, we have implemented an environmental, health and safety policy along with other policies, which is focused on the following:

- ensuring that our manufacturing plants are compliant with relevant laws and regulations;
- ensuring that adequate pollution control systems are installed and operating satisfactorily;
- ensuring that the pollution concentration of treated effluent and discharge are within the prescribed standards;
- ensuring proper waste management handling and disposal system procedures are in place.

We prioritize the health and safety of our employees . We employ personnel in charge of safety at each of our manufacturing plants and have installed sensors and early warning systems inside our plants to continuously monitor for issues which may require corrective action, such as leaks or process deviations. We strive to provide a safe and healthy workplace, with the benefits, resources and flexibility to maintain and improve our employees' lives and wellness. We also arrange periodic health check-ups of our all workers and employees working at our manufacturing plants and ensure requisite medical treatment. Further, we have provisions for round-the-clock ambulatory services at our Dahej manufacturing plant to facilitate prompt medical treatment in case of any emergencies.

Competition

We are a leading Indian specialty chemical manufacturing company focused on the production of Intermediates, Technicals and Formulations, including crop protection, veterinary health, wood protection, public health and human health products. The specialty chemicals industry presents significant entry barriers, including customer validation, regulatory approvals, customer expectations for process innovation and cost reduction, high quality standards and stringent specifications. Our competition varies by market, geographical areas and type of product. As a result, to remain competitive in our markets, we must continuously strive to improve product quality, innovate new processes and products, reduce our costs of production, transportation and distribution and improve our operating efficiencies. Primarily we compete with international manufacturers, especially generic producers in China and India, on the basis of price, product quality, delivery and credit terms. For more information about our industry, see "*Industry Overview*" on page 114.

Information Technology

We have implemented various IT solutions and enterprise resource planning ("ERP") software solutions to cover key areas of our operations. We intensively use technology in relation to customer order management and dispatches, production planning and reporting, manufacturing processes, financial accounting and scheduling raw material purchases. We implemented ERP systems in CY2020, which encompassed all business functions including production, finance, sales, manufacturing processes, storage and warehousing, maintenance and inventory management.

We intend to continue to make investments in our IT systems and processes, including our backup systems. We believe this investment in our IT systems will improve our operational efficiency, customer service and decision-making process to reduce manual intervention and the potential risk of system failures. These failures may have a negative impact on our business, and hence, improvement in efficiency of our IT Systems and ERP is critical for our business operations.

Insurance

Our operations are subject to risks inherent to manufacturing operations, which include but are not limited to equipment defects, property damage, malfunctions and failures of manufacturing equipment, fire, explosions, loss-in-transit of products, accidents, personal injury or death, environmental pollution and natural disasters. We maintain policies to insure against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, loss of profit due to fire. We also maintain a marine cargo insurance policy to insure consignments shipped by sea or by air and also cover inland movement of all cargos by road, rail or by courier. In addition, we maintain a commercial general liability policy that covers liability claims for bodily injury (and medical payments caused by an accident), property damage liability and personal injury. We also maintain a workmen compensation policy for our Ankleshwar Facility and Dahej Facility. Additionally, we have insurance policies covering our overseas as well as domestic subsidiaries assets, warehouses, product stock points and depots. Our directors and officers' policy covers management liability, company securities, investigation costs among others. Additionally, to mitigate exposure of risk to our company from our overseas customers, we have single buyer and multi buyer exposure policies which insure the Company from commercial and political risks on buyer. Our insurance policies are subject to customary exclusions and deductibles. As of September 30, 2021, we had a total insurance coverage of ₹6,925.42 million aggregating to 48.65% of our total assets.

Intellectual Property

Our trademarks create a market for our products, identify our Company and differentiate our products from competitors' products. We own 33 trademarks relating to our brands, products, and services.

Description	No. of Trademarks	Trademark	Valid Term
Class 5: Pharmaceuticals, medical and veterinary preparations; sanitary preparations for medical purposes; dietetic food and substances adapted for medical or veterinary use, food for babies; dietary supplements for humans and animals; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides.	33	Aniban	February 12, 2028
		Hemda 5	February 12, 2028
		Hemgent	February 12, 2028
		Hemken	February 12, 2028
		Hemko	February 8, 2028
		Hemlux	February 12, 2028
		Hemo 505	February 12, 2028
		Hemoxi	February 12, 2028
		Hemphate	February 7, 2028
		Hempik	February 12, 2028
		Hempry	February 7, 2028
		Anicid	February 12, 2028
		Hempyram	February 7, 2028
		Hemquin	February 7, 2028
		Hemrin 5	February 7, 2028
		Hemrux	February 8, 2028
		Hemrux plus	February 12, 2028
		Hemtap	February 7, 2028
		Hemthrin	February 7, 2028
		Hemthrin Duo	February 7, 2028
		Hemthrin plus	February 7, 2028
		Hemtox	February 7, 2028
		Aniprid	February 12, 2028
		Hemtry	February 7, 2028
		Hemvan	February 7, 2028
		Hemxam	February 8, 2028
		Indio	July 26, 2029
		Anisten	February 12, 2028
		Fumiphos	February 20, 2030
		Hem 5	February 12, 2028
		Hemban	February 7, 2028
		Hemchlor	February 7, 2028
		Hemcombi	February 12, 2028

We have also registered the domain name hemanigroup.com, which is renewable periodically.

We rely on trade secret, copyright law and contractual restrictions to protect our intellectual property. We do not own any patents. We have agreements with our employees which include confidentiality and provisions for ownership of intellectual property such as trade secrets or facts, information, working details, as applicable.

For further information, see "*Risk Factors - We rely on a combination of trade mark, trade secret, copyright law and contractual restrictions to protect our intellectual property. We do not own any patents. If we are unable to protect our intellectual property rights, our business, results of operations and financial condition may be adversely affected*." beginning on page 30.

Human Resources

As of December 31, 2021, we have 882 permanent employees and 552 temporary and retainership employees. We undertake selective and need-based recruitment every year to maintain the size of our workforce, which may otherwise decline as a result of attrition and retirement of employees. A combination of full-time employees and contract personnel gives us the flexibility to run our business efficiently. In the nine months ended December 31, 2021, and Fiscal 2021, our attrition rate was 1.19% and

0.52%, respectively.

The following table sets forth the details of our employees as of December 31, 2021:

Department	Number of Employees
Senior Management (Assistant General Manager and above)	19
Middle Management (officer to senior manager)	218
Staff and workmen	645
Total	882

Our workforce is a critical factor in carrying out our operations and maintaining quality, productivity and safety, which strengthens our competitive position.

As of the date of this Draft Red Herring Prospectus, employees at our Ankleshwar Facility are members of Rajya General Kamdar Mandal labour union, and our employees at our other facilities are not members of any organised labour unions. We have not experienced any work stoppages due to labour disputes or cessation of work in the last three years.

Our workforce has been impacted by COVID-19, see "*Risk Factors — The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition.*"

Properties

Our registered and head office is located at C-301, Neelkanth Business Park, Vidyavihar (West), Mumbai-400 086, India, and is currently operating on a leasehold basis. Our Company has entered into leave and licence agreements on February 12, 2022 with our Promoters to take on rent the office premises situated at 701/702/703, C Wing, Neelkanth Business Park , Kirol Village, Near Vidyavihar Bus Depot, Vidyavihar, Mumbai 400 086. Once the civil works and interior improvements on this premises are satisfactorily completed and the premise is ready for use, our Company intends to move its registered and corporate office to such premises and undertake all necessary formalities in due course, including regulatory filings for the change in registered office. Our Dahej Facility, Ankleshwar Facility and Saykha Facility are currently operating under a leasehold basis.

Corporate Social Responsibilities

In accordance with the requirements of the Companies Act, 2013 and the rules thereunder, we have formulated a corporate social responsibility ("CSR") committee and believe it is vital for us to promote public purposes, social responsibilities and inclusive development of the community. Our CSR initiatives focus on education, promoting gender equality, woman's empowerment, sports and cultural activities, environment sustainability initiatives and rural development projects. As part of this effort, we have contributed funds towards various non-governmental organizations including Shree Kutchi Bhanushali Seva Samaj Trust, Shree Kutchi Lalrameshwar Aashram Annakshetra Trust, Swarved Mahamandir Trust and Ravani Charitable Trust for multiple activities.

In Fiscal 2021, Fiscal 2020 and Fiscal 2019, we spent ₹28.64 million, ₹22.55 million and ₹13.29 million on our CSR activities, including both expenses of the program as well as donations.

COVID-19 – Recent Developments

The outbreak of COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020, and as of the date of this Draft Red Herring Prospectus, it is still ongoing and rapidly evolving. The GoI initiated a nation-wide lockdown from March 24, 2020, that lasted until May 31, 2020 and has been extended periodically by varying degrees by state governments and local administrations. However, since manufacturing of pesticides was determined to be an essential industry pursuant to the Ministry of Home Affairs order dated March 27, 2020, we were allowed to resume operations.

Although the nationwide lockdown was lifted on June 1, 2020, restrictions on non-essential activities and travel were imposed until August 31, 2020, in multiple states across specific districts that were witnessing increases in COVID-19 cases. The second wave of COVID-19 infections impacted India in April, May and June 2021. The second wave resulted in significant strain on the health infrastructure in the country, resulting in several states announcing lockdown measures. The second wave also resulted in a large part of the population working from home and implementing social distancing measures. In June 2021, the COVID-19 reported cases from the second wave declined and the GoI and state governments started gradually easing some of the strict precautionary measures.

Our manufacturing has been impacted during the COVID -19 pandemic as set forth below.

- Due to the National Lockdown, our Ankleshwar Facility was shut down on March 26, 2020 but reopened on March 31, 2020 after being deemed engaged in essential services, our Dahej Facility was shut down on March 25, 2021 but reopened on March 31, 2020 after being deemed engaged in essential services.

- In response to COVID-19, many of our management and administrative employees are working remotely from their homes but technology in employees' homes may not be as robust as in our offices and could cause the networks, information systems, applications, and other tools available to employees to be more limited or less reliable than in our offices

- A number of our employees have also been infected with the COVID-19 virus in Fiscal 2021 and in Fiscal 2022 during the second wave.

- We rely on many suppliers and contractors. During Fiscal 2021 and during the current Fiscal 2022, we have faced several challenges and continue to face challenges to obtain materials from our suppliers and materials we do obtain often are at higher prices than in the past year. In addition, global logistics disruptions have resulted in an increase in our freights and logistics costs and may continue to do so.

For further information on the impact of COVID-19 on our business and the risks associated with COVID-19 to our business, see "*Risk Factors - The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition.*" on page 29.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain sector specific laws, currently in force in India, which are applicable to our Company. The information in this section have been obtained from publications available in public domain. The description of laws and regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The information detailed in this chapter, is based on the current provisions of Indian law, which are subject to changes, amendments or modifications by subsequent legislative actions, regulatory, administrative or judicial decisions.

For details of regulatory approvals obtained by us in compliance with the applicable regulations, see "Government and Other Approvals" on page 423.

Industry-specific legislations applicable to our Company

The Insecticides Act, 1968 (the "Insecticides Act")

The Insecticides Act *inter alia*, regulates the (i) registration; (ii) licensing; and (iii) quality-control of insecticides. Insecticides are defined to include fungicides and weedicides or such other substances as the Central Governmental may include in the schedule to the Insecticides Act.

Registration: Any person who desires to import or manufacture any insecticide is required to apply to the registration committee under the Insecticides Act, for the registration of such an insecticide. The registration is granted by a central authority appointed under the Insecticides Act and is effective throughout India.

Licensing: Any person who desires to manufacture or sell, stock or exhibit for sale or distribute any insecticide, or to undertake commercial pest control operations with the use of any insecticide may make an application to the licensing officer for the grant of a license under the Insecticides Act. Our Company is required to obtain a separate license for each place in which we manufacture, sell or stock for sale our products. The license granted may be revoked or suspended or amended, inter alia, for misrepresentation of an essential fact and failure to comply with the conditions subject to which the license was granted or if the holder has contravened any of the provisions of the Insecticides Act or the rules made thereunder.

Quality control: If based on inspection and analyses by the concerned statutory authority, the use of an insecticide or a batch thereof is likely to lead to such risk to human beings or animals, the Central Government or the State Government may prohibit its sale, distribution or use in a specific area, by notification, for a specified period.

Contravention of the Insecticides Act is punishable with imprisonment or fine or both, with enhanced punishment for repeat offences. Similarly, a person may be imprisoned for a period of six months to three years depending upon the nature of the offence. Further, the prescribed officer under the Insecticide Act has the power to stop the distribution, sale or use of an insecticide for a specified period if it is being distributed, sold or used in contravention of the Insecticides Act.

We are also required to comply with the guidelines, regulations and rules issued by the Central Insecticides Board and Registration Committee ("**CIB&RC**") including the Insecticides Rules, 1971. The functions of the CIBRC include to advise the Central Government and State Governments on technical matters such as the risk to human beings or animals involved in the use of insecticides and the safety measures necessary to prevent such risk and the manufacture, sale, storage, transport and distribution of insecticides with a view to ensure safety to human beings or animals and to carry out the other function assigned to it by or under the Insecticides Act.

The Insecticides Rules, 1971 (the "Insecticides Rules")

The Insecticides Rules assign functions to the CIB&RC in addition to those assigned under the Insecticides Act, including specifying the uses of the classification of insecticides on the basis of their toxicity as well as their being suitable for aerial application; advising on the tolerance limits for insecticides, residues and an establishment of minimum intervals between the application of insecticides and harvest in respect of various commodities; and specifying the shelf-life of insecticides. The Insecticides Rules, *inter alia,* make detailed provisions for manufacture and/or sale of insecticides, inter alia, the registration of insecticides, grant of license to manufacture insecticides and specifications relating to packaging, transportation and labelling of insecticides, the appointment, powers, duties and functions of insecticide analysts and inspectors.

Pesticides Management Bill, 2020 (the "Pesticide Management Bill")

The Pesticides Management Bill was introduced in the Rajya Sabha on March 23, 2020 and thereafter the bill has been referred to the Standing Committee on Agriculture for examination. Once passed, the new act will replace the Insecticide Act 1968. The Pesticides Management Bill seeks to regulate the manufacture, import, sale, storage, distribution, use, and disposal of pesticides, in order to ensure the availability of safe pesticides and minimise the risk to humans, animals, and environment.

Narcotic Drugs and Psychotropic Substances Act, 1985 ("Narcotic Act") and Narcotic Drugs and Psychotropic

Substances (Regulation of Controlled Substances) Order, 2013 ("NDPS Order")

The Narcotic Act sets out the statutory framework for drug law enforcement in India. It prohibits, inter alia, the cultivation, production, manufacture, possession, sale, purchase, transportation, use, warehousing, consumption, inter-state movement, transhipment and import and export of narcotic drugs and psychotropic substances, except for medical or scientific purposes. It also controls and regulates controlled substances which can be used in the manufacturing of narcotic drugs and psychotropic substances. Offences under the Narcotic Act are essentially related to violations of the various prohibitions imposed under the Narcotic Act, punishable by both imprisonment and monetary fines. The Narcotic Act was amended in 1989 to mandate death penalty for second offences relating to contraventions involving more than certain quantities of specified narcotic drugs and psychotropic substances. Subsequently, the Narcotic Act was amended to remove restrictions on certain drugs called 'essential narcotic drugs' (narcotic drugs which have been notified for medical and scientific use) and to improve treatment and care for people dependent on drugs

The NDPS Order classifies certain substances including, acetic anhydride and anthranilic acid as "controlled substances" in Schedule A of the NDPS Order. The NDPS Order requires for every person on entity who is engaged in the manufacturing, trade, possession and consumption, distribution, storage, offer for sale or mediation in the sale or purchase through website, social media or in any other manner of the "controlled substances" classified under Schedule-A of the NDPS Order to obtain a unique registration number issued by the Zonal Director of Narcotics Control Bureau.

Drugs and Cosmetics Act, 1940 ("DCA"), the Drugs and Cosmetics Rules, 1945 ("DCA Rules")

The DCA governs the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, inter alia, misbranded, adulterated, spurious or harmful. The DCA Rules specify the requirement of a license for the manufacture or sale or import of any drug or cosmetic including for the purpose of examination, testing or analysis. They further mandates that every person holding a license must keep and maintain prescribed records, registers and other documents which may be subject to inspection by the relevant authorities.

The Drugs (Prices Control) Order, 2013 ("DPCO")

The DPCO prescribes *inter alia* the ceiling price of scheduled formulations, retail price of a new drug for existing manufacturers of scheduled formulations, maximum retail price of scheduled formulations. Under the DPCO, the Central Government may issue directions to the manufacturers of active pharmaceutical ingredients or bulk drugs or formulations to increase production and sell such active pharmaceutical ingredient or bulk drug to such manufacturers of formulations and direct the formulators to sell the formulations to institutions, hospitals or any agency.

The Petroleum Act, 1934 ("Petroleum Act") and the Petroleum Rules, 2002 ("Petroleum Rules")

The Petroleum Act was passed to consolidate and amend the laws relating to the import, transport, storage, production, refining and blending of petroleum. Under the Petroleum Rules, any person intending to store furnace oil/petroleum, of such class and in such quantities, otherwise than under a license shall take the approval of the Chief Controller before commencing storage

The Explosives Act, 1884 ("Explosives Act")

This is a comprehensive law which regulates by licensing for the manufacturing possession, sale, transportation, export and import of explosives. As per the definition of 'explosives' under the Act, any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect shall fall under the Act. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Act.

The Indian Boilers Act, 1923 ("Boilers Act")

The Boilers Act pertains to regulation of possession of steam-boilers. Every person owning a boiler has to register it with specifications concerning its capacity, design etc. The Boilers Act further provides for the conditions precedent for setting up of boilers, inspection procedure and reporting requirements, and prescribes penalties for the illegal or improper usage of boilers.

Environmental laws

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, subject to periodical renewal.

Environment Protection Act, 1986 (the "EPA") and Environment (Protection) Rules, 1986 (the "Environment Rules")

The EPA was enacted to act as an "umbrella" legislation designed to provide a framework for coordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorises the Central Government to protect and improve environment quality, control, reduce and abate pollution. As per Environment Rules, every person who carries on an industry, operation or process requiring consent under Water Act (*as defined below*) or Air Act (*as defined below*) or both or authorization under the Hazardous Wastes Rules (as defined below), shall submit to the concerned PCB an environmental statement for that financial year in the prescribed form.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act was enacted to provide for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water. Further, the Water Act also provides for the establishment of boards with a view to carrying out the aforesaid purposes for conferring on and assigning to such boards powers and functions relating thereto.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four (4) months after the receipt of the application for consent the State PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Wastes Rules")

The objective of the Hazardous Waste Rules is to control the collection, reception, treatment and storage of hazardous waste. The Hazardous Waste Rules prescribes for every person who is engaged in generation, treatment, processing, packaging, storage, transportation, use, collection, destruction, conversion, recycling, offering for sale, transfer or the like of hazardous and other wastes to obtain an authorisation from the relevant state pollution control board.

Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 ("Hazardous Chemical Rules")

The Hazardous Chemical Rules were framed under the EPA which apply to workplaces in which certain hazardous chemicals are manufactured, processed, handled, used, stored or disposed of. An occupier who has control of an industrial activity is required to provide evidence to show that it has, identified the major accident hazards; and taken adequate steps to prevent such major accidents and to limit their consequences to persons and the environment. Further, the occupier is required to provide to persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Under the Hazardous Chemical Rules, the occupier is required to submit safety report as specified in Schedule 8 of the Hazardous Chemical Rules.

The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996 (the "Chemical Accidents Rules")

The Chemical Accidents Rules, formulated pursuant to the provisions of the EPA, seek to manage the occurrence of chemical accidents, by inter alia, setting up a central crisis group and a crisis alert system. The functions of the central crisis group inter alia include, (i) conducting post-accident analysis of major chemical accidents; (ii) rendering financial and infrastructural help in the event of a chemical accident; and (iii) review district off site emergency plans.

Public Liability Insurance Act, 1991 ("Public Liability Act")

The Public Liability Act, as amended, imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving handling of such hazardous substances. A list of hazardous substances covered by the Public Liability Act has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum not exceeding the sum equivalent to the amount of premium on the insurance policies. This amount is payable to the insurer.

Labour law legislations

We are subject to various labour and industrial laws for the safety, protection, condition of working, employment terms and welfare of labourers and/or employees of us.

The Factories Act, 1948 (the "Factories Act")

The Factories Act defines a "factory" to cover any premises including the precincts which employs ten or more workers or employed such number of workers on any day of the preceding twelve months and in which manufacturing process is carried on with the aid of power and, any premises where there are at least twenty workers or employed such number of workers on any day of the preceding twelve months, even though there is no electricity or energy aided manufacturing process being carried on. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. 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. The occupier and the manager of a factory may be punished in accordance with the Factories Act for different offences in case of contravention of any provision thereof and in case of a continuing contravention after conviction, an additional fine for each day of contravention may be levied.

Other labour laws

The following is an indicative list of other labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

a) Contract Labour (Regulation and Abolition) Act, 1970

b) The Industrial Disputes Act, 1947

c) The Industrial Dispute (Central) Rules, 1957

d) The Employee's Compensation Act, 1923

e) The Industrial Employment (Standing Orders) Act, 1946

f) The Employees State Insurance Act, 1948

g) The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952

h) The Payment of Gratuity Act, 1972

i) The Payment of Bonus Act, 1965

j) The Minimum Wages Act, 1948

k) The Payment of Wages Act, 1936

l) The Equal Remuneration Act, 1976

m) The Child Labour (Protection Regulation) Act, 1986

n) The Maternity Benefit Act, 1961

o) The Apprentices Act, 1961

p) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

q) The Interstate Migrant Workmen Act, 1979

r) The Trade Unions Act, 1926

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

a) The Occupational Safety, Health and Working Conditions Code, 2020 which will subsume, *inter alia*, the Factories Act and the CLRA Act, once effective.

b) The Code on Social Security, 2020 which will subsume, *inter alia*, the Employees' Compensation Act, 1923, the Employees' 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, once effective.

c) The Code on Wages, 2019 which will subsume the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Payment of Wages Act, 1936, once effective.

d) The Industrial Relations Code, 2020 which will subsume the Trade Union Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Dispute Act, 1947, once effective.

These codes will come into force on such date as may be notified in the official gazette by the Central Government and different dates may be appointed for different provisions of these codes.

Intellectual property laws

Trade Marks Act, 1999 (the "Trade Marks Act")

Certain laws relating to intellectual property rights such as trademark protection under the Trade Marks Act, 1999 (the "**Trade Marks Act**") are applicable to us. The Trade Marks Act along with the rules and regulations made thereunder govern the law pertaining to trade marks in India. A trade mark is essentially any mark capable of being represented graphically and distinguishing goods or services of one person from those of others and includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. In India, trademarks enjoy protection under both statutory and common law. Registration of a trademark grants the owner a right to exclusively use the trademark as a mark of goods and services and prevents the fraudulent use of marks in India. The Registrar of Trade Marks is the authority responsible for, among other things, registration of trade marks, settling opposition proceedings and rectification of the register of trade marks. The Trade Marks (Amendment) Act, 2010 has been enacted to cover Indian nationals as well as foreign nationals to secure simultaneous protection of trade marks in other countries. The Trade Marks (Amendment) Rules, 2013 were enacted to give effect to the Trade Mark (Amendment) Act, 2010.

Other applicable laws

Legal Metrology Act, 2009 (the "Legal Metrology Act") and Legal Metrology (Packaged Commodities) Rules, 2011 (the "Packaged Commodities Rule")

The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and formatter's incidental thereto. The Legal Metrology Act, inter alia, provides for: (a) regulation of weight or measure used in transaction or for protection ; (b) approval of model of weight or measure; (c) verification of prescribed weight or measure by Government approved Test Centre; (d) exempting regulation of weight or measure or other goods meant for export; (e) nomination of a Director by a company who will be responsible for complying with the provisions of the enactment; (f) empowering the Central Government to make rules for enforcing the provisions of the enactment; and (g) penalty for offences and compounding of offences. The Packaged Commodities Rule were framed under the Legal Metrology Act and lays down specific provisions applicable to packages intended for retail sale, whole sale and for export and import and also regulate pre-packaged commodities in India, inter alia mandating certain labelling requirements prior to sale of such commodities.

Consumer Protection Act, 2019 (the "CPA")

The CPA provides a mechanism for the consumer to file a complaint against a manufacturers, traders and service providers in cases of unfair trade practices, restrictive trade practices, deficiency in services, unlawful pricing offering or selling goods, which are hazardous to life and safety when used . It provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. It places liability on a product manufacturer / product service provider / product seller to compensate for the harm caused due to a defective product or deficiency in services. The CPA also enables the Central Government to take measures for preventing unfair trade practices in e-commerce, direct selling and also to protect the interest and rights of consumers. Non-compliance of the orders of the redressal commissions attract criminal penalties or imprisonment or both.

Bureau of Indian Standards Act, 2016 (the "BIS Act")

The BIS Act has been brought into force with effect from October 12, 2017. The BIS Act establishes Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security The BIS Act also allows multiple type of simplified conformity assessment schemes which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity Further, the BIS Act also provides for repair, replace, reprocess or recall and creates a liability for injury and payment of compensation to the consumer, including product liability of the products bearing a standard mark or any colourable imitation but not conforming to the relevant Indian Standard.

Foreign Trade Laws

Foreign Trade (Development and Regulation) Act, 1992 ("FTA") and the Foreign Trade (Regulation) Rules, 1993 and the Foreign Trade Policy, 2015-20 ("FTP")

The FTA seeks to increase foreign trade by regulating imports and exports to and from India. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The Government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as in specified cases of foreign trade. The FTA read with the FTP (extended till March 31, 2022) provides that no person or company can make exports or imports without having obtained an IEC number unless such person or company is specifically exempted. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

The FTP helps in envisaging a legal framework for trade facilitation in existing markets and products as well as exploring new products and new markets. India's current FTP (2015-20) (as extended until March 31, 2021) envisages helping exporters leverage benefits of GST, closely monitoring export performances, increasing ease of trading across borders, increasing realization from India's agriculture-based exports and promoting exports from MSMEs and labour intensive sectors.

The Export (Quality Control and Inspection) Act, 1963 (the "Export Act")

The Export Act empowers the Government of India to establish, a council called the Export Inspection Council, which would (a) advise the Central Government regarding measures for the enforcement of quality control and inspection in relation to commodities intended for export (b) formulate programmes in connection therewith, (c) to make, with the concurrence of the Central Government, grants-in-aid to various agencies established or recognised under the Export Act and involved in foreign trade, and (d) perform such other functions as may be assigned to it by or under the Export Act.

Other Indian laws

In addition to the above, we are also governed by the provisions of the Companies Act and rules framed thereunder, relevant central and state tax laws, foreign exchange and investment laws, applicable building and fire-safety related laws, customs act, contract act and foreign trade laws and other applicable laws and regulation imposed by the Central Government and State Governments and other authorities for over day to day business, operations and administration.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as 'Hemani Intermediates Private Limited' at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated February 3, 1994 issued by the RoC. Thereafter, our Company was converted from a private limited company into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on March 7, 2011 and the name of our Company was changed to 'Hemani Intermediates Limited'. Consequently, a fresh certificate of incorporation dated April 15, 2011 was issued by the RoC. Further, the name of our Company was changed to 'Hemani Industries Limited' to enhance the scope of business activities of the Company and consequently, a fresh certificate of incorporation dated May 3, 2011 issued by the RoC.

Changes in the registered office

Except as disclosed below, there has been no change in the registered office of our Company since the date of incorporation.

Date of change	Details of change in the registered office
March 1, 1994	The registered office of our Company was changed from 206, Suraj Sadan, Surat Street, Bombay – 400 009, Maharashtra to 12, Khetshi Chatrubhuj Niwas, Sant Tukaram Road, Danabunder, Mumbai – 400 009, Maharashtra.
February 21, 2011	The registered office of our Company was changed from 12, Khetshi Chatrubhuj Niwas, Sant Tukaram Road, Danabunder, Mumbai – 400 009, Maharashtra to 706 – 710, Reena Complex, Opposite Nathani Steels, Vidyavihar (West), Mumbai – 400 086, Maharashtra.
April 1, 2018	The registered office of our Company was changed from 706 – 710, Reena Complex, Opposite Nathani Steels, Vidyavihar (West), Mumbai – 400 086, Maharashtra to 3rd Floor, 301, C Wing, Neelkanth Business Park, Kirol Village, Nr. Vidyavihar Bus Depot, Mumbai – 400 086, Maharashtra.

The changes in the Registered and Corporate Office were made to facilitate operational convenience. Our Company has entered into leave and licence agreements on February 11, 2022 with our Promoters to take on rent the office premises situated at 701/702/703, C Wing, Neelkanth Business Park, Kirol Village, Near Vidyavihar Bus Depot, Vidyavihar, Mumbai 400 086. Once the civil works and interior improvements on this premises are satisfactorily completed and the premise is ready for use, our Company intends to move its registered and corporate office to such premises and undertake all necessary formalities in due course, including regulatory filings for the change in registered office.

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

1. *"To carry on in India or elsewhere the business of manufacturing, buying, distributing, selling, importing, exporting commission agent, consultants and otherwise dealing in all kinds of chemicals, organic, and inorganic dyes and dye intermediates, pigments and pigment intermediates, pesticides intermediates, pesticides technical, insecticides technical, fungicides technical, herbicide technical, weedicides technical and its intermediates plus formulations in branded and unbranded segments, pharmaceuticals, pharmaceuticals intermediates, pharmaceutical formulations, Aromatic chemicals performing and flavoring chemicals and cosmetics."*

2. *To generate, accumulate, transmit, distribute, purchase electric power or any other energy from conventional/non conventional energy by Bio-Mass, Hydro, Thermal, Gas, Air, Diesel oil, or through renewable energy sources, Wind mill, Solar plant or another means/ source for captive use or sale on a commercial basis and to construct (directly or through contractors), lay down, establish, operate and maintain power/energy generating stations, including buildings, structures, works, machineries, equipment, cables, wires, lines, accumulators, lamps, and works and to undertake or to carry on the business of managing, owning, controlling, erecting, commissioning, operating, running, leasing or transferring Power plants and Plants, for captive use or commercial use, based on conventional or non conventional energy source, thermal power plants, solar energy plants, wind energy plants and do all ancillary actions including appointing agents, turnkey contractors etc in this regard.*

The main objects to be pursued by our Company and the matters necessary in furtherance of the objects as contained in our Memorandum of Association enable our Company to carry on business presently being carried out.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the last 10 years:

Date of Shareholder's resolution/ Effective date	Particulars
November 29, 2021	• Clause III of the Memorandum of Association of our Company was amended to include the following new object clause: *"To generate, accumulate, transmit, distribute, purchase electric power or any other energy from conventional/non conventional energy by Bio-Mass, Hydro, Thermal, Gas, Air, Diesel oil, or through renewable energy sources, Wind mill, Solar plant or another means/ source for captive use or sale on a commercial basis and to construct (directly or through contractors), lay down, establish, operate and maintain power/energy generating stations, including buildings, structures, works, machineries, equipment, cables, wires, lines, accumulators, lamps, and works and to undertake or to carry on the business of managing, owning, controlling, erecting, commissioning, operating, running, leasing or transferring Power plants and Plants, for captive use or commercial use, based on conventional or non conventional energy source, thermal power plants, solar energy plants, wind energy plants and do all ancillary actions including appointing agents, turnkey contractors etc in this regard."* • Clause IV of the Memorandum of Association of our Company was amended to reflect the change from '*The Liability of members is limited*' to '*The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them*' • Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised share capital of the Company from existing ₹ 150,000,000 divided into 15,000,000 equity shares of ₹ 10 each to 550,000,000 divided into 55,000,000 equity shares of ₹ 10 each.
December 23, 2021	Clause V of the Memorandum of Association of our Company was amended to reflect the subdivision and reclassification of 550,00,000 equity shares of ₹10 each aggregating to ₹ 550,000,000 were sub-divided and reclassified as 11,00,00,000 equity shares of ₹5 each aggregating to ₹550,000,000. Therefore, the cumulative number of issued, subscribed and paid up Equity Shares, pursuant to sub-division was increased from 90,05,750 equity shares of ₹ 10 each to 1,80,11,500 equity shares of ₹ 5 each.

Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company:

Calendar year	Event
2007	Scheme of amalgamation between Hemani Organics and Chemicals Private Limited and Hemani Intermediates Private Limited (*now Hemani Industries Limited*).
2010	Establishment of a unit at Dahej.
2014	Obtained ISO 9001:2008 and ISO 14001:2004 certificates for our manufacturing facility at Dahej.
2018	Our Company achieved turnover of ₹5,000 million.
2019	Our Company set up our wholly owned foreign subsidiary, Hemani Australia Pty Limited.
2019	Our Company set up our wholly owned foreign subsidiary *i.e.* Hemani Korea Limited.
2019	Incorporation of HCCPL as a subsidiary of our Company.
2020	Obtained ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certificates for our manufacturing facility i.e. Unit III at Dahej.
2020	Our Company achieved turnover of ₹10,000 million in financial year 2019-20
2021	Obtained ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certificates for our manufacturing facility i.e. Unit II at Ankleshwar.
2022	Acquisition of entire shareholding of HCCPL by our Company.

Awards and accreditations

The table below sets forth key awards and accreditations received by our Company:

Calendar Year	Particulars
2014-2015	Dahej - Unit III of the Company has won Gujarat Cleaner Production Award 2014-2015 (in small and medium scale sector – for outstanding achievement in implementing the cleaner production practices) from the Government of Gujarat, Forest & Environment Department.
2020	Certificate of recognition from Ministry of Commerce & Industry, Government of India as "Three Star Export House"
2022	Company was awarded with *Export Excellence Award* for large scale unit by Pesticides Manufacturers & Formulators Association of India.
2022	Company was awarded with Social Responsibility Excellence Award by Pesticides Manufacturers & Formulators Association of India.

For details in relation to accreditations received by Our Company, see "*Our Business*" beginning on page 163.

Corporate Profile of our Company

For details in relation to our corporate profile including details of our business, activities, services, market, growth, competition, launch of key products, entry into new geographies or exit from existing markets, suppliers, customers, capacity build-up, technology, and managerial competence, see "*Risk Factors*" "*Our Business*", "*Our Management*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 27, 163, 202, and 372, respectively.

Time and cost overrun

Except as disclosed below, there have been no time and cost over-runs in respect of our business operations:

S.N.	Name of the project	Time over-run	Cost over-run (in Million)	Reason
1.	Meta Phenoxy Benzaldehyde Plant ("**MPBD Plant**")	-	17.78	In the financial year 2020-21, the Company initiated the work for construction of MPBD plant. Subsequently, they decided to upgrade and add certain machineries and equipment, to be used in this plant. As a result, the amount spent on the total material and equipment exceeded the budgeted amount.

Defaults or re-scheduling/restructuring of borrowings

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/facility creation, location of our manufacturing facilities, see "Our Business" on page 163.

Significant financial and strategic partners

As on the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Except as stated below, our Company has not acquired or divested any business or undertaking and has not undertaken any merger, amalgamation, or revaluation of assets in the last 10 years.

Pursuant to the board resolution dated May 12, 2018, the Vapi undertaking of our Company involved in the business of manufacturing, selling and marketing of pigments and pigment intermediates was transferred on a going concern basis to Hemani Intermediates Private Limited in accordance with the Family Arrangement. For further details, see "- Family Arrangement" on page 198.

Summary of Key Agreements

Our Company does not have any subsisting shareholders' agreement as on the date of the Draft Red Herring Prospectus.

Agreements with Key Managerial Personnel, Directors, Promoters, or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Key terms of other subsisting material agreements

Except as stated below, our Company has not entered into any other material agreements, including with strategic partners or financial partners, other than in the ordinary course of business:

Family Arrangement

Our Promoters and Mohan Sunderji Dama HUF (hereinafter referred to as "**Mohan Group**") entered into a Family Arrangement dated June 12, 2018 ("**the Family Arrangement**") with Premji Sunderji Hemani, Naina Premji Hemani, Jailesh Premji Hemani, Premji Sunderji Hemani HUF (hereinafter referred to as "**Premji Group**") and our Company, Hemani Chemiorganic Private Limited, Ideal Dye-Chem Industries (a partnership firm), Premonit International Eximp (a partnership firm) and Hemani Intermediates Private Limited wherein the various businesses of the abovementioned persons and entities were divided between Mohan Group and Premji Group as a part of family separation.

Guarantees given by the promoter(s) offering its shares in the offer for sale

Except as stated below, no guarantees have been issued by the Promoter Selling Shareholders which are outstanding as on the date of this Draft Red Herring Prospectus:

S. No.	Name of the Promoter Selling Shareholder(s)	Lender	Type of facility	Sanctioned amount of facility (in ₹ million)	Consideration	Reason
1.	Mohan Sunderji Dama, Minal Mohan Dama and Jayesh Mohan Dama	DBS Bank India Limited#	Foreign currency term loan/term loan	500	Nil	Personal guarantee in respect of the foreign currency term loan/term Loan facility to HCCPL
		DBS Bank India Limited#	Working capital facilities	250	Nil	Personal guarantee in respect of the working capital facilities to HCCPL
		Citi Bank, N.A.#	Working capital demand loan	250	Nil	Personal guarantee in respect of working capital demand loan facility to HCCPL
			Term loan	600	Nil	Personal guarantee in respect of term loan facility to HCCPL
			Term loan	270	Nil	Personal guarantee in respect of term loan facility to HCCPL.
2.	Jayesh Mohan Dama##	HDFC Bank Limited	Cash credit	36.945	Nil	Personal guarantee in respect of credit facility availed to one of the members of our Promoter Group, Breeze Intermediates Private Limited

 # Our Company has jointly issued corporate guarantee in relation to these facilities availed by our Subsidiary, HCCPL.
The letter of guarantee has been jointly executed by Jayesh Mohan Dama along with four other personal guarantors in favour of the HDFC Bank Limited.

The aforementioned guarantees are effective for a period till the underlying facilities are repaid. In the event of any default by the principal borrower towards payment of the outstanding amount under the aforementioned facilities, the Promoter Selling Shareholders shall be liable for the payment of the outstanding amount, including the interest amount, expenses incurred by the lender and any loss suffered by reason of such default. For further details in relation to outstanding amount as of September 30, 2021 and security in relation to these facilities availed by our Subsidiary, HCCPL, see "*Restated Consolidated Financial Information – Note 18: Borrowings*" on page 333.

Our holding companies

As of the date of this Draft Red Herring Prospectus, our Company has no holding company.

Our Subsidiaries, associates, and joint ventures

As on the date of this Draft Red Herring Prospectus, our Company has three subsidiaries, details of which are set out below. Our Company does not have any joint ventures and associates as on the date of this Draft Red Herring Prospectus.

1. Hemani Crop Care Private Limited ("HCCPL")

Corporate Information

HCCPL was incorporated on October 29, 2019 as a private limited company under the Companies Act, 2013. Its registered office is situated at 3rd Floor, 301, C Wing, Neelkanth Business Park, Near Vidyavihar Bus depot, Mumbai, Maharashtra – 400 086, India.

HCCPL is engaged in the business of carrying on in India or elsewhere the business of manufacturing, buying, distributing, selling, importing, exporting commission agent, consultants and otherwise dealing in all kinds of chemicals, organic and inorganic, dyes and dye intermediates, pigments and pigment intermediates , pesticides intermediates, pesticides technical, insecticides technical, fungicides technical, herbicide technical, weedicides technical and its intermediates plus formulations in branded and unbranded segments, pharmaceuticals, pharmaceutical intermediates, pharmaceutical formulations, aromatic chemicals performing and flavouring chemicals and cosmetics as authorized under the objects clause of its memorandum of association.

Capital Structure

The authorised share capital of HCCPL is ₹500,000,000 divided into 20,000 equity shares of face value of ₹10 each and 49,980,000 preference shares of face value of ₹10 each. The issued, subscribed and paid up share capital is ₹ 150,000 divided into 15,000 equity shares of ₹ 10 each and 45,000,000 preference shares of ₹ 10 each.

Shareholding Pattern

As on the date of this Draft Red Herring Prospectus, the shareholding pattern of HCCPL is as follows:

Name of the shareholder	Number of equity shares of face value of ₹10 each	Percentage of shareholding (%)
Our Company	15,000*	100.00
Total	**15,000**	**100.00**

* *The nominee shareholders of HCCPL are: (i) Mohan Sunderji Dama; (ii) Jayesh Mohan Dama; (iii) Minal Mohan Dama; (iv) Manali Jayesh Dama; (v) Meyuri Hiren Shethia; and (vi) Hiren Sethia*

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of HCCPL which have not been accounted for by our Company in the Restated Consolidated Financial Information.

2. Hemani Australia PTY Limited ("HAPL")

Corporate Information

HAPL was incorporated on June 24, 2019 under the laws of Australia as a proprietary company, established under the Corporations Act, 2001 and the Certificate of Registration of a company issued by the Australian Securities and Investments Commission. Its registered office is at 'Atlas Building Suite', 516 Level 5, 2 - 8 Brookhollow Avenue, Norwest NSW 2153.

Nature of Business

HAPL is engaged in trading of agricultural chemicals. The company is licensed and has the approvals to undertake the business mentioned.

Capital Structure

The authorized share capital of HAPL consists of 1 share of nominal value of 1 AUD each.

Shareholding Pattern

As on the date of this Draft Red Herring Prospectus, the shareholding pattern of HAPL is as follows:

Sr. No.	Name of the shareholder	Number of ordinary shares of face value of 1 AUD each	Percentage of total ordinary shareholding (%)
1	Our Company	1	100.00
	Total	**1**	**100.00**

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of HAPL which have not been accounted for by our Company in the Restated Consolidated Financial Information.

3. Hemani Korea Limited ("HKL")

Corporate Information

HKL was incorporated on November 12, 2019 and is validly existing with good standing under the laws of Korea as a company established pursuant to the law of Korea issued by the Government of Korea and registered with the Dongsuwon registry office of Suwon District Court. Its registered office is at #1 - #313 1, Seohoro 89, Kwonsun-gu, Suwon, 16614, republic of Korea. The corporate office / principal place of business is situated at #1 - #313 1, Seohoro 89, Kwonsun-gu, Suwon, 16614, Republic of Korea.

Nature of Business

HKL is engaged in trading of pesticides, fertilizers & chemicals, prevention projects. The company is licensed and has the approvals to undertake the business mentioned.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the share authorised capital of HKL is 20,000 ordinary shares of nominal value of 5,000 KRW per share.

Shareholding Pattern

As on the date of this Draft Red Herring Prospectus, the shareholding pattern of HKL is as follows:

Sr. No.	Name of the shareholder	Number of equity shares of face value of KRW 5,000 each	Percentage of total equity share holding (%)
1	Our Company	20,000	100.00
	Total	**20,000**	**100.00**

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of HKL which have not been accounted for by our Company in the Restated Consolidated Financial Information.

OUR MANAGEMENT

Board of Directors

As on the date of this Draft Red Herring Prospectus, our Board comprises of 6 Directors, including three Independent Directors of which one is a woman Director and three Executive Directors (including our Managing Director).

The following table sets forth details regarding our Board of Directors:

S. No.	Name, designation, date of birth, address, occupation, term, period of directorship, and DIN	Age (years)	Other directorships
1.	**Sameer Ashok Paingankar** ***Date of Birth:*** September 11, 1969 ***Designation:*** Chairman and Independent Director ***Address:*** 54th Floor, B 5401, Lodha Park Side, Pandurang Budhkar Marg, The Park, Worli, Mumbai 400 018 Maharashtra ***Occupation**:* Business ***Period:*** director since November 20, 2021 ***Current Term:*** 5 years w.e.f. November 20, 2021 ***DIN**:* 01487210	52	• Adroit Biomed Limited • Nurexa Pharma Private Limited • Pharma Serv Solutions Private Limited • Pharma Serv Ventures Private Limited • My Healthskape Medicals Private Limited • Acumedica Consulting Private Limited • Acumedica Lab Systems Private Limited • Lavue Pharmaceuticals Private Limited • Nutragenix Healthcare Private Limited • Nutragenix Biolabs Private Limited
2.	**Mohan Sunderji Dama** ***Date of Birth:*** October 2, 1956 ***Designation:*** Managing Director ***Address:*** 703-704, 7th Floor, Neelkanth Royale, Joshi Lane, Ghatkopar East, Mumbai-400 077, Maharashtra ***Occupation**:* Business ***Period**:* Director since August 1, 2007 ***Current Term**:* liable to retire by rotation ***DIN**:* 01803334	65	• Hemani Crop Care Private Limited.
3.	**Jayesh Mohan Dama** ***Date of Birth:*** September 13, 1983 ***Designation:*** Joint Managing Director ***Address:***703-704, 7th Floor, Neelkanth Royale, Joshi Lane, Ghatkopar East, Mumbai-400 077, Maharashtra ***Occupation**:* Business ***Period**:* Director since February 22, 2018 ***Current Term**:* liable to retire by rotation ***DIN**:* 00934721	38	• Breeze Intermediates Private Limited; and • Hemani Crop Care Private Limited.
4.	**Dinanath Ramayan Rai** ***Date of Birth:*** July 1, 1952 ***Designation:*** Executive Director ***Address:*** B-8, Purnima Apartment, Madhuvan Society, near Pashupatinath Temple, G.I.D.C, Ankleshwar, Bharuch 393 001, Gujarat	69	• Nil

S. No.	Name, designation, date of birth, address, occupation, term, period of directorship, and DIN	Age (years)	Other directorships
	Occupation: Service ***Period:*** Director since July 6, 2014 ***Current Term:*** liable to retire by rotation ***DIN:*** 06917719		
5.	**Ravi Sunderarajan** ***Date of Birth:*** October 11, 1948 ***Designation:*** Independent Director ***Address:*** 96/2B, Kanchan Galli, Near Law College, Erandawana, Pune City, Deccan Gymkhana, Pune, Maharashtra 411 044 ***Occupation:*** Business ***Period:*** Director since November 20, 2021 ***Current Term:*** 5 years w.e.f. November 20, 2021 ***DIN:*** 01006580	73	• Khushboo Fragrance Private Limited
6.	**Avani Rajesh Umatt** ***Date of Birth:*** June 19, 1972 ***Designation:*** Independent Director ***Address:*** 301 Manubhai Avenue, 7 Saptarshi Colony, Near Malhar Point, Old Padra Road, Vadodara, Racecourse, Vadodara, Gujarat 390 007 ***Occupation:*** Self Employed ***Period:*** Director since November 20, 2021 ***Current Term:*** 5 years w.e.f. November 20, 2021 ***DIN:*** 09046170	49	• Tatva Chintan Pharma Chem Limited

Relationship between our Directors and our Key Managerial Personnel

Mohan Sunderji Dama, our Managing Director is the father of Jayesh Mohan Dama, our Joint Managing Director. Apart from this, none of our Directors are related to each other or to any of the Key Managerial Personnel.

Brief Biographies of Directors

Jayesh Mohan Dama is the Joint Managing Director of our Company. He has attended the bachelor’s degree programme in Commerce from University of Mumbai. He has over 15 years of experience in chemical industry. He has been the Joint Managing Director of our Company from February 22, 2018.

Mohan Sunderji Dama is the Managing Director of our Company. He has completed his education upto senior secondary certificate level. He has over 37 years of experience in chemical industry. He has been instrumental in the growth of our Company since its incorporation and has formulated and executed business strategies, managed client expectations and adapt to changing market conditions. He has been a Director on our Board since August 1, 2007.

Dinanath Ramayan Rai is the Executive Director of our Company. He holds a bachelor’s degree in technology (chemical engineering) from the Banaras Hindu University, Varanasi. He has experience in chemical industry. In the past he had been associated with Gujarat Agrochem Limited, Gujarat Vet-Pharma Products Limited, Sumex Chemicals Limited, Hindustan Insecticides Limited. He has been an Executive Director of our Company from July 6, 2014.

Ravi Sunderarajan is the Independent Director of our Company. He holds a bachelor’s degree in engineering (mechanical) from the Maharaja Sayajirao University of Baroda and a post graduate diploma in business administration from the Indian Institute of Management Ahmedabad. He has experience in managing finances of various industries. In the past he had been associated with Murugappa Group as head of the Fertiliser and Farm Inputs business and as a director on the board of EID Parry (India) Limited and RPG Enterprises as head of the transmission sector and also as a member of the group management board, He has been an Independent Director of our Company from November 20, 2021.

Avani Rajesh Umatt is the Independent Director of our Company. She holds a bachelor's degree in science and a master's degree in science from the Maharaja Sayajirao University of Baroda. She also holds a PhD degree in chemistry from Sardar Patel University. She also holds a diploma in performing arts in Kathak from the Maharaja Sayajirao University of Baroda and a bachelor's degree of arts in music from the Gandharva Mahavidyalaya. She has over 18 years of experience in teaching and research. She is currently associated with TeamLease Skills University as Professor, Dean Academics. She has previously been associated with the Sardar Patel University, Indiamalt Private Limited, Bharatiya Vidya Bhavan's Sardar Patel College of Engineering, the Maharaja Sayajirao University of Baroda and Global Discovery Academy and GSFC University. She has been an Independent Director of our Company from November 20, 2021.

Sameer Ashok Paigankar is the Chairman and Independent Director of our Company. He holds a bachelor's degree in pharmaceutical science from the University of Bombay where he received an Alumni Achiever's Award in 2000. He has 12 years of experience in healthcare industry. He has been an Independent Director of our Company from November 20, 2021.

Confirmations

None of our Directors is or was a director of any listed company during the five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during his/her tenure.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Directors

Mohan Sunderji Dama

Mohan Sunderji Dama was appointed as our Managing Director w.e.f. April 1, 2011, pursuant to a Board resolution dated April 18, 2011 and a special resolution passed by the Shareholders of the Company dated April 18, 2011. He was paid a gross total remuneration of ₹52 million in Fiscal 2021. The details of remuneration governing his appointment as approved by our Board in their meeting held on November 20, 2021, by Shareholders in their meeting held on November 29, 2021, and as per the appointment letter dated November 20, 2021, are stated below:

Particulars	Remuneration (in million)
Basic Salary	₹32.00 million per annum with effect from November 20, 2021
House Rent Allowances	₹16.00 million per annum
Benefits/perquisites (Conveyance, Medical insurance , Children Education Allowance, a chauffeur driven car for official and personal use)	₹0.11 million per annum
Special Allowance	₹15.89 million
Total	**₹64.00 million per annum**

Jayesh Mohan Dama

Jayesh Mohan Dama was appointed as our Joint Managing Director pursuant to a Board resolution dated November 20, 2021 and a special resolution passed by the Shareholders of the Company dated November 29, 2021. He was paid a gross total remuneration of approximately ₹32.00 million in Fiscal 2021. The details of remuneration governing his appointment as approved by our Board in their meeting held on November 20, 2021 and by Shareholders in their meeting held on November 29, 2021 and as per the appointment letter dated November 20, 2021, are stated below:

Particulars	Remuneration (in million)
Basic Salary	₹24.00 million per annum with effect from November 20, 2021
House Rent Allowances	₹12.00 million per annum
Benefits/perquisites (Conveyance, Medical insurance, Children Education	₹0.11 million per annum

Particulars	Remuneration (in million)
Allowance, a chauffeur driven car for official and personal use)	
Special Allowance	₹11.89 million per annum
Total	**₹48.00 million per annum**

Dinanath Ramayan Rai

Dinanath Ramayan Rai was appointed as our Technical Director pursuant to a Board resolution dated July 6, 2014 and a special resolution passed by the Shareholders of the Company dated September 30, 2014. He was paid a gross total remuneration of approximately ₹4.63 million in Fiscal 2021. The details of remuneration governing his appointment as approved by our Nomination and Remuneration Committee in their meeting held on November 15, 2021 are stated below: The details of remuneration governing his appointment are stated below:

Particulars	Remuneration
Basic Salary	₹4.69 million per annum
House Rent Allowances	₹1.40 million per annum
Benefits/perquisites (Driver, Conveyance, Medical insurance, Children Education Allowance)	₹0.74 million per annum
Special Allowance	₹0.22 million per annum
Total	**₹7.05 million per annum**

Payment of benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Financial Year 2021 are as follows:

1. **Remuneration to Non-Executive Directors:**

   Our Company does not pay remuneration to its non-executive directors.

2. **Sitting Fees and commission paid to Independent Directors:**

   Our Company has not paid any sitting fees and commission to Independent Directors. Since the independent directors were appointed after March 31, 2021, accordingly, no remuneration was paid to our Independent Directors during Financial Year 2021.

Arrangement or understanding with major Shareholders, customers, suppliers, or others

There is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board or as a member of the senior management.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as disclosed below, our Directors do not hold any equity shares in our Company as of the date of filing of this Draft Red Herring Prospectus:

Name of Director	Number of Equity Shares	Percentage Shareholding (%)
Mohan Sunderji Dama	33,723,150	37.45
Jayesh Mohan Dama	26,783,710	29.74

Interest of Directors

Our Executive Directors may be interested to the extent of remuneration payable to them for leading the day to day business of the Company as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association.

Except as stated in "*Restated Consolidated Financial Information*" on page 296, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Other than, as disclosed in *"Restated Consolidated Financial Information"* on page 296, and the commission payable on the profits to the Independent Directors and Non-Executive Directors, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration and sitting fees for services rendered as Directors.

In addition to the remuneration and reimbursement of expenses as a Director, Jayesh Mohan Dama and Mohan Sunderji Dama also have an interest in our Company to the extent of rent income received by them from our Company pursuant to the leave and license agreement dated April 25, 2019 entered into by and between our Company and Mohan Sunderji Dama, Jayesh Mohan Dama and Minal Mohan Dama in respect of the Registered Office situated at 3rd Floor, 301, C Wing, Neelkanth Business Park, Kirol Village, Near Vidyavihar Bus Depot, Mumbai 400 086, Maharashtra, pursuant to which an aggregate rent of ₹0.43 million per month is payable to Jayesh Mohan Dama, Mohan Sunderji Dama and Minal Mohan Dama by our Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or their relatives or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. The 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.

Except for Mohan Sunderji Dama and Jayesh Mohan Dama, who are our Promoters as on the date of this Draft Red Herring Prospectus, none of our other Directors have any interest in the promotion of our Company other than in the ordinary course of business.

No sum has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or otherwise for services rendered by such Directors or by such firms or companies in connection with the promotion or formation of our Company.

None of the Directors have availed any loan from our Company.

Bonus or profit sharing plan for our Directors

Our Company does not have a bonus or profit sharing plan for our Directors.

Details of Contingent and deferred remuneration payable to our Directors

No remuneration, including contingent or deferred compensation, has been paid or is payable to our Directors.

Remuneration paid to our Directors by our Subsidiaries

No remuneration, including contingent or deferred compensation, has been paid or is payable to our Directors by any of our Subsidiaries.

Details of service contracts entered into by our Company

No Directors have entered into a service contract with our Company pursuant to which such Directors are entitled to any benefits upon termination of employment.

Changes in Board in the last three years

Name of the Director	Date of Appointment/ Change/ Cessation	Reason
Nitin Karsandas Dama	November 17, 2021	Cessation of Directorship as Executive Director
Minal Mohan Dama	November 17, 2021	Cessation of Directorship as Executive Director
Vasant Pradhan Bhanushali	November 17, 2021	Cessation of Directorship as Independent Director
Ravi Sunderarajan	November 20, 2021	Appointment as Independent Director
Avani Rajesh Umatt	November 20, 2021	Appointment as Independent Director
Sameer Ashok Paingankar	November 20, 2021	Appointment as Independent Director
Navin Ramji Bhanushali	November 20, 2021	Cessation of Directorship as Independent Director

Borrowing Powers of our Board

In accordance with our Articles and pursuant to a resolution passed by the Shareholders of our Company on July 15, 2015, the Board may raise finance from any or more banks, financial institutions, mutual funds and other persons, firms, body corporates or by way of loan or credit facilities or any issue of bonds on such terms and conditions and with or without security and in order to secure the borrowing, our Company may be required to create mortgage, hypothecation or charge on the assets of our Company, both present and future, in favour of the lenders/trustees for the holders of the debentures/bonds, which may be issued by our Company to secure the repayment of monies borrowed by our Company (including temporary loans obtained from our Company's bankers in the ordinary course of business.

Corporate Governance

The Corporate Governance provisions of the SEBI ICDR Regulations and 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 Companies Act, SEBI ICDR Regulations and Listing Regulations in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, the SEBI ICDR Regulations and in accordance with the Listing Regulations. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas.

Currently, our Board comprises of six Directors, including three Independent Directors of which one is a woman Director, three Executive Directors including our Managing Director and Joint Managing Director.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. Ravi Sunderarajan, Chairperson, Independent Director

2. Sameer Ashok Paigankar , Member, Independent Director

3. Jayesh Mohan Dama, Member, Joint Managing Director.

The Audit Committee was constituted by a meeting of the Board of Directors held on May 4, 2011 and was last reconstituted on November 20, 2021. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013, Regulation 18 of the Listing Regulations and its terms of reference include the following:

I. the recommendation for appointment, remuneration and terms of appointment of auditors of the company

II. review and monitor the auditor's independence and performance, and effectiveness of audit process

III. examination of the financial statement and the auditors' report thereon

IV. approval or any subsequent modification of transactions of the company with related parties

V. scrutiny of inter-corporate loans and investments

VI. valuation of undertakings or assets of the company, wherever it is necessary

VII. evaluation of internal financial controls and risk management systems

VIII. monitoring the end use of funds raised through public offers and related matters

IX. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

X. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

XI. approval of payment to statutory auditors for any other services rendered by the statutory auditors;

XII. 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;

g. modified opinion(s) in the draft audit report;

XIII. reviewing, with the management, the quarterly financial statements before submission to the board for approval;

XIV. 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;

XV. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

XVI. approval or any subsequent modification of transactions of the listed entity with related parties;

XVII. scrutiny of inter-corporate loans and investments;

XVIII. valuation of undertakings or assets of the listed entity, wherever it is necessary;

XIX. evaluation of internal financial controls and risk management systems;

XX. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

XXI. 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;

XXII. discussion with internal auditors of any significant findings and follow up there on;

XXIII. 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;

XXIV. 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;

XXV. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

XXVI. to review the functioning of the whistle blower mechanism;

XXVII. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

XXVIII. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

XXIX. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

XXX. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

XXXI. 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; and

5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review

by the audit committee.

6) statement of deviations:

   (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

   (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Ravi Sunderarajan, Chairperson, Independent Director

2. Sameer Ashok Paigankar, Member, Independent Director

3. Avani Rajesh Umatt, Member, Independent Director

The Nomination and Remuneration Committee was constituted by the Board of Directors held on April 15, 2015 and was last reconstituted on November 20, 2021. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and regulation 19 of the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee shall include the following:

1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

3) devising a policy on diversity of board of directors;

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 of directors their appointment and removal.

5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors

6) recommend to the board, all remuneration, in whatever form, payable to senior management.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Avani Rajesh Umatt, Chairperson, Independent Director

2. Jayesh Mohan Dama, Member, Joint Managing Director

3. Mohan Sunderji Dama, Member, Managing Director

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on November 20, 2021. The scope and functions of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and regulation 20 of the Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee include the following:

I. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

II. Review of measures taken for effective exercise of voting rights by shareholders;

III. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent

IV. 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 the company.

Risk Management Committee

The members of the Risk Management Committee are:

1. Jayesh Mohan Dama, Chairperson, Joint Managing Director

2. Sameer Ashok Paigankar, Member, Independent Director

3. Avani Rajesh Umatt, Member, Independent Director

The Risk Management Committee was constituted by our Board of Directors at their meeting held on November 20, 2021. The scope and functions of the Risk Management Committee is in accordance with section 134 of the Companies Act, 2013 and regulation 21 of the Listing Regulations. The terms of reference of the Risk Management Committee include the following:

1. To formulate a detailed Risk Management Policy which shall include:

    a. A framework for identification of internal and external risks specifically faced by listed entity, in particular including financial, operational, sectoral, sustainability (particular, 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

    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 the Company.

3. To monitor and oversee implementation of risk management policy including evaluating the adequacy of risk management systems.

4. To periodically review the risk management policy, atleast once in two years, including by considering the changing industry dynamics and evolving complexity

5. To keep board of directors informed about the nature and content of its discussions, recommendations and actions to be taken

6. the appointment, removal and terms of remuneration of the Chief Risk Officer(if any) shall be subject to review by the Risk Management Committee.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Avani Rajesh Umatt, Chairperson, Independent Director

2. Mohan Sunderji Dama, Member, Managing Director

3. Jayesh Mohan Dama, Member, Joint Managing Director

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on April 1, 2014 and was last reconstituted on November 20, 2021. The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder. The terms of reference of the Corporate Social Responsibility Committee include the following:

i. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Companies Act, 2013;

ii. recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

iii. monitor the Corporate Social Responsibility Policy of the company from time to time.

IPO Committee

The members of the IPO Committee are:

1. Mohan Sunderji Dama, Chairperson, Managing Director

2. Jayesh Mohan Dama, Member, Joint Managing Director

3. Ravi Sunderarajan, Member, Independent Director

The IPO Committee was constituted by our Board of Directors at their meeting held on November 20, 2021. The terms of reference of the IPO Committee :

1. To make applications, seek clarifications, obtain approvals and seek exemptions from, where, necessary, the SEBI, the relevant registrar of companies, the RBI, and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments at may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;

2. To finalize, settle, approve, adopt and file in consultation with the book running lead managers appointed for the Offer (the **"BRLMs")** where applicable, the draft red herring prospectus, the red herring prospectus and the prospectus in connection with the Differ, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto **("Offer Documents"),** and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the Registrar of Companies, Maharashtra at Mumbai or any other relevant governmental and statutory authorities or in accordance with applicable laws;

3. To decide in consultation with the BRLMs on the timing, pricing and all the terms and conditions of the Offer, including the price band, Offer price, Offer size and to accept any amendments, modifications, variations or alterations thereto;

4. To appoint and enter into and terminate arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, sponsor bank, legal advisors, auditors, advertising agency and any other agencies or persons or intermediaries in relation to the Offer, including any successors or replacements thereof, and to negotiate, finalise, and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs, and to remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc.;

5. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the prospectus, the preliminary and final international wrap, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the Offer and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, advertising agency, stock exchange(s), BRLMs, Selling Shareholders and any other agencies/intermediaries of the in connection with the Offer with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer.

6. To seek, if required, the consent and/or waiver of the lenders of the Company, customers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;

7. To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

8. To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

9. To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration, and reimbursement of expenses in connection with the offer;

10. To accept and appropriate the proceeds of the Offer in accordance with the applicable laws;

11. To approve code of conduct as may be considered necessary by the IPO Committee or as required under applicable

laws, regulations, guidelines, for the Board, officers, of the Company and other employees of the Company.

12. To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;

13. To approve the restated audited financial statements of the Company, prepared by the Company in accordance with the requirements of relevant provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended, for the purpose of inclusion in the Offer Documents;

14. To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers Company to sign all or any of the aforestated documents;

15. To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

16. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis for allocation and to allot the shares to successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;

17. To do all such acts, deeds and things as may be required to dematerialize the Equity Shares and to sign and/or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize on or more officers of the Company to execute all or any of the aforestated documents;

18. To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary.

19. To settle all questions, difficulties or doubts that may arise in regard to the Offer, including allotment, terms of the Offer, utilisation of the Offer proceeds and matters incidental thereto as it may deem fit;

20. To submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies, Maharashtra at Mumbai and the relevant stock exchange(s) where the Equity Shares are to be listed;

21. To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;

22. To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or any other applicable laws;

23. To approve the list of 'group companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the draft red herring prospectus, the red herring prospectus and the prospectus; and to approve the list of pending litigations involving such group companies which has a material impact on the Company.

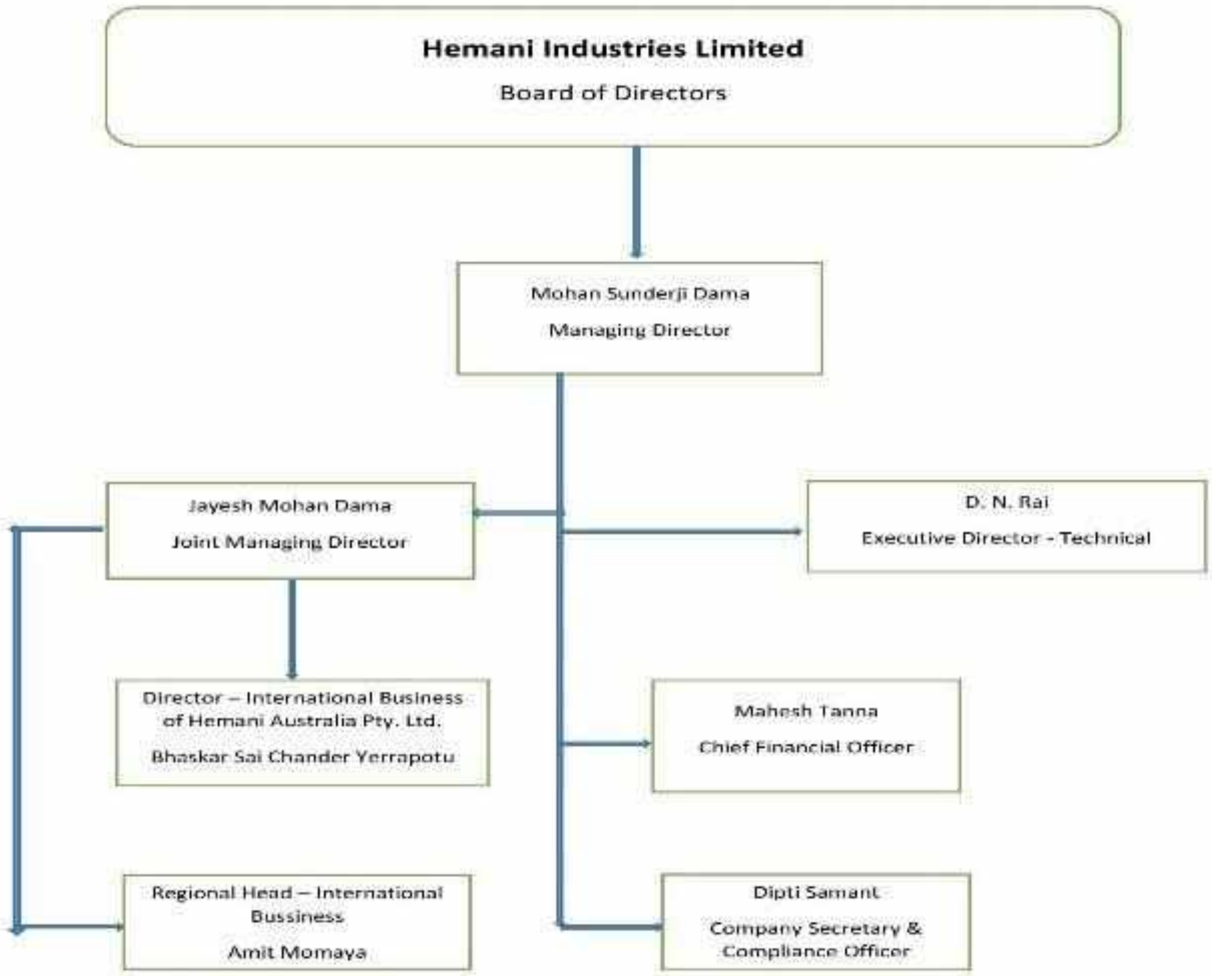
24. Deciding, negotiating and finalising the pricing and all other related matters regarding the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with applicable laws;

25. Taking on record the approval of the Selling shareholders for offering their Equity Shares in the Offer for Sale and taking all actions as may be authorized in connection therewith.

26. To withdraw the draft red herring prospectus or the red herring prospectus or to decide to not proceed with the Offer at any stage in accordance with applicable laws and in consultation with the BRLMs;

27. To delegate any of its powers set out hereinabove, as may be deemed necessity and permissible under applicable laws to the officials of the Company.

Management Organisation Structure



Key Managerial Personnel

The details of the Key Managerial Personnel of our Company are as follows:

In addition to our Managing Director, Mohan Sunderji Dama, Joint Managing Director, Jayesh Mohan Dama and Executive Director – Technical, Dinanath Ramayan Rai, whose details are provided in "*-Brief Profiles of our Directors*" on page 203 above, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below.

Bhaskar Sai Chandar Yerrapotu is the Director – International Business of our Wholly owned Subsidiary, Hemani Australia Pty. Limited since July 1, 2019. He holds a bachelor's degree in science (agriculture and animal husbandry) from Govind Ballabh Pant Krishi Evam Praudyogik Vishwavidyalaya, Pantnagar. He holds a master's degree in science (agriculture) from Govind Ballabh Pant Krishi Evam Praudyogik Vishwavidyalaya, Pantnagar and a master's in business administration from University of Technology Sydney. He has over 22 years of experience in chemical industry and has previously worked with United Phosphorus Limited Australia and Bio-win Corporation Limited. During the Financial Year 2021, he received a remuneration of ₹29.95 million.

Amit Momaya is the Regional Head – International Business of our Company. He holds a bachelor's degree in commerce from the University of Mumbai. He holds a master's degree in Management Studies from University of Mumbai. He has over 14 years of experience in handling export business and has previously worked with Excel Crop Care Limited as DGM – International Business (Export). He joined our Company on September 11, 2013. During the Financial Year 2021, he received a remuneration of ₹4.63 million.

Mahesh Mukundrai Tanna is the Chief Financial Officer of our Company. He has been associated with our Company since September 13, 2021. He is responsible for the finance, accounting, secretarial, legal, and banking functions in our Company. He holds a bachelor's degree in commerce from the Saurashtra University, a bachelor's in law from the University of Mumbai, and a master's degree in financial management from the University of Mumbai. He is also an associate member of the ICSI and has previously qualified in the intermediate (integrated professional competence) examination held by the ICAI. He has experience of over 20 years and has been previously associated with Esskay International, Overseas Infrastructure Alliance (India) Private Limited, Gold Star Corporate Solutions Private Limited, Indo Count Industries Limited, Neogen Chemicals Limited and Tatva Chintan Pharma Chem Limited. As he was appointed in Fiscal 2022, no remuneration was paid or payable to him in Fiscal 2021.

Dipti Dilip Samant is the Company Secretary and Compliance officer of our Company. She holds a bachelor's degree in commerce from the University of Mumbai and a bachelor's in law from the University of Mumbai . She holds a master's degree in commerce from University of Mumbai. She is a qualified company secretary and is a fellow of Institute of Company Secretaries of India. She has over 13 years of experience and has previously worked with Mahindra Lifespace Developers Limited, The Ruby Mills Limited, Chembond Chemicals Limited and Scope T&M Private Limited. She joined our Company on November 12, 2021. As she was appointed in Fiscal 2022, no remuneration was paid or payable to her in Fiscal 2021.

All the Key Managerial Personnel are permanent employees of our Company except Bhaskar Sai Chandar Yerrapotu, who is an employee of our Subsidiary, Hemani Australia Pty. Limited.

No Key Managerial Personnel have entered into a service contract with our Company pursuant to which such Directors are entitled to any benefits upon termination of employment.

Shareholding of Key Managerial Personnel

Except as disclosed below none of our Key Managerial Personnel hold any Equity Shares in our Company:

S. No.	Name	No. of Equity Shares	Pre-Offer (%)
1.	Mohan Sunderji Dama	33,723,150	37.45
2.	Jayesh Mohan Dama	26,783,710	29.74

Bonus or Profit Sharing Plans

None of the Key Management Personnel is party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to Key Management Personnel.

Interests of Key Managerial Personnel

Except as stated in "*Our Management – Interest of Directors*" on page 205, the Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in the Company, if any.

There is no contingent or deferred compensation payable to the Key Managerial Personnel.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers, or others, pursuant to which any Key Managerial Personnel was selected as Key Managerial Personnel.

None of our Key Managerial Personnel have availed any loan from our Company.

In addition to the remuneration and reimbursement of expenses as and Key Managerial Personnel of our Company, Mohan Sunderji Dama and Jayesh Mohan Dama also have an interest in our Company to the extent of rent income received by them from our Company pursuant to the lease agreement dated April 25, 2019 entered into by and between our Company and Mohan Sunderji Dama, Jayesh Mohan Dama and Minal Mohan Dama in respect of the Registered Office situated at 3rd Floor, 301, C Wing, Neelkanth Business Park, Kirol Village, Near Vidyavihar Bus Depot, Mumbai-400 086, Maharashtra, pursuant to which an aggregate rent of ₹0.43 million per month is payable to Jayesh Mohan Dama, Mohan Sunderji Dama and Minal Mohan Dama by our Company.

Further, our Promoters have entered into leave and licence agreements on February 11, 2022 with our Company to take on rent the office premises situated at 701/702/703, C Wing, Neelkanth Business Park, Kirol Village, Near Vidyavihar Bus Depot, Vidyavihar, Mumbai 400 086.

Changes in the Key Managerial Personnel

The changes in the Key Managerial Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Dipti Dilip Samant	Company Secretary and Compliance Officer	November 12, 2021	Appointment as Company Secretary and Compliance Officer
Mahesh Mukundrai Tanna	Chief Financial Officer	September 13, 2021	Appointment as Chief Financial Officer
Surbhi Jain	Company Secretary	July 15, 2020	Resignation as Company Secretary

Payment or Benefit to Key Managerial Personnel of our Company

No non-salary amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Company's employees including the Key Management Personnel and our Directors. For details in relation to payments made to Mohan Sunderji Dama, and Jayesh Mohan Dama see "*Our Management – Interest of Directors"* on page 205.

Employees Stock Options

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

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Jayesh Mohan Dama;
2. Mohan Sunderji Dama; and
3. Minal Mohan Dama

As on the date of this Draft Red Herring Prospectus, our Promoters, in aggregate, hold 90,057,460 Equity Shares, constituting 100.00%* of the issued, subscribed, and paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – Notes to the Capital Structure –Equity Share capital history of our Promoters"* on page 83.

** The shareholding of other Shareholders is negligible.*

Details of our Promoters

1.	**Jayesh Mohan Dama** 	**Jayesh Mohan Dama**, born on September 13,1983, aged 38 years, is a citizen of India. He resides at 703-704, 7th Floor, Neelkanth Royale, Joshi Lane, Ghatkopar East, Mumbai-400 077, India. For further details, see "*Our Management – Brief biographies of Directors*" beginning on page 203. Other than the other directorships as mentioned in "Our Management" and other than as disclosed below, Jayesh Mohan Dama is not involved in any other ventures. 1) Jay Engineers 2) Trinity Creative Homes LLP 3) Breeze Intermediates His PAN is AAAPD6468R.
2.	**Mohan Sunderji Dama** 	**Mohan Sunderji Dama**, born on October 2, 1956, aged 65 years, is a citizen of India. He resides at 703-704,7th Floor, Neelakanth Royale, Joshi Lane, Ghatkopar (East), Mumbai-400 077, Maharashtra, India. For further details, see "*Our Management – Brief biographies of Directors*" beginning on page 203.Other than the other directorships as mentioned in Our Management" and other than as disclosed below, Mohan Sunderji Dama is not involved in any other ventures. 1) Odhavkrupa Developers 2) Trinity Creative Homes LLP. His PAN is AAAPD5983B.
3.	**Minal Mohan Dama** 	**Minal Mohan Dama**, born on October 27, 1964, aged 57 years, is a citizen of India. She resides at 703-704, 7th Floor, Neelakanth Royale, Joshi Lane, Ghatkopar (East), Mumbai-400 077, Maharashtra, India. She has completed her education upto Secondary School Certificate level. She was a director in our Company from March 23, 2015 till November 17, 2021. She is currently a director on the board of directors of Hemani Crop Care Private Limited. Other than Bhanu Packaging, Minal Mohan Dama is not involved in any other ventures. Her PAN is AEOPD2549H.

Our Company confirms that the PAN, bank account numbers, passport numbers, driving license numbers and Aadhar numbers to the extent available, of our Promoters shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Change of control of our Company

There has not been any effective change in the management and control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus. Mohan Sunderji Dama and Minal Mohan Dama were the promoters of our Company. Jayesh Mohan Dama has been additionally identified as the Promoter of our Company pursuant to the resolution of our Board dated December 18, 2021 along with Mohan Sunderji Dama and Minal Mohan Dama. For details of change in shareholding of our Promoters, please see "Capital Structure – *Notes to the Capital Structure –Equity Share capital history of our Promoters*" on page 83 and "*History and Other Corporate Matters – Family Arrangement*" on page 198.

Interests of our Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company. They are also interested in our Company to the extent that they or their relatives hold Equity Shares in our Company to the extent applicable and dividends and distributions declared thereon, if any. For details on the shareholding of our Promoters in our Company, see "*Capital Structure – Shareholding of our Promoters and Promoter Group*" on page 83. Our Promoters Mohan Sunderji Dama and Jayesh Mohan Dama are also Directors on our Board and may deemed to be interested to the extent of their respective remuneration/ fees and reimbursement of expenses, payable to each of them. For further details, see "*Our Management – Terms of appointment of Executive Directors*" on page 204.

In addition to the remuneration and reimbursement of expenses as a Director and Key Managerial Personnel of our Company, our Promoters also have an interest in our Company to the extent of rent income received by them from our Company pursuant to the leave and license agreement dated April 25, 2019 entered into by and between our Company and Mohan Sunderji Dama, Jayesh Mohan Dama and Minal Mohan Dama in respect of the Registered and Corporate Office situated at 3rd Floor, 301, C Wing, Neelkanth Business Park, Kirol Village, Near Vidyavihar Bus Depot, Mumbai-400 086, Maharashtra, pursuant to which an aggregate rent of ₹0.43 million per month is payable to our Promoters by our Company.

Further, our Promoters have entered into leave and licence agreements on February 12, 2022 with our Company to take on rent the office premises situated at 701/702/703, C Wing, Neelkanth Business Park , Kirol Village, Near Vidyavihar Bus Depot, Vidyavihar, Mumbai 400 086.

Further, our Promoters are also directors on the boards, or are shareholders, members or partners, of certain Promoter Group entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group entities. For the payments that are made by our Company to certain members of the Promoter Group, see "*Restated Financial Information*" on page 224.

Other than as disclosed in "*Restated Financial Information*" on page 224, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which our Promoters are directly or indirectly interested and no payments have been made to our Promoters in respect of the contracts, agreements or arrangements which are proposed to be made with our Promoters other than in the normal course of business. For the payments that are made by our Company to certain members of our Promoter Group, see "*Restated Financial Information*" on page 224.

Our Promoters are not interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for the acquisition of land, construction of building or supply of machinery.

No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Common Pursuits

Additionally, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Payment of benefit to our Promoters or Promoter Group

Except in the ordinary course of business and as disclosed in "*Restated Consolidated Financial Information – Note 38: Related party disclosures*" on page 345, no amount or benefit has been paid or given to our Promoters or members of our Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or members of our Promoter Group.

Experience in the business of our Company

For details in relation to experience of our Promoters in the business of our Company, see "*Our Management – Brief Biographies of Directors*" on page 203.

Material guarantees given by our Promoters

For details in relation to the personal guarantee of our Promoters, see "*History and Other Corporate Matters- Guarantees given by the promoter(s) offering its shares in the offer for sale*" on page 199.

Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company in the last three years, except as disclosed below:

Sr. No.	Name of Promoter	Name of Company	Remarks/Reason of disassociation
1.	Jayesh Mohan Dama	Hemani Life Science Limited	Strike Off
2.	Mohan Sunderji Dama	Hemani Life Science Limited	Strike Off
3.	Minal Mohan Dama	Hemani Life Science Limited	Strike Off

Confirmations

There are no litigation or legal action pending or taken by any department of the Central Government or statutory authority during the five years immediately preceding the date of this Draft Red Herring Prospectus against our Promoters.

Our Promoters and members of our Promoter Group have not been declared as Wilful Defaulters or a Fraudulent Borrower.

None of the companies our Promoters are associated with or companies promoted by any of them, have been delisted or suspended in the past.

Our Promoters are not and have never been director or promoter of a Company which is on the dissemination board of any stock exchanges or a company which has not provided an exit option to the public shareholders.

Our Promoters or companies promoted by the promoters have not been in default in payment of listing fees to any stock exchange in the last three years.

Our promoters have not been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

There have been no material regulatory or disciplinary action by a stock exchange in the past one year of filing of this Draft Red Herring Prospectus against the Promoters or companies promoted by them.

Our Promoter Group

The individuals and entities forming part of our Promoter Group* (other than our Promoters) are as follows:

Natural persons who are a part of our Promoter Group

Name of Promoter	Name of relative	Relationship
Jayesh Mohan Dama	Mohan Sunderji Dama	Father
	Minal Mohan Dama	Mother
	Manali Jayesh Dama	Spouse
	Meyuri Hiren Shethia	Sister
	Jairaj Jayesh Dama	Son
	Veera Jayesh Dama	Daughter
	Navin Ramji Bhanushali	Spouse's father
	Madhu Navin Bhanushali	Spouse's mother
	Harsh Navin Bhanushali	Spouse's brother
	Shital Navin Bhanushal	Spouse's sister
Mohan Sunderji Dama	Minal Mohan Dama	Spouse
	Karsandas Sunderji Dama	Brother
	Bhanji Sunderji Dama	Brother
	Shakriben Ramji Bhanushali	Sister
	Jayesh Mohan Dama	Son
	Meyuri Hiren Shethia	Daughter
	Bharat Mithubhai Bhanushali	Spouse's brother
	Mahesh Mithubhai Bhanushali	Spouse's brother
	Jashoda Umarshi Gajara	Spouse's sister
	Laxami Kumar Bhanushali	Sister

Name of Promoter	Name of relative	Relationship
	Bhanu Mulraj Bhanushali	Spouse’s sister
Minal Mohan Dama	Mohan Sunderji Dama	Spouse
	Bharat Mithubhai Bhanushali	Brother
	Mahesh Mithubhai Bhanushali	Brother
	Jashoda Umarshi Gajara	Sister
	Laxami Kumar Bhanushali	Spouse’s Sister
	Bhanu Mulraj Bhanushali	Sister
	Jayesh Mohan Dama	Son
	Meyuri Hiren Shethia	Daughter
	Karsandas Sunderji Dama	Spouse’s brother
	Bhanji Sunderji Dama	Spouse’s brother
	Shakriben Ramji Bhanushali	Spouse’s sister

Entities forming part of the Promoter Group

1. Odhavkrupa Developers;
2. Trinity Creative Homes LLP;
3. Mohan Sunderji Dama HUF;
4. Jay Engineers;
5. Breeze Intermediates Private Limited;
6. Jayesh Mohan Dama HUF;
7. Bhanu Packaging;
8. Mehi Industries Private Limited;
9. Odhav Containers;
10. Automative Rubber Sealing and Coatings;
11. Veera International Eximp;
12. Hemani International; and
13. Jaydeep Realspace LLP

* *We have made an exemption application dated March 28, 2022 under Regulation 300(1)(c) of the SEBI ICDR Regulations to SEBI along with the Draft Red Herring Prospectus for excluding an immediate relative of our Promoters, (i) Premji Sunderji Hemani (ii) the body corporates where he, his relatives, or the HUFs and firms where he or his relatives are members, hold 20% or more equity share capital; (iii) any body corporate where the entities mentioned in (ii) above hold 20% or more equity share capital and (iv) any HUF or firm in which he along with his relatives hold 20% or more of its total capital from being considered as part of the "promoter group" of our Company. Our Company undertakes to update the disclosures included above in the Red Herring Prospectus based on the outcome of the exemption application.*

OUR GROUP COMPANIES

Pursuant to a resolution dated March 28, 2022, our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Red Herring Prospectus, Group Companies of our Company shall include (i) the companies (excluding our Subsidiaries) with which there were related party transactions as disclosed in the Restated Consolidated Financial Information as at and for the six months ended September 30, 2021 and as at and for the financial years ended March 31, 2021 and March 31 2020 and Restated Standalone Financial Information as at and for the financial year ended March 31, 2019 and (ii) such other company as deemed material by our Board. For the purposes of (ii) above, our Board has approved that for the purpose of disclosure in connection with the Offer, a company other than our Subsidiaries shall be considered material and be disclosed as a group company of our Company if, it holds more than 10% of the Company's share capital and the monetary value of the Company's transactions with such companies in the financial year 2021 and six month period ended September 30, 2021, as disclosed in the Restated Financial Information exceeds, individually or in the aggregate, 10% of the total restated revenue or expenses of the Company.

Accordingly, based on the parameters outlined above, our Company has one Group Company*, i.e. Freightbridge Logistics Private Limited.

**We have made an exemption application dated March 28, 2022 under Regulation 300(1)(c) of the SEBI ICDR Regulations to SEBI along with the Draft Red Herring Prospectus for not classifying Hemani Intermediates Private Limited as a 'group company" of the Company and disclosing information as required under SEBI ICDR Regulations. Our Company undertakes to update the disclosures included above in the Red Herring Prospectus based on the outcome of the exemption application.*

A. Details of our Group Company

Freightbridge Logistics Private Limited

Corporate Information

Freightbridge Logistics Private Limited was incorporated on December 3, 2004. The registered office is located at 707, 7^{th} Floor, Neelkanth Business Park, Kirol Village, Near Vidyavihar Bus Depot, Vidyavihar (West) Mumbai 400086

The financial information based on the standalone audited financial statements of Freightbridge Logistics Private Limited is available on the website of our Company at http://hemanigroup.com/investor-relations/group-company-financials/.

Nature of Activities

As on date of this Draft Red Herring Prospectus, Freightbridge Logistics Private Limited is authorised under its constitutional documents to carry on the business of freight forwarding agent in the fields of cargo export by road, rail, air, ocean, domestic air cargo, ocean cargo consolidation both inbound or outbound.

B. Litigation

Our Group Company is not party to any pending litigation which has a material impact on our Company.

C. Nature and extent of interest of Group Company

In the promotion of our Company

Our Group Company does not have any interest in the promotion of our Company.

In the properties acquired by our Company in the past three years prior to filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

Our Group Company is not interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building, supply of machinery, etc.

Other than the transactions disclosed in "*Restated Consolidated Financial Information –Note 38: Related Party Disclosures*" on page 345, our Group Company is not interested in any transactions for the acquisition of land, construction of building or supply of machinery, etc.

D. Common pursuits between our Group Company and our Company

There are no common pursuits among our Group Company and our Company or our Subsidiaries.

E. Related business transactions within the Group Company and significance on the financial performance of our Company

Other than the transactions disclosed in "*Restated Consolidated Financial Information –Note* 38*: Related Party Disclosures"* on page 345, there are no other related business transactions between the Group Company and our Company.

F. Business interests or other interests

Our Group Company does not have any business interest in our Company or our Subsidiaries.

G. Other confirmations

Our Group Company is not listed on any stock exchange. Our Group Company has not made any public or rights issue of securities in the preceding three years.

Further, our Group Companies has not been refused listing by any stock exchange in India or abroad or any has failed to meet the listing requirements of any stock exchanges in India or abroad.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. Further, our Company's dividend payout, if any, will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. The dividend, if any, will depend on a number of internal and external factors, including but not limited to the profitable growth of our Company and specifically, profits earned during the financial year as compared with the previous years and internal budgets resources, business cycles, economic environment and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see "*Financial Indebtedness*" on page 416.

Our Company has not paid any dividend on the Equity Shares during the last three Fiscals and the period ended September 30, 2021 as well as from October 1, 2021 up till the date of filing this Draft Red Herring Prospectus.

SECTION V: FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION

The Board of Directors
Hemani Industries Limited
301, C wing, Neelkanth Business Park,
Kirol Village, Nr. Vidyavihar Bus Depot,
Mumbai 400086

Dear Sirs,

1. We, KPB & Associates, Chartered Accountants ("we" or "us" or "KPB") have examined the attached Restated Ind AS Standalone Financial Information of Hemani Industries Limited (the "Company"), comprising the Restated Ind AS Standalone Statement of Assets and Liabilities as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Ind AS Standalone Statement of Profit and Loss (including other comprehensive income), the Restated Ind AS Standalone Statement of Changes in Equity, the Restated Ind AS Standalone Cash Flow Statement for the six month period ended September 30, 2021 and September 30, 2020 and each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Standalone Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 28 March, 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 ("IPO") prepared in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Management's Responsibility for the Restated Standalone Financial Information

2. The Company's Board of Directors is responsible for the preparation of the Restated Standalone Financial Information for the purpose of inclusion in the DRHP to be filed with the Securities and Exchange Board of India and relevant stock exchanges in connection with the proposed IPO. The Restated Standalone Financial Information has been prepared by the management of the Company on the basis of preparation stated in Note no. 2 of Annexure-V to the Restated Standalone Financial Information.

   The Company's Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

Auditor's Responsibilities

3. We have examined such Restated Standalone Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 1,2021 connection with the proposed IPO of the Company;
   b) The Guidance Note also requires that we comply with the ethical requirements of the Code of

Ethics issued by the ICAI;

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidences supporting the Restated Standalone 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 proposed IPO.

Restated Standalone Financial Information

4. These Restated Standalone Financial Information have been compiled by the management of the Company from:

a) Audited special purpose interim Standalone IndAS financial statements of the Company as at and for the six month period ended September 30, 2021 and September 30, 2020 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the "Special Purpose Interim Standalone Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on January 29, 2022.

b) Audited Standalone Ind AS Financial Statements of the Company as at and for the year ended March 31, 2021 prepared in accordance with the Indian Accounting Standards (referred to as "IndAS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on October 11, 2021.

c) Audited Special Purpose Standalone Ind AS Financial Statements of the Company as at and for the year ended March 31, 2020 prepared in accordance with the Indian Accounting Standards (referred to as "IndAS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on December 18, 2021.

d) Audited Special Purpose Standalone Ind AS Financial Statements of the Company as at and for the year ended March 31, 2019 prepared in accordance with the Indian Accounting Standards (referred to as "IndAS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on December 18, 2021.

5. We have audited the Special Purpose Ind AS Standalone Financial Statements of the Company for the year ended March 31, 2020, as referred in Para 4(c) above, prepared by the Company in accordance with the IndAS for the limited purpose of complying with the requirement of financial statements been audited by an audit firm holding a valid peer review certificate issued by the "Peer Review Board" of the ICAI as required by ICDR Regulations in relation to proposed IPO. We have issued our report dated December 18, 2021 on the Special Purpose Standalone Ind AS Financial Statements to the Board of Directors who have approved these in their meeting held on December 18, 2021.

6. We have audited the Special Purpose Standalone Ind AS Financial Statements for the year ended March 31, 2019, as referred in Para 4(d) above, prepared by the Company in accordance with the Ind AS to make the financial statements for F.Y.2018-19, F.Y.2019-20 and F.Y.2020-21 comparable as till the financial year ended 31st March 2019 the financial statements were prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). We have issued our report dated December 18, 2021 on the Special Purpose Standalone Ind AS financial information to the Board of Directors who have approved these in their meeting held on December 18, 2021.

7. **Auditor's Report**

   Based on our examination and according to the information and explanations given to us, we report that the Restated Standalone Financial Information:

   a) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note (refer Note 2 of Annexure V - Basis of Preparation to the Restated Standalone Financial Information);

   b) have been prepared after incorporating adjustments in respect of changes in the accounting policies (as disclosed in Annexure V to this report), material errors, if any, and regrouping/reclassifications retrospectively to reflect the same accounting treatment as per the accounting policies as at and for the six months period ended September 30, 2021 and September 30, 2020, for all the reporting periods; and

   c) there are no qualifications in the auditors' reports which require any adjustments.

8. For the purpose of our examination, we have relied on:

   Auditors' reports issued by us dated January 29, 2022, October 11, 2021, December 18, 2021 and December 18, 2021 on the Standalone financial statements of the Company as at and for the six-month period ended September 30, 2021 and September 30, 2020, and as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 respectively as referred in Paragraph 4, above.

9. The Restated Standalone Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Audited Special Purpose Interim Standalone Ind AS Financial Statements, Audited Standalone Ind AS Financial Statements and Audited Special Purpose Standalone Ind AS Financial Statements mentioned in paragraph 4 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the 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 and recognized stock exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose. 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.

For KPB & ASSOCIATES
Chartered Accountants
Firm Registration No - 114841W

Ketan N Gada
(Partner)
Membership No: 106451
UDIN:22106451AFUGVV8250
Place: Mumbai
Date: March 28, 2022

HEMANI INDUSTRIES LIMITED

ANNEXURE-I

Restated Standalone Financial Information Statement of Assets and Liablities

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Particulars	Note No	As at 30th September 2021	As at 30th September 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
I.Assets						
(1) Non-current assets						
(a) Property, plant and Equipment	2	2655.94	2222.23	2565.62	2297.10	1944.88
(b) Right of Use Assets	3	319.43	326.85	323.29	295.11	144.76
(b) Capital work-in-progress	4	360.35	78.79	138.00	-	0.57
(c) Other Intangible Assets	5	1.18	-	1.25	-	-
(d) Investment in Subsidiary	6	399.50	21.01	57.20	6.28	-
(e) Financial Assets						
i)Investments	7	1.83	1.77	1.77	1.77	1.77
ii) Other Financial Assets	8	116.14	75.42	88.70	65.04	59.50
(f) Other Non Current Assets	9	12.23	12.51	38.44	37.18	202.31
Total Non-current assets		**3866.61**	**2738.59**	**3214.28**	**2702.48**	**2353.79**
(2) Current assets						
(a) Inventories	10	1704.57	1008.84	987.82	1023.72	767.04
(b) Financial Assets						
i) Trade Receivable	11	5135.82	3559.14	4630.27	4349.93	3044.30
ii) Cash and Cash Equivalents	12	129.13	235.44	207.51	34.92	23.85
iii) Loans	13	80.17	80.31	81.06	70.96	0.00
iv) Other Financial Assets	14	133.90	40.03	58.46	13.90	35.58
(C) Other Current assets	15	1558.35	466.78	782.39	292.70	360.12
Total Current Assets		**8741.95**	**5390.54**	**6747.52**	**5786.14**	**4230.89**
Total Assets		**12608.56**	**8129.13**	**9961.79**	**8488.62**	**6584.68**
II. EQUITY AND LIABILITIES						
(1)Equity						
(a) Equity Share Capital	16	90.06	90.06	90.06	90.06	90.06
(b) Other Equity	17	7051.87	4910.19	5908.62	4204.22	2854.98
Total Equity		**7141.93**	**5000.24**	**5998.68**	**4294.28**	**2945.03**
(2)Liablities						
Non Current Liabilities						
(a) Financial Liabilities						
i) Borrowings	18	359.38	284.43	241.09	335.22	163.78
ia) Lease liablities	43	12.97	16.37	14.90	17.90	0.00
ii) Other Financial Liabiliy	19	78.03	16.40	47.40	2.53	2.45
(b) Provisions	20	7.91	11.73	12.92	12.45	0.00
(C) Deferred tax liabilities	21	115.99	88.13	102.68	78.20	82.84
Total Non Current Liabilities		**574.28**	**417.05**	**418.99**	**446.29**	**249.07**
(3)Current Liabilities						
(a) Financial Liabilities						
i) Borrowing	22	403.70	103.68	637.90	952.89	1060.96
ii) Trade payables	23	3163.52	2106.28	2200.62	2308.73	2051.53
ii) Other financial Liablity	24	724.78	154.07	397.46	203.65	107.69
(a) Other Current Liablities	25	351.66	198.67	171.12	185.00	148.37
(c) Provisions	26	2.93	3.30	4.14	1.19	6.79
(d) Current Tax liabilities (net)	27	245.77	145.85	132.89	96.60	15.24
Total Current Liabilities		**4892.35**	**2711.84**	**3544.13**	**3748.05**	**3390.58**
Total Liablities		**12608.56**	**8129.13**	**9961.79**	**8488.62**	**6584.68**
Significant Accounting Policies	1					
Disclosures under IND AS forming part of Notes to Accounts	37-56					

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 Annexure VII

In terms of our attached report of even date.
For **KPB & ASSOCIATES.**
Chartered Accountants
ICAI Firm Regn. No. - 114841W

For **Hemani Industries Ltd**

Ketan Gada
PARTNER
Membership No. - 106451

Mohan Dama
Managing Director
(DIN No. : 01803334)

Jayesh Dama
Joint Managing Director
(DIN No. :00934721)

Mahesh Tanna
Chief Financial Officer

Dipti Samant
Company Secretary

Place : Mumbai
Date : March 28, 2022

Place : Mumbai
Date : March 28, 2022

HEMANI INDUSTRIES LIMITED
ANNEXURE-II
Restated Standalone Financial Information Statement of Profit & Loss account
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Particulars	Note No	For the Six Months period ended 30th September 2021	For the Six Months period ended 30th September 2020	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	28	6963.50	4701.29	11352.85	9943.50	8823.03
II. Other Income	29	170.11	21.37	130.21	254.78	126.75
III. Total Revenue (I +II)		**7133.61**	**4722.67**	**11483.06**	**10198.28**	**8949.78**
III. Expenses:						
Cost of materials consumed	30	3958.26	2236.30	6068.12	5608.59	5205.15
Purchase of Trading goods	31	228.08	91.68	134.86	101.76	117.11
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	32	(412.35)	(77.72)	109.49	(164.09)	(313.36)
Employee benefit expense	33	264.47	228.35	500.28	382.45	341.66
Financial costs	34	49.63	41.13	61.98	123.57	89.23
Depreciation and amortization expense	2	108.71	99.82	183.97	186.26	132.19
Other expenses	35	1414.67	1158.08	2096.60	2106.70	2067.89
III. Total Expenses		**5611.48**	**3777.65**	**9155.30**	**8345.23**	**7639.87**
IV. Profit before tax	(III - IV)	**1522.13**	**945.02**	**2327.76**	**1853.05**	**1309.91**
V. Tax expense:						
(1) Current tax		365.00	230.00	600.00	458.58	464.34
(2) Deferred tax		(13.17)	(10.15)	(24.76)	4.64	(5.99)
(3) Earlier Year Tax		-	-	-	42.79	79.81
VI. Profit(Loss) from the period from continuing operations	**(IX-X)**	**1143.96**	**704.87**	**1703.01**	**1356.32**	**759.77**
VII.Other Comprehensive Income						
i)Items that will not be reclassified to profit & loss						
Remeasurements gain/(losses) on defined benefit plans		(0.57)	0.88	1.11	(5.65)	(1.89)
ii)Income tax related to items that will not been reclassified to profit and loss		(0.14)	0.22	0.28	(1.42)	(0.66)
VIII.Total Comprehensive Income		**(0.71)**	**1.10**	**1.39**	**(7.08)**	**(2.55)**
IX. Profit/(Loss) from discontinuing operations-Refer Note no-46		-	-	-	-	(12.60)
X. Tax expense of discounting operations		-	-	-	-	3.50
XI. Profit/(Loss) from Discontinuing operations (IX - X)		-	-	-	-	(16.10)
XII. Profit/(Loss) for the period (VI+VIII)		**1143.25**	**705.97**	**1704.40**	**1349.24**	**741.11**
XIII. Earning per equity share:Prior to split and Bonus (In Rs.)	52					
Basic (Face Value of Rs.10 each)		127.03	78.27	189.10	150.61	82.58
Diluted		127.03	78.27	189.10	150.61	82.58
		(Not annualised)	(Not annualised)			
XIII. Earning per equity share:Post split and Bonus (In Rs.)	52					
Basic (Face Value of Rs.5 each)		12.70	7.83	18.91	15.06	8.26
Diluted		12.70	7.83	18.91	15.06	8.26
		(Not annualised)	(Not annualised)			
Significant Accounting Policies	1					
Disclosures under IND AS forming part of Notes to Accounts	37-56					

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 Annexure VII

In terms of our attached report of even date.

For **KPB & ASSOCIATES**
Chartered Accountants
ICAI Firm Regn. No. - 114841W

Ketan Gada
PARTNER
Membership No. - 106451

Place : Mumbai
Date : March 28, 2022

For **Hemani Industries Ltd**

Mohan Dama
Managing Director
(DIN No. : 01803334)

Jayesh Dama
Joint Managing Director
(DIN No. : 00934721)

Mahesh Tanna
Chief Financial officer

Dipti Samant
Company Secretary

Place : Mumbai
Date : March 28, 2022

HEMANI INDUSTRIES LIMITED
ANNEXURE-III
Restated Standalone Financial Information Statement of Cash Flows
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Particulars	For the Six Months period ended 30th September 2021	For the Six Months period ended 30th September 2020	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 and Extraordinary items	1522.13	945.02	2327.76	1853.05	1297.30
Adjusted for :					
Add: a. Depreciation	108.71	99.82	183.97	186.26	134.06
b. Loss on Sale of Plant,Property and Equipment	-	-	0.13	-	0.58
c. Loss of Plant,Property and Equipment due to fire	-	38.44	38.44	-	(39.69)
d. Provision for Doubtful debt	21.03	9.96	13.82	5.63	2.23
e. Leave Encashment	(5.78)	14.56	5.62	4.33	2.64
f. Interest paid/Finance Cost	49.63	40.94	61.98	123.57	70.52
g. Interest received on loans, deposits	(16.95)	(5.82)	(17.10)	(6.21)	(3.14)
h. Dividend income on	-	-	-	-	-
Long Term unquoted Investments (Non-Trade)	(0.05)	-	(0.03)	(0.06)	(0.08)
i. Short term Capital gain	(0.07)	-	-	-	-
j. Profit on sale of fixed assets	-	-	-	-	(43.33)
Operating profit before working capital changes	1678.65	1142.92	2614.61	2166.56	1421.10
Adjusted for :					
Add: a. Increase in trade payables	962.90	-	-	257.20	28.81
b. Increase in Other Current liablities	180.54	-	-	36.62	136.79
c. Increase in Other Non-Current Financial liablities	30.64	12.34	41.87	17.98	2.45
d. Increase in other Current financial liablity	327.33	13.67	193.80	95.96	-
e. Decrease in Trade receivable	-	790.79	-	-	-
f. Decrease in Other Current Assets	-	-	-	89.10	360.22
g. Decrease in Other Non Current Assets	26.22	24.67	-	167.64	-
h. Decrease in inventories	-	14.89	35.91	-	-
i. Increase in inventories	(716.75)	-	-	(256.69)	(522.00)
j. Decrease in Trade Payable	-	(202.46)	(108.11)	-	-
k. Increase in Trade & other receivables	(526.58)	-	(294.16)	(1305.63)	(532.86)
l. Decrease in Lease liablity	(1.93)	-	-	-	(35.00)
m. Decrease in Other Current liablities	-	(49.59)	(16.39)	-	-
n. Increase in other Current financial Assets	(75.44)	(26.13)	(44.56)	-	(13.71)
o. Decrease in other Non Current Financial Liabilities	-	-	-	-	-
p. Increase in other current Assets	(775.96)	(183.42)	(489.69)	-	-
q. Increase in other Non-Current assets	-	-	(1.26)	-	(182.04)
r. Increase in other Non-Current Financial assets	(27.44)	(13.45)	(23.66)	(5.01)	(14.45)
s. Increase in Current Loans & Advances	(0.89)	-	(10.10)	-	-
t. Increase in Long Term Loan	-	-	-	(70.96)	-
Cash generated from opeartions	1081.27	1524.23	1898.26	1192.78	649.32
Less : Taxes paid	251.42	214.65	562.28	431.71	541.03
NET CASH GENERATED FROM OPERATION	**829.85**	**1309.57**	**1335.97**	**761.08**	**108.29**
B. CASH FLOW FROM INVESTING ACTIVITES					
a. Sale of Fixed Assets	-	-	0.10	63.51	43.07
b. Sale of Investments	170.02	0.00	-	-	3.74
c. Interest received on loans, deposits	16.95	5.82	17.10	6.21	3.14
d. Net Cash flow from other Bank balance	-	-	0.00	(1.53)	(0.15)
e. Short term capital gain	0.07	-	-	-	-
f. Dividend income	-	-	-	-	-
Long Term Unquoted investment (Non-Trade)	0.05	-	0.03	0.06	0.08
g. Purchase of fixed assets	(417.46)	(173.93)	(658.59)	(751.78)	(546.46)
h. Purchase of Investment	(170.00)	-	-	-	-
i. Investment in Subsidiaries	(342.30)	-	(50.92)	(6.28)	-
Net cash (used) in investing activities	**(742.68)**	**(168.11)**	**(692.29)**	**(689.80)**	**(496.59)**
C. CASH FLOW FROM FINANCING ACTIVITES					
a. Proceeds/(Repayment) from Bank Borrowings	(234.21)	(849.21)	(94.13)	250.61	(15.00)
b. Proceeds/(Repayment) from Other Borrowings	118.28	-	-	(79.17)	97.88
c. Proceeds/(Repayment) from Short term Borrowings	-	(50.79)	(314.99)	(108.07)	393.22
d. Interest - others and financial charges	(49.63)	(40.94)	(61.98)	(123.57)	(70.52)
Net cash generated/(used) in financing activities	**(165.55)**	**(940.94)**	**(471.09)**	**(60.21)**	**405.58**
D. Increase/(Decrease) in cash and cash equivalents (A+B+C)	**(78.38)**	**200.53**	**172.59**	**11.07**	**17.28**
Cash and cash equivalents at the beginning of the year	**207.51**	**34.92**	**34.92**	**23.85**	**6.57**
Cash and cash equivalents at the end of the year	**129.13**	**235.44**	**207.51**	**34.92**	**23.85**
Net Increase / (Decrease) in Cash and Cash equivalents	**(78.38)**	**200.53**	**172.59**	**11.07**	**17.28**

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 Annexure VII

In terms of our attached report of even date.

For **KPB & ASSOCIATES.**
Chartered Accountants
ICAI Firm Regn. No. - 114841W

For **Hemani Industries Ltd**

Ketan Gada
PARTNER
Membership No. -106451

Mohan Dama
Managing Director
(DIN No. : 01803334)

Jayesh Dama
Joint Managing Director
(DIN No. : 00934721)

Mahesh Tanna
Chief Financial officer

Place : Mumbai
Date : March 28, 2022

Place : Mumbai
Date : March 28, 2022

Dipti Samant
Company Secretary

HEMANI INDUSTRIES LIMITED
ANNEXURE-IV
RESTATED STANDALONE FINANCIAL INFORMATION STATEMENT OF CHANGES IN EQUITY
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Particulars	As at 30th September 2021		As at 30th September 2020		As at 31st March 2021		As at 31st March 2020		As at 31st March 2019	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
(a) Equity Share Capital										
Balance at beginning of the reporting period	90,05,750	90.06	90,05,750	90.06	90,05,750	90.06	90,05,750	90.06	90,05,750	90.06
Changes in Equity Share Capital during the year	-	-	-	0.00	-	0.00	-	0.00	-	0.00
Balance ar the end of the reporting period	90,05,750	90.06	90,05,750	90.06	90,05,750	90.06	90,05,750	90.06	90,05,750	90.06

(b) Other Equity	Reserves & Surplus		
Particuars	**Capital Reserve**	**Retained Earnings**	**Total Equity**
Balance at April 1,2018	**2.43**	**2111.44**	**2113.87**
Profit for the year	-	743.66	743.66
Other Comprehensive Income for the year-Remeasurement Gain/(Loss) on Defined Benefir Plan	-	(2.55)	(2.55)
Transfer from Capital Reserve to Retined Earnings	(2.43)	2.43	0.00
Balance at April 1,2019	**-**	**2854.98**	**2854.98**
Profit for the year	-	1356.32	1356.32
Other Comprehensive Income for the year-Remeasurement Gain/(Loss) on Defined Benefit Plan	-	(7.08)	(7.08)
Balance at April 1,2020	**-**	**4204.22**	**4204.22**
Profit for the year	-	1703.01	1703.01
Other Comprehensive Income for the year-Remeasurement Gain/(Loss) on Defined Benefit Plan	-	1.39	1.39
Balance at March 31,2021	**-**	**5908.62**	**5908.62**
Balance at April 1,2020	**-**	**4204.22**	**4204.22**
Profit for the year	-	704.87	704.87
Other Comprehensive Income for the year-Remeasurement Gain/(Loss) on Defined Benefit Plan	-	1.10	1.10
Balance at September 30,2020	**-**	**4910.19**	**4910.19**
Balance at April 1,2021	**-**	**5908.62**	**5908.62**
Profit for the year	-	1143.96	1143.96
Other Comprehensive Income for the year-Remeasurement Gain/(Loss) on Defined Benefit Plan	-	(0.71)	(0.71)
Balance at September 30,2021	**-**	**7051.87**	**7051.87**

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 Annexure VII

For **KPB & ASSOCIATES**
Chartered Accountants
ICAI Firm Regn. No. - 114841W

For **Hemani Industries Ltd**

Ketan Gada
PARTNER
Membership No. - 106451

Mohan DAMA
Managing Director
(DIN No. : 01803334)

Jayesh Dama
Joint Managing Director
(DIN No. : 00934721)

Mahesh Tanna
Chief Financial officer

Dipti Samant
Company Secretary

Place : Mumbai
Date : March 28, 2022

Place : Mumbai
Date : March 28, 2022

Annexure-V

GENERAL NOTES TO THE RESTATED STANDALONE FINANCIAL INFORMATION

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & PRACTICES FORMING PART OF RESTATED IND AS STANDALONE INFORMATION.

(All Amounts Are in INR Millions, except share data and where otherwise stated)

1. **CORPORATE INFORMATION**

Hemani Industries Ltd. (**"the Company**") is a Public Limited Company, incorporated under the provisions of Companies Act, 1956. The registered office of the Company is located at C301, Neelkanth Business Park, R.N Road, Vidyavihar West, Mumbai 400 086 India.

The Company is engaged in manufacturing and selling of Agrochemicals Products.

The accompanying Restated Standalone Financial Information was approved by the board of directors on March 28, 2022.

2. **BASIS FOR PREPARATION OF ACCOUNTS**

The Restated Standalone Financial Information of the Company prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India.

Accordingly, the Restated Standalone Financial Information of the Company comprises the Restated Standalone Financial Information Statement of Assets and Liabilities as at September 30,2021, September 30 2020, March 31, 2021, March 31, 2020, and March 31, 2019, the Restated Standalone Financial Information Statement of Profit and Loss (including the other comprehensive income), the Restated Standalone Financial Information Statement of Changes in Equity, the Restated Standalone Financial Information statement of Cash Flows for the six months ended September 30, 2021, September 30, 2020, and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, the summary statement of significant accounting policies, the other explanatory information (collectively, the **Restated Standalone Financial Information**, as approved by the Board of Directors of the Company at their meeting held on March 28, 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 as per the requirement of:

a) Section 26 of Part I of chapter III of the Companies Act, 2013 ("the Act")

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note")

In addition, the Restated Standalone Financial Information are presented in "INR" or "Rs." which is also the Company's functional currency and all values are stated as INR millions, except when otherwise indicated.

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after April 1, 2019. Accordingly, the financial statements of the Company on and from April 1, 2019 have been prepared in accordance with the Ind AS and the provisions of the Companies Act, 2013 (**"Act'**) (to the extent notified). Financial statements for the year 2018-19 were restated to make them comparable with transition date being April 1, 2018.

Annexure-V

GENERAL NOTES TO THE RESTATED STANDALONE FINANCIAL INFORMATION

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & PRACTICES FORMING PART OF RESTATED IND AS STANDALONE INFORMATION.

(All Amounts Are in INR Millions, except share data and where otherwise stated)

The Restated Standalone Financial Information have been prepared so as to contain information / disclosures and incorporating adjustments to the information compiled by the management from:

a) Audited Special Purpose Interim Standalone Ind AS financial statements of the Company as at and for the six month period ended September 30, 2021 and September 30, 2020 prepared in accordance with recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Interim Standalone Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on January 29, 2022.

b) Audited Standalone IND AS Financial statements of the Company as at and for the years ended March 31, 2021 are prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on October 11, 2021

c) Audited Special Purpose Standalone Ind AS Financial Statements of the Company as at and for the year ended March 31, 2020 prepared in accordance with the Indian Accounting Standards (referred to as "IndAS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on December 18, 2021.

d) Audited Special Purpose Standalone Ind AS Financial Statements of the Company as at and for the year ended March 31, 2019 prepared in accordance with the Indian Accounting Standards (referred to as "IndAS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on December 18, 2021.

3. SYSTEM OF ACCOUNTING

The Company follows Mercantile System of Accounting and recognizes Income & Expenditure on an accrual basis.

Accounts of the Company are prepared under the Historical Cost convention method, except for certain financial instruments that are measured at fair value in accordance with Ind AS.

4. GOING CONCERN

Fundamental Accounting assumption of going concern is followed in preparation of Restated Standalone Financial Information.

5. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Restated Standalone Financial Information requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

5.1. Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Restated Standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

5.2. Taxes:

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

5.3. Defined benefit plans (gratuity benefits):

A liability in respect of defined benefit plans is recognized in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 34 for details of the key assumptions used in determining the accounting for these plans.

5.4. Useful economic lives of Property, plant and equipment:

Property, plant and equipment as disclosed in note 3 are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values.

5.5. Intangible assets:

Intangible development costs are capitalized as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable. The costs which can be capitalized include laboratory testing expenses that are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

5.6. Impairment of non- financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset.

In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

5.7 **Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**
In view of the nationwide lockdown announced by the Government of India to control the spread of COVID19, the Company's business operations were temporarily disrupted from March 24, 2020. The Company has resumed operations in a phased manner as per government directives. Based on the immediate assessment of impact of COVID-19 on the operations of the Company and ongoing discussions with the Customers, vendors and service providers, the Company is positive of serving customer orders and obtaining regular supply of raw materials and logistics services. The Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of its current and non-current assets, after considering internal and external sources of information as at the date of approval of these Financial Information. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Trade Receivables and Inventories. In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available up to the date of issuance of these Financial Information. In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that carrying amounts of trade receivables and inventories are expected to be realisable. The impact of COVID-19 may be different from that estimated as at the date of approval of these Financial Information, and the Company will continue to closely monitor the developments.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

6.1. Current Vs. Non-Current Classification:

The Company presents assets and liabilities in the 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 at least twelve months after the reporting period.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- 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 months after the reporting period

- All other assets and liabilities are classified as non-current assets and liabilities.
- 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.

6.2. Trade receivables

A receivable represents the Company'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). Refer to accounting policies of financial assets in (Financial instruments – initial recognition and subsequent measurement.)

6.3. 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 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.

6.4. Revenue Recognition

Revenue from contract with customer is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

- **Sale of Goods**

  Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods or terms as agreed with the customer. The normal credit term is 180 to 365 days from the date of dispatch. As a consequence, it does not adjust any of the transaction price for the time value of money. The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any)

- **Variable consideration**

  If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at the time of completion of performance obligation and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with cash discount in accordance with the company policy. The cash discount component gives rise to variable consideration.

- **Volume rebates**

  The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract.

- **Contract assets**

  A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs its obligation by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

- **Interest Income**

  For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

- **Export Incentives**

  An export incentive received under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and is included in revenue in the statement of profit and loss due to its operating nature.

- **Dividend**

  Dividend income is recognized when the right to receive the same is established, which is generally when shareholders approve the dividend.

- **Insurance Claims**

  Claims receivable on account of insurance are accounted for to the extent the Company is virtually certain of their ultimate collection.

6.5. LEASES

As per Ind AS 116, the standard sets out the principles for the recognition, measurement, presentation and disclosure of lessee and the lessor. Ind AS 116 introduces single lessee accounting model and requires lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Operating lease expenses are charged to the statement of Profit & Loss. The standard also contains enhanced disclosure requirements for lessees.

Under Ind AS 116, the lease liability is remeasured upon the occurrence of certain events, such as a change in lease term or a change in future lease payments resulting from a change in an index or rate (for example, inflation-linked payments or market rate rent reviews). A corresponding adjustment is made to the right of use asset.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Lease payments associated with following leases are recognized as expense on straight-line basis:

i) Low value leases; and
ii) Leases which are short-term.

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognized in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognized over the lease term, based on a pattern reflecting a constant periodic rate of return on Company’s net investment in the lease. A lease which is not classified as a finance lease is an operating lease.

The Company recognizes lease payments in case of assets given on operating leases as income on a straight-line basis. The Company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

6.6. FOREIGN CURRENCIES

The Company’s financial statements are presented in INR, which is also the Company’s functional currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date**.**

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss. On-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or statement of profit or loss are also recognized in OCI or profit or loss, respectively).

6.7. FAIR VALUEMEASUREMENT

The Company measures certain financial instruments at fair value at each balance sheet date.

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 financial Information are categorized within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the 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.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Board of Directors.

External values are involved for valuation of significant assets. Involvement of external values is decided upon annually by the board of directors after discussion with and approval by the Management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Values are normally rotated every three years. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external values, also compares the change in the fair value of each financial asset and financial liability with relevant external sources to determine whether the change is reasonable.

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.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions.
- Quantitative disclosures of fair value measurement hierarchy.
- Investment in equity shares.
- Financial instruments (including those carried at amortized cost).

6.8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (PPE) and capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Items of stores and spares that meet the definition of Property, Plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 income statement when the asset is derecognized. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 Depreciation is not provided on freehold land. Leasehold land is amortized over the lease period on a straight-line basis. 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.

The residual values are not more than 5% of the original cost of the item of Property, Plant and Equipment. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Asset	**Estimated Useful life**
Right to use – Leasehold Land	As per Terms of Lease
Building	30 Years
Plant & Machinery	20 Years
Other Plant & Machinery	8 years
Electrical Installation	10 Years
Furniture and Fixtures	10 Years

Vehicles	10 Years
Computers	3 Years
Other equipment's	5 Years

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Cost includes acquisition and other incidental cost related to acquiring the intangible asset. Research costs are expensed as incurred. Intangible development costs are capitalized as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable. The costs which can be capitalized include laboratory testing expenses that are directly attributable to development of the asset for its intended use. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

6.9. IMPAIRMENT OF NON- FINANCIAL ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash- generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to

Other Comprehensive Income (OCI). For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

6.10. FINANCIAL INSTRUMENT

Financial assets and/or financial liabilities are recognized when the company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

6.10.1. Financial Asset

Initial Recognition and Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Debt instruments at amortized cost

A 'debt instrument' is measured at its amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and lessor costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss.

Debt instrument at Fair Value Through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

Debt instrument at Fair Value Through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTOCI. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investments in Subsidiary

Investment in equity shares in Subsidiary carried at amortised cost.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognizes an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a.) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes 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. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write- off criteria, the company does not reduce impairment allowance from the gross carrying amount.

6.10.2 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities

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.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Loan and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized 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.

Amortized 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.

Trade and other payables

These amounts represent liability for good and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 12 Month of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Derivatives and hedging activities

The derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

De-recognition

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.

6.10.3 OFF-SETTING FINANCIAL INSTRUMENT

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

7. INVENTORIES

Stores and spares, packing materials and raw materials are valued at lower of cost or net realizable value and for this purpose, cost is determined FIFO basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Semi-finished products, finished products and by-products are valued at lower of cost or net realizable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale

8. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

9. Retirement and other employee benefits

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss in the year when employee rendered related services.

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year.

Re-measurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

10. ACCOUNTING FOR TAXES ON INCOME

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation 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 provisions where appropriate.

Deferred taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss 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

11. PROVISIONS

Provisions are recognized 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, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. 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 recognized as a finance cost.

12. CONTINGENT LIABILITIES

Provisions are not recognized for future operating losses. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

13. LEASES

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

Where the Company is the lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is re-measured 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 Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured 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.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Company has elected not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognizes the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Lease under Ind AS 116:

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term

14. EARNING PER SHARE

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & PRACTICES FORMING PART OF RESTATED IND AS STANDALONE INFORMATION.

(All Amounts Are in INR Millions, except share data and where otherwise stated)

- **Basic earnings per share**
  Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period which includes the impact on account of sub-division and issue of bonus equity shares subsequent to balance sheet data but prior to adoption of financial statements

- **Diluted earnings per share**
  For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The weighted average number of shares outstanding during the period includes the impact on sub-division and issue of bonus equity shares subsequent to balance sheet data but prior to adoption of financial statements.

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and Short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

16. DIVIDEND

The Company recognizes a liability for dividends to equity holders of the Company when the dividend is authorized and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

17. OPERATING SEGMENTS

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation.

Considering the nature and scope of business of the Company, the Chief Operating Decision Maker could not identify any operating Segment.

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES ON RESTATED STANDALONE FINANCIAL STATEMENTS
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)
Note No. 02 PROPERTY,PLANT AND EQUIPMENTS AS ON 30TH SEPTEMBER 2021

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.21	Additions	Deduction	As on 30.09.21	Upto 01.04.21	Deduction	Current year	Upto 30.09.21	As on 30.09.21	As on 31.03.21
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Office Equipments	4.38	0.09	-	4.46	3.08	-	0.65	3.72	0.74	1.30
Factory Building	969.58	35.03	-	1004.60	78.13	-	16.55	94.68	909.92	891.45
Plant & Equipment	1801.20	157.53	-	1958.73	330.21	-	73.07	403.28	1555.44	1470.98
Electric Installation	115.25	2.31	-	117.56	40.35	-	11.16	51.50	66.06	74.90
Laboraory Equipments	107.91	-	-	107.91	13.64	-	0.43	14.07	93.84	94.27
Furniture & Fixture	16.85	0.03	-	16.88	6.01	-	0.52	6.53	10.35	10.84
Vehicle	16.48	-	-	16.48	0.33	-	2.00	2.33	14.15	16.15
Computer	5.70	0.13	-	5.83	1.79	-	0.32	2.12	3.71	3.91
R & D Equipment	2.03	-	-	2.03	0.21	-	0.10	0.30	1.72	1.82
TOTAL	**3039.36**	**195.11**	**-**	**3234.47**	**473.74**	**-**	**104.79**	**578.53**	**2655.94**	**2565.62**

Note No. 02 PROPERTY,PLANT AND EQUIPMENTS AS ON 30TH SEPTEMBER 2020

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.20	Additions	Deduction	As on 30.09.20	Upto 01.04.20	Deduction	Current year	Upto 30.09.20	As on 30.09.20	As on 31.03.20
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Office Equipments	3.24	0.24	-	3.48	1.99	-	0.49	2.47	1.01	1.25
Factory Building	791.63	22.97	-	814.60	48.92	-	15.41	64.32	750.27	742.71
Plant & Equipment	1584.27	27.82	38.10	1573.98	219.80	9.38	64.89	275.31	1298.68	1364.46
Electric Installation	87.61	6.57	9.90	84.28	20.87	0.18	11.05	31.74	52.54	66.74
Laboraory Equipments	107.82	-	-	107.82	11.88	-	1.38	13.26	94.56	95.94
Furniture & Fixture	7.77	0.14	-	7.91	3.06	-	1.46	4.52	3.39	4.70
Vehicle	20.22	0.96	-	21.17	3.32	-	1.17	4.49	16.68	16.90
Computer	5.27	0.15	-	5.43	1.65	-	0.09	1.74	3.69	3.62
R & D Equipment	0.84	0.69	-	1.53	0.07	-	0.04	0.11	1.41	0.77
TOTAL	**2608.66**	**59.54**	**48.01**	**2620.19**	**311.56**	**9.56**	**95.96**	**397.96**	**2222.23**	**2592.22**

Note No. 02 PROPERTY,PLANT AND EQUIPMENTS AS ON 31ST MARCH 2021

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.20	Additions	Deduction	As on 31.03.21	Upto 01.04.20	Deduction	Current year	Upto 31.03.21	As on 31.03.21	As on 31.03.20
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Office Equipments	3.24	1.14	-	4.38	1.99	-	1.09	3.08	1.30	1.25
Factory Building	791.63	177.95	-	969.58	48.92	-	29.21	78.13	891.45	742.71
Plant & Equipment	1584.27	255.04	38.10	1801.20	219.80	9.38	119.79	330.21	1470.98	1364.46
Electric Installation	87.61	37.54	9.90	115.25	20.87	0.18	19.66	40.35	74.90	66.74
Laboraory Equipments	107.82	0.08	-	107.91	11.88	-	1.76	13.64	94.27	95.94
Furniture & Fixture	7.77	9.08	-	16.85	3.06	-	2.94	6.01	10.84	4.70
Vehicle	20.22	0.96	4.69	16.48	3.32	4.46	1.47	0.33	16.15	16.90
Computer	5.27	0.43	-	5.70	1.65	-	0.15	1.79	3.91	3.62
R & D Equipment	0.84	1.19	-	2.03	0.07	-	0.13	0.21	1.82	0.77
TOTAL	**2608.66**	**483.40**	**52.70**	**3039.36**	**311.56**	**14.02**	**176.20**	**473.74**	**2565.62**	**2297.10**

Note No. 2 PROPERTY,PLANT AND EQUIPMENTS AS ON 31ST MARCH 2020

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.19	Additions	Deduction	As on 31.03.20	Upto 01.04.19	Deduction	Current year	Upto 31.03.20	As on 31.03.20	As on 31.03.19
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Office Equipments	2.95	0.29	-	**3.24**	1.19	-	0.80	**1.99**	1.25	1.76
Factory Building	655.61	136.01	-	**791.63**	23.58	-	25.33	**48.92**	742.71	632.03
Plant & Equipment	1261.79	322.48	-	**1584.27**	89.81	-	129.99	**219.80**	1364.46	1171.98
Electric Installation	21.93	65.68	-	**87.61**	3.38	-	17.49	**20.87**	66.74	18.56
Laboraory Equipments	104.84	2.98	-	**107.82**	10.77	-	1.11	**11.88**	95.94	94.07
Furniture & Fixture	5.90	1.87	-	**7.77**	0.74	-	2.33	**3.06**	4.70	5.16
Vehicle	19.64	0.58	-	**20.22**	2.29	-	1.03	**3.32**	16.90	17.35
Computer	4.89	0.38	-	**5.27**	0.92	-	0.73	**1.65**	3.62	3.97
R & D Equipment	-	0.84	-	**0.84**	-	-	0.07	**0.07**	0.77	-
TOTAL	**2077.55**	**531.11**	**-**	**2608.66**	**132.67**	**-**	**178.88**	**311.56**	**2297.10**	**1944.88**

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES ON RESTATED STANDALONE FINANCIAL STATEMENTS
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)
Note No. 2 PROPERTY,PLANT AND EQUIPMENTS AS ON 31ST MARCH 2019

Description	Gross Block					Depreciation					Net Block	
	As on 01.04.18	Reclassified as Right of Use	Additions	Deduction	As on 31.03.19	As on 01.04.18	Reclassified as Right of Use	Deduction	Current year	Upto 31.03.19	As on 31.03.19	As on 01.04.18
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Office Equipments	2.30	-	1.15	0.51	**2.95**	-	-	-	1.19	**1.19**	1.76	2.30
Right to Use of Leasehold Land	149.61	(149.61)	-	-	**-**	-	-	-	-	**-**	-	-
Factory Building	518.50	-	151.11	14.00	**655.61**	-	-	-	23.58	**23.58**	632.03	518.50
Plant & Equipment	937.79	-	342.08	18.08	**1261.79**	-	-	-	89.81	**89.81**	1171.98	937.79
Electric Installation	17.01	-	5.21	0.29	**21.93**	-	-	-	3.38	**3.38**	18.56	17.01
Laboraory Equipments	74.67	-	30.38	0.21	**104.84**	-	-	-	10.77	**10.77**	94.07	74.67
Furniture & Fixture	4.19	-	1.96	0.25	**5.90**	-	-	-	0.74	**0.74**	5.16	4.19
Vehicle	13.28	-	9.27	2.92	**19.64**	-	-	-	2.29	**2.29**	17.35	13.28
Computer	2.36	-	2.75	0.22	**4.89**	-	-	-	0.92	**0.92**	3.97	2.36
TOTAL	**1719.73**	**(149.61)**	**543.91**	**36.48**	**2077.55**	**-**	**-**	**-**	**132.67**	**132.67**	**1944.88**	**1570.12**

The above Schedule includes Depreciation of Rs.1.86 Millions on Discountinued operation-Refer Note no.46

Note no-1: There has been no revaluation of any of the items of property,plant and equipment during the period April 2021 to September 2021 , April 2020 to September 2020,as at 31st March 2021,31st March 2020,31st March 2019

Note no-2: Title deeds for all the immovable property held by the Company as at 30th September 2021 ,30th September 2020,31st March 2021,31st March 2020,31st March 2019 are held in the name of company.

Note no-3: There are no prceedings initiated nor there are any pending proceedings against the company for holding any benami property under the Benami Transactions (Prohibition) Act,1988 as at 30th September 2021 ,30th September 2020,31st March 2021,31st March 2020,31st March 2019

Note No. 03 RIGHT OF USE ASSETS

Description	Gross Block				Amortization				Net Block	
	As on 01.04.21	Additions	Deduction	As on 30.09.21	Upto 01.04.21	Deduction	Current year	As on 30.09.21	As on 30.09.21	As on 31.03.21
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Right to Use of Builing	**20.49**	-	-	**20.49**	**8.20**	-	2.05	**10.25**	10.25	**12.30**
Right to Use of Leasehold Land	**319.28**	-	-	**319.28**	**8.29**	-	1.81	**10.10**	309.18	**310.99**
Total	**339.78**	**0.00**	**0.00**	**339.78**	**16.49**	**0.00**	**3.86**	**20.35**	**319.43**	**323.29**

Description	Gross Block				Amortization				Net Block	
	As on 01.04.20	Additions	Deduction	As on 30.09.20	Upto 01.04.20	Deduction	Current year	As on 30.09.20	As on 30.09.20	As on 31.03.20
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Right to Use of Builing	20.49	-	-	**20.49**	**4.10**	-	2.05	**6.15**	14.35	**16.39**
Right to Use of Leasehold Land	283.39	35.60	-	**318.98**	4.67	-	1.81	**6.48**	312.50	**278.72**
Total	**303.88**	**35.60**	**-**	**339.48**	**8.76**	**-**	**3.86**	**12.63**	**326.85**	**295.11**

Description	Gross Block				Amortization				Net Block	
	As on 01.04.20	Additions	Deduction	As on 31.03.21	Upto 01.04.20	Deduction	Current year	Upto 31.03.21	As on 31.03.21	As on 31.03.20
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Right to Use of Builing	**20.49**	-	-	**20.49**	**4.10**	-	4.10	**8.20**	12.30	**16.39**
Right to Use of Leasehold Land	283.39	35.90	-	**319.28**	4.67	-	3.62	**8.29**	310.99	**278.72**
Total	**303.88**	**35.90**	**-**	**339.78**	**8.76**	**-**	**7.72**	**16.49**	**323.29**	**295.11**

Description	Gross Block				Amortization				Net Block	
	As on 01.04.19	Additions	Deduction	As on 31.03.20	Upto 01.04.19	Deduction	Current year	Upto 31.03.20	As on 31.03.20	As on 31.03.19
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Right to Use of Builing	**-**	20.49	-	**20.49**	-	-	4.10	**4.10**	16.39	**0.00**
Right to Use of Leasehold Land	146.15	200.75	63.51	**283.39**	**1.39**	-	3.28	**4.67**	278.72	**144.76**
Total	**146.15**	**221.24**	**63.51**	**303.88**	**1.39**	**-**	**7.38**	**8.76**	**295.11**	**144.76**

Description	Gross Block					Amortization					Net Block	
	As on 01.04.18	Reclassified as Right of Use	Additions	Deduction	As on 31.03.19	Upto 01.04.18	Reclassified as Right of Use	Deduction	Current year	Upto 31.03.19	As on 31.03.19	As on 31.03.18
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Right to Use of Leasehold Land (Refer Note no-2)	-	149.61	3.35	6.81	**146.15**	-	-	-	1.39	**1.39**	144.76	**149.61**
Total	**-**	**149.61**	**3.35**	**6.81**	**146.15**	**-**	**-**	**-**	**1.39**	**1.39**	**144.76**	**149.61**

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES ON RESTATED STANDALONE FINANCIAL STATEMENTS
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Note No. 04 CAPITAL WORK IN PROGRESS

Description	Gross Block			
	As on 01.04.21	Additions	Deduction	As on 30.09.21
	Amount	Amount	Amount	Amount
Capital WIP Power Wind Project	138.00	-	-	**138.00**
Capital WIP	-	222.35	-	**222.35**
TOTAL	**138.00**	**222.35**	**-**	**360.35**

Description	Gross Block			
	As on 01.04.20	Additions	Deduction	As on 30.09.20
	Amount	Amount	Amount	Amount
Capital WIP	-	78.79	-	**78.79**
TOTAL	**-**	**78.79**	**-**	**78.79**

Description	Gross Block			
	As on 01.04.20	Additions	Deduction	As on 31.03.21
	Amount	Amount	Amount	Amount
Capital WIP Power Wind Project	-	138.00	-	**138.00**
TOTAL	**-**	**138.00**	**-**	**138.00**

Description	Gross Block			
	As on 01.04.19	Additions	Deduction	As on 31.03.20
	Amount	Amount	Amount	Amount
Capital WIP	0.57	-	0.57	**0.00**
TOTAL	**0.57**	**-**	**0.57**	**0.00**

Description	Gross Block			
	As on 01.04.18	Additions	Deduction	As on 31.03.19
	Amount	Amount	Amount	Amount
Capital WIP	1.37	-	0.80	**0.57**
TOTAL	**1.37**	**-**	**0.80**	**0.57**

Note no-4.1 **Ageing schedule for capital-Work-in Progress(CWIP)-Based on requirements of Amended Schedule III as at 30th September 2021**

Particulars	Amounts in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	**222.35**	**138.00**	**-**	**-**	**360.35**

Note no-4.1 **Ageing schedule for capital-Work-in Progress(CWIP)-Based on requirements of Amended Schedule III as at 30th September 2020**

Particulars	Amounts in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	**78.79**	**-**	**-**	**-**	**78.79**

Note no-4.1 **Ageing schedule for capital-Work-in Progress(CWIP)-Based on requirements of Amended Schedule III as at 31st March 2021**

Particulars	Amounts in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	**138.00**	**-**	**-**	**-**	**138.00**

Note no-4.1 **Ageing schedule for capital-Work-in Progress(CWIP)-Based on requirements of Amended Schedule III as at 31st March 2020**

Particulars	Amounts in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-

Note no-4.1 **Ageing schedule for capital-Work-in Progress(CWIP)-Based on requirements of Amended Schedule III as at 31st March 2019**

Particulars	Amounts in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	0.57	-	-	-	0.57

Note No. 05 OTHER INTANGIBLE ASSETS

Description	Gross Block				Amortization				Net Block	
	As on 01.04.21	Additions	Deduction	As on 30.09.21	Upto 01.04.21	Deduction	Current year	Upto 30.09.21	As on 30.09.21	As on 31.03.21
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
EPPS Software	1.29	-	-	**1.29**	0.04	-	0.06	**0.11**	1.18	1.25
TOTAL	**1.29**	**-**	**-**	**1.29**	**0.04**	**-**	**0.06**	**0.11**	**1.18**	**1.25**

Description	Gross Block				Amortization				Net Block	
	As on 01.04.20	Additions	Deduction	As on 30.09.20	Upto 01.04.20	Deduction	Current year	Upto 30.09.20	As on 30.09.20	As on 31.03.20
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
EPPS Software	-	-	-	**-**	-	-	-	**-**	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Description	Gross Block				Amortization				Net Block	
	As on 01.04.20	Additions	Deduction	As on 31.03.21	Upto 01.04.20	Deduction	Current year	Upto 31.03.21	As on 31.03.21	As on 31.03.20
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
EPPS Software	-	1.29	-	**1.29**	-	-	0.04	**0.04**	1.25	-
TOTAL	**-**	**1.29**	**-**	**1.29**	**-**	**-**	**0.04**	**0.04**	**1.25**	**-**

Description	Gross Block				Amortization				Net Block	
	As on 01.04.2019	Additions	Deduction	As on 31.03.20	Upto 01.04.19	Deduction	Current year	Upto 31.03.20	As on 31.03.20	As on 31.03.19
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
EPPS Software	-	-	-	**-**	-	-	-	**-**	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Description	Gross Block				Amortization				Net Block	
	As on 01.04.18	Additions	Deduction	As on 31.03.19	As on 01.04.18	Deduction	Current year	As on 31.03.19	As on 31.03.19	As on 31.03.18
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
EPPS Software	-	-	-	**-**	-	-	-	**-**	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Note No-5.1-The amortization expense of intangible assets have been included under 'Depreciation and amortization expenses' in the Financial statement of Profit and loss

HEMANI INDUSTRIES LIMITED

ANNEXURE-VI

NOTES ON RESTATED STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Particulars	As at 30th September, 2021	As at 30th September, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Note No : 6					
INVESTMENT IN SUBSIDIARY					
Investment in Equity Share carried at amortised cost					
(Fully paid)-Unquoted Equity Shares					
1 Share of 1 AUD Each fully paid of Hemani Australia pty Ltd	0.00	0.00	0.00	0.00	-
20,000 Shares of 5000 KRW Each fully paid of Hemani Korea Ltd	6.21	6.21	6.21	6.21	-
7738 Shares (P.Y.6750) of Rs.10 Each fully paid of Hemani Crop Care Pvt Ltd	0.08	0.08	0.08	0.07	-
Investment in Hemani Cropcare Pvt Ltd (Financial Gurantee)-Refer note no.47(i,iii,v)	93.22	14.72	50.91	0.00	-
Investment in Non Convertible Redeemable Preference Shares					
(Fully paid)-Unquoted					
3,00,00,000 Preference Shares (P.Y.-NIL) of Rs.10 each of Hemani Crop Care Pvt Ltd	300.00	-	-	-	-
Total	**399.50**	**21.01**	**57.20**	**6.28**	**0.00**
Note No : 7					
NON-CURRENT FINANCIAL ASSETS- INVESTMENTS					
Investments in Equity Shares accounted through					
statement of profit & loss					
12000 (Previous year 12000) Shares of Rs. 50 each fully paid up in DNSB, Dombivli	0.60	0.60	0.60	0.60	0.60
2500 (Previous year 2500)Shares of Rs. 10 each fully paid up in Ankleshwar Res. & Anal. Centre	0.03	0.03	0.03	0.03	0.03
70147 (Previous year 70147) Shares of Rs. 10 each fully paid up in Narmada Clean Tech Limited	1.03	1.03	1.03	1.03	1.03
10500 (Previous year 10500) Shares of Rs. 10 each fully paid up in Bharuch Enviro Inf. Ltd	0.11	0.11	0.11	0.11	0.11
1140 (Previous year 1140) Shares of Rs. 10 each fully paid up in The Greater Co-op. Bank Ltd	0.01	0.01	0.01	0.01	0.01
100(Previous year 100) Shares of Rs. 25 each fully paid up in Shamrao Vitthal Co-op. Bank Ltd	0.00	0.00	0.00	0.00	0.00
17.038 (P.Y.- Nil) Units of SBI Overnight Mutual Fund	0.06	-	-	-	-
Total	**1.83**	**1.77**	**1.77**	**1.77**	**1.77**

AGGREGATE VALUE OF UNQUOTED INVESTMENTS

Particulars	As at 30th September, 2021	As at 30th September, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Non Current	401.33	22.78	58.97	8.05	1.77
Current					-

Note No. 8	As at 30th September, 2021	As at 30th September, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Other Non Current Financial Assets					
(Unsecured and Consider good)					
Security Deposits	78.72	72.18	76.95	63.51	58.50
Fixed Deposit with Axis Bank, Ank. Br	0.70	0.70	0.70	0.70	0.70
Fixed Deposit with Bank of India - Ankleshwar Br.	1.13	1.15	1.13	0.05	0.03
Fixed Deposit with HDFC Bank	26.98	-	2.00	-	0.26
Margin Money with Citi Bank	6.41	-	6.41	-	-
Accrued Interest with bank	2.20	1.40	1.51	0.78	-
TOTAL	**116.14**	**75.42**	**88.70**	**65.04**	**59.50**

Note No. 9	As at	As at	As at	As at	As at
Other Non Current Assets	30th September, 2021	30th September, 2020	31st March, 2021	31st March, 2020	31st March, 2019
Capital Advances	8.82	9.61	36.95	37.18	199.28
Fair Value of Plan Assets	3.40	2.91	1.50	0.00	3.03
TOTAL	**12.23**	**12.51**	**38.44**	**37.18**	**202.31**

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Note No. 10		As at 30th September, 2021	As at 30th September, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
INVENTORIES (At cost or Net realisable value whichever is lower)						
Raw Materials		619.16	294.03	405.59	346.95	320.17
Raw Material in Transit		0.73	-	11.52	3.10	0.00
	Sub Total (i)	**619.90**	**294.03**	**417.11**	**350.05**	**320.17**
Stores & Spares & Other Materials		207.17	62.62	105.54	107.24	36.31
W.I.P.		530.84	344.51	131.25	242.06	118.46
Finished Goods		239.70	178.81	209.90	321.00	238.19
Goods in transit		106.96	128.87	124.01	-	53.91
Stock in Trade		-	-	-	3.38	-
	Sub Total (ii)	**1084.67**	**714.81**	**570.70**	**673.67**	**446.87**
	TOTAL	**1704.57**	**1008.84**	**987.82**	**1023.72**	**767.04**

Note No. 11		As at 30th September, 2021	As at 30th September, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
TRADE RECEIVABLES						
(Secured and considered goods)						
Exceeding Six months from Due date		-	-	-	-	-
Others		-	-	-	-	-
(Unsecured and considered goods)						
Exceeding Six months from Due date		266.04	69.28	133.20	88.89	52.02
Others		4914.05	3510.90	4520.30	4270.46	2996.08
Allowances for Credit impaired(Expected Credit Allowances)		(44.26)	(21.04)	(23.23)	(9.42)	(3.79)
	TOTAL	**5135.82**	**3559.14**	**4630.27**	**4349.93**	**3044.30**

The Company has called for balance confirmation of Trade Receivables on Random basis. Out of which the company has received response from some of the parties,which are subject to reconciliation with company's account. The other balances of Trade Receivables are subject to confirmation

Note No. 11.1-Trade Receivables Ageing Schedule
Outstanding for Following periods from due date of payment as at 30th September 2021

Particulars	Less than 6 Months	6 Months-1 year	1-2 years	2-3 years	More than 3 years	Allowances for Expected credit loss	Total
(I) Undisputed Trade receivables-Considered good	4914.07	83.91	149.89	20.01	11.26	(44.26)	5134.87
(II) Undisputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	-	-	-
(III) Undisputed Trade receivables-Credit impaired	-	-	-	-	-	-	-
(IV) Disputed Trade receivables-Considered good	-	-	-	-	-	-	-
(V) Disputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	0.95	-	0.95
(VI) Disputed Trade receivables-Credit impaired	-	-	-	-	-	-	-

Note No. 11.1-Trade Receivables Ageing Schedule
Outstanding for Following periods from due date of payment as at 30th September 2020

Particulars	Less than 6 Months	6 Months-1 year	1-2 years	2-3 years	More than 3 years	Allowances for Expected credit loss	Total
(I) Undisputed Trade receivables-Considered good	3510.90	36.86	25.81	5.34	0.14	(21.04)	3558.02
(II) Undisputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	-	-	-
(III) Undisputed Trade receivables-Credit impaired	-	-	-	-	-	-	-
(IV) Disputed Trade receivables-Considered good	-	-	-	-	-	-	-
(V) Disputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	1.12	-	1.12
(VI) Disputed Trade receivables-Credit impaired	-	-	-	-	-	-	-

Note No. 11.1-Trade Receivables Ageing Schedule
Outstanding for Following periods from due date of payment as at 31st March 2021

Particulars	Less than 6 Months	6 Months-1 year	1-2 years	2-3 years	More than 3 years	Allowances for Expected credit loss	Total
(I) Undisputed Trade receivables-Considered good	4520.30	76.99	41.13	11.50	2.47	(23.23)	4629.15
(II) Undisputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	-	-	-
(III) Undisputed Trade receivables-Credit impaired	-	-	-	-	-	-	-
(IV) Disputed Trade receivables-Considered good	-	-	-	-	-	-	-
(V) Disputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	1.12	0.00	1.12
(VI) Disputed Trade receivables-Credit impaired	-	-	-	-	-	-	-

Note No. 11.1-Trade Receivables Ageing Schedule
Outstanding for Following periods from due date of payment as at 31st March 2020

Particulars	Less than 6 Months	6 Months-1 year	1-2 years	2-3 years	More than 3 years	Allowances for Expected credit loss	Total
(I) Undisputed Trade receivables-Considered good	4270.46	46.92	31.11	8.52	1.22	(9.42)	4348.81
(II) Undisputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	-	-	-
(III) Undisputed Trade receivables-Credit impaired	-	-	-	-	-	-	-
(IV) Disputed Trade receivables-Considered good	-	-	-	-	-	-	-
(V) Disputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	1.12	-	1.12
(VI) Disputed Trade receivables-Credit impaired	-	-	-	-	-	-	-

Note No. 11.1-Trade Receivables Ageing Schedule
Outstanding for Following periods from due date of payment as at 31st March 2019

Particulars	Less than 6 Months	6 Months-1 year	1-2 years	2-3 years	More than 3 years	Allowances for Expected credit loss	Total
(I) Undisputed Trade receivables-Considered good	2996.08	27.90	17.71	5.15	1.25	(3.79)	3044.30
(II) Undisputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	-	-	-
(III) Undisputed Trade receivables-Credit impaired	-	-	-	-	-	-	-
(IV) Disputed Trade receivables-Considered good	-	-	-	-	-	-	-
(V) Disputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	-	-	-
(VI) Disputed Trade receivables-Credit impaired	-	-	-	-	-	-	-

Note No 12	**As at 30th September, 2021**	**As at 30th September, 2020**	**As at 31st March, 2021**	**As at 31st March, 2020**	**As at 31st March, 2019**
CASH AND CASH EQUIVALENTS					
Cash on Hand	1.40	1.02	0.30	1.95	0.53
Sub Total (i)	**1.40**	**1.02**	**0.30**	**1.95**	**0.53**
	127.74	234.43	207.22	32.97	23.32
Sub Total (ii)	**127.74**	**234.43**	**207.22**	**32.97**	**23.32**
TOTAL (i + ii)	**129.13**	**235.44**	**207.51**	**34.92**	**23.85**

Note No. 13	**As at 30th September, 2021**	**As at 30th September, 2020**	**As at 31st March, 2021**	**As at 31st March, 2020**	**As at 31st March, 2019**
LOANS					
Unsecured and Considered Good					
Unsecured Loan to Subsidiary Companies					
Hemani Australia pte ltd	72.11	72.63	73.19	70.96	-
Hemani Korea Ltd	8.06	7.68	7.87	-	-
TOTAL	**80.17**	**80.31**	**81.06**	**70.96**	-

Note No. 14	**As at 30th September, 2021**	**As at 30th September, 2020**	**As at 31st March, 2021**	**As at 31st March, 2020**	**As at 31st March, 2019**
OTHER CURRENT FINANCIAL ASSETS					
Unsecured and Considered Good					
Export Incentive Receivable	70.20	22.85	17.80	7.81	15.25
Advances to Employee	5.69	3.31	5.60	4.12	2.82
Others	58.01	13.88	35.06	1.97	17.52
TOTAL	**133.90**	**40.03**	**58.46**	**13.90**	**35.58**

Note No. 15	**As at 30th September, 2021**	**As at 30th September, 2020**	**As at 31st March, 2021**	**As at 31st March, 2020**	**As at 31st March, 2019**
OTHER CURRENT ASSETS					
Balance with Government Authoroities	850.86	238.67	576.89	221.68	61.85
Advances to Suppliers	692.93	225.35	183.81	64.78	294.52
Prepaid Expenses	14.56	2.76	21.70	6.24	3.75
TOTAL	**1558.35**	**466.78**	**782.39**	**292.70**	**360.12**

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES ON RESTATED STANDALONE FINANCIAL STATEMENTS
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Particulars	As at 30th September, 2021	As at 30th September, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Note No. 16					
EQUITY SHARE CAPITAL					
AUTHORISED CAPITAL					
1,50,00,000 Equity Shares of Rs.10/- each	150.00	150.00	150.00	150.00	150.00
	150.00	**150.00**	**150.00**	**150.00**	**150.00**
Issued, Subscribed & Fully Paid Up Capital					
90,05,750 Equity Shares of Rs. 10 Each fully paid up	90.06	90.06	90.06	90.06	90.06
Total	**90.06**	**90.06**	**90.06**	**90.06**	**90.06**
1.No class of Shares have been issued as bonus shares or for consideration other than cash by the company during the period of five years immediately preceding the current period end (September 30,2021)					
2.No class of shares have been bought back by the company during the period five years immediately preceding the current period end (September 30,2021)					
3.Subsequent to Balancesheet Date :-					
a)The board of director in its meeting dated 20th November 2021 has approved for increase in the authorised share capital of the company from existing Rs.150 millions divided into 1,50,00,000 equity shares of Rs.10 each to Rs.550 millions divided into 5,50,00,000 Equity shares of Rs.10 each.					
b)The board of directors at the meeting held on 18th December 2021 has approved to split 1 Equity shares of Rs.10 each fully paid up into 2 equity shares of Rs.5 each fully paid up. Therefore the authorised share capital has been changed from Rs.550 millions divided into 5,50,00,000 equity shares of Rs.10 each to Rs.550 millions divided into 11,00,00,000 Equity shares of Rs.5 each.					
c)Thereafter it was decided to issue Bonus shares in the ratio of 4 shares of Rs. 5 each fully paid up for 1 equity shares of Rs.5 each fully paid to the shareholders who held shares on dated 18th December 2021.					
RECONCILIATION OF SHARES OUTSTANDING					
No. of shares outstanding at the beginning	90,05,750	90,05,750	90,05,750	90,05,750	90,05,750
Add:Issued During the year	-	-	-	-	-
Less:Shares Bought Back/Redemption etc	-	-	-	-	-
No. of shares outstanding at the end	90,05,750	90,05,750	90,05,750	90,05,750	90,05,750
Details of shareholders holding more than 5 percent shares					
Name of the shareholders	No. of Shares Held	No. of Shares Held	No. of Shares Held	No. of Shares Held	No. of Shares Held
MINAL MOHAN DAMA	(32.81%)29,55,060	(32.81%) 29,55,060	(32.81%) 29,55,060	(32.81%) 29,55,060	(22.81%) 20,55,060
JAYESH MOHAN DAMA	(29.74%) 26,78,371	(29.74%) 26,78,371	(29.74%) 26,78,371	(29.74%) 26,78,371	(10.33%) 9,29,755
MOHAN SUNDERJI DAMA	(37.45%) 33,72,315	(37.45%) 33,72,315	(37.45%) 33,72,315	(37.45%) 33,72,315	(16.86%) 15,18,060
Disclosure of Shareholding of promoters:					
Name of the shareholders					
MINAL MOHAN DAMA	(32.81%)29,55,060	(32.81%) 29,55,060	(32.81%) 29,55,060	(32.81%) 29,55,060	(22.81%) 20,55,060
JAYESH MOHAN DAMA	(29.74%) 26,78,371	(29.74%) 26,78,371	(29.74%) 26,78,371	(29.74%) 26,78,371	(10.33%) 9,29,755
MOHAN SUNDERJI DAMA	(37.45%) 33,72,315	(37.45%) 33,72,315	(37.45%) 33,72,315	(37.45%) 33,72,315	(16.86%) 15,18,060
TERMS / RIGHTS ATTACHED TO EQUITY SHARES :					
The company is having only one class of equity shares having a nomial value of Rs. 10/- per share					
Every holder of the equity shares of the company is entitled to one vote per shares held					

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES ON RESTATED STANDALONE FINANCIAL STATEMENTS
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Note No. 17		**As at**	**As at**	**As at**	**As at**	**As at**
Other Equity		**30th September, 2021**	**30th September, 2020**	**31st March, 2021**	**31st March, 2020**	**31st March, 2019**
1) Capital Reserve						
As per Last year accounts		-	-	-	-	2.43
Less:Transfer to Retained Earnings		-	-	-	-	(2.43)
	Sub total-i	-	-	-	-	0.00
2) Remeasurement Gains/ (Losses)on Defined Benefits Plan						
As per Last year accounts		(8.24)	(9.63)	(9.63)	(2.55)	-
Less:Profit of the year		(0.71)	1.10	1.39	(7.08)	(2.55)
	Sub total-ii	(8.95)	(8.53)	(8.24)	(9.63)	(2.55)
3) Retained Earnings						
As per Last year accounts		5916.86	4213.85	4213.85	2857.53	2111.44
Add:Surplus of the year		1143.96	704.87	1703.01	1356.32	743.66
Add:Transfer from Capital Reserve to Retained Earnings		-	-	-	-	2.43
	Sub total-iiii	7060.81	4918.72	5916.86	4213.85	2857.53
	TOTAL	**7051.87**	**4910.19**	**5908.62**	**4204.22**	**2854.98**

Particulars		**As at**	**As at**	**As at**	**As at**	**As at**
		30th September, 2021	**30th September, 2020**	**31st March, 2021**	**31st March, 2020**	**31st March, 2019**
Note No 18 :						
Borrowings						
(a) Secured Loans						
Term Loan from Banks						
Term Loan from HDFC Bank Ltd. - Surat		147.88	228.34	184.73	261.86	11.25
(Primary:-First pari-passu charge over entire fixed assets of the company situated at Dahej and Ankleshwar. pari-passu charge over entire movable assets of the company.Secondary:-First pari pasu charge by hypothecation of entire stock and book debts.Personal Guarantees of promoters Mohan Dama,Minal Dama,Jayesh Dama.)						
	Total (a)	**147.88**	**228.34**	**184.73**	**261.86**	**11.25**
(b) Unsecured Loans						
Unsecured Loan From Related Parties						
From Director		211.49	56.08	56.36	73.29	152.53
Unsecured Loan From Others						
Loan from Tata Capital financial Services limited		-	-	-	0.06	0.00
		211.49	**56.08**	**56.36**	**73.36**	**152.53**
	Total (b)	**211.49**	**56.08**	**56.36**	**73.36**	**152.53**
TOTAL LONG-TERM BORROWING	**(a) + (b)**	**359.38**	**284.43**	**241.09**	**335.22**	**163.78**

Maturity Profile of Secured Term Loan **2021 - 22** **From Banks 440.68 millions** **2022 - 23 2023 - 24** **From Banks 81.37 millions 107.19 millions** **Rate of Interest-9.25%-9.75%** **Terms of Repayment of loans from related parties are not fixed however they have agreed to retain for atleast 24 months** 1)The company has filed its Quarterly Stock and Book debt statement with bank for quarter ended 30th June 2021 and 30th September 2021 and The said disclosure requirement is applicable for the period beginning on or after 1st April 2021 and accordingly, details of previous filing were not maintained. i)In the opinion of Management,The difference of Closing stock as on 30th June 2021 and 30th September 2021 is due to pending Goods Receipts Notes which was done subsequent to submission of stock statement to bank. ii)In the opinion of Management,The difference of Trade payable and Trade receivable as on 30th September 2021 and as on 30th June 2021 is due to discount and flucations in foreign exchange. 2) In the opinion of Management,The Company has created satisfactory charges for all the borrowing with registrar of companies within the statutory period					
Note No 19 :					
Other Financial Liablity					
Deposit Received from Customer	8.28	3.93	5.95	2.53	2.45
Financial Liability of Gurantee Given to Hemani Crop Care Pvt Ltd-Refer note no.47(ii,iv,vi)	69.75	12.47	41.45	-	-
	78.03	**16.40**	**47.40**	**2.53**	**2.45**
Note No 20 :					
PROVISIONS					
Provision for Employee benefits	-	-	-	2.51	-
Compensated Absences	7.91	11.73	12.92	9.94	-
	7.91	**11.73**	**12.92**	**12.45**	**-**

HEMANI INDUSTRIES LIMITED

ANNEXURE-VI

NOTES ON RESTATED STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Note no-21

MOVEMENT IN DEFERRED TAX BALANCES

				September 30,2021		
DEFERRED TAX ASSET	**Net Balances April 1,2021**	**Recognised Profit or loss**	**Recognised in OCI**	**Net**	**Deferred Tax Asset**	**Deferred Tax liability**
PROPERTY ,PLANT AND EQUIPMENT	(114.77)	(12.40)	-	(127.17)	-	(127.17)
TRADE RECEIVABLE	5.85	5.29	-	11.14	11.14	0.00
EMPLOYEE BENEFIT	7.53	(2.46)	(0.14)	4.93	4.93	0.00
RIGHT TO USE OF ASSETS AND LEASE LIABLITY	0.66	0.03	-	0.69	0.69	0.00
FINANCIAL GURANTEE	(2.38)	(3.52)	-	(5.91)	-	(5.91)
PROCESSING FEES	0.44	(0.11)	-	0.33	0.33	-
TAX ASSETS/(LIABILITIES)	**(102.68)**	**(13.17)**	**(0.14)**	**(115.99)**	**17.09**	**(133.08)**
NET LIABILITIES						**(115.99)**

MOVEMENT IN DEFERRED TAX BALANCES

				September 30,2020		
DEFERRED TAX ASSET	**Net Balances April 1,2020**	**Recognised Profit or loss**	**Recognised in OCI**	**Net**	**Deferred Tax Asset**	**Deferred Tax liability**
PROPERTY ,PLANT AND EQUIPMENT	(87.40)	(11.43)	-	(98.83)	0.00	(98.83)
TRADE RECEIVABLE	2.37	2.92	-	5.29	5.29	0.00
EMPLOYEE BENEFIT	6.45	(1.78)	0.22	4.90	4.90	0.00
RIGHT TO USE OF ASSETS AND LEASE LIABLITY	0.38	0.13	-	0.51	0.51	0.00
FINANCIAL GURANTEE	-	(0.57)	-	(0.57)	-	(0.57)
PROCESSING FEES	-	0.56	-	0.56	0.56	0.00
TAX ASSETS/(LIABILITIES)	**(78.20)**	**(10.15)**	**0.22**	**(88.13)**	**11.26**	**(99.39)**
NET LIABILITIES						**(88.13)**

MOVEMENT IN DEFERRED TAX BALANCES

				March 31,2021		
DEFERRED TAX ASSET	**Net Balances April 1,2020**	**Recognised Profit or loss**	**Recognised in OCI**	**Net**	**Deferred Tax Asset**	**Deferred Tax liability**
PROPERTY ,PLANT AND EQUIPMENT	(87.40)	(27.37)	-	(114.77)	-	(114.77)
TRADE RECEIVABLE	2.37	3.48	-	5.85	5.85	0.00
EMPLOYEE BENEFIT	6.45	0.80	0.28	7.53	7.53	0.00
RIGHT TO USE OF ASSETS AND LEASE LIABLITY	0.38	0.28	-	0.66	0.66	0.00
FINANCIAL GURANTEE	-	(2.38)	-	(2.38)	-	(2.38)
PROCESSING FEES	-	0.44	-	0.44	0.44	0.00
TAX ASSETS/(LIABILITIES)	**(78.20)**	**(24.76)**	**0.28**	**(102.68)**	**14.48**	**(117.16)**
NET LIABILITIES						**(102.68)**

MOVEMENT IN DEFERRED TAX BALANCES

				March 31,2020		
DEFERRED TAX ASSET	**Net Balances April 1,2019**	**Recognised Profit or loss**	**Recognised in OCI**	**Net**	**Deferred Tax Asset**	**Deferred Tax liability**
PROPERTY ,PLANT AND EQUIPMENT	(85.48)	(1.92)		(87.40)		(87.40)
TRADE RECEIVABLE	1.33	1.05		2.37	2.37	
EMPLOYEE BENEFIT	1.32	3.71	1.42	6.45	6.45	
RIGHT TO USE OF ASSETS AND LEASE LIABLITY		0.38		0.38	0.38	
TAX ASSETS/(LIABILITIES)	**(82.84)**	**3.21**	**1.42**	**(78.20)**	**9.20**	**(87.40)**
NET LIABILITIES						**(78.20)**

MOVEMENT IN DEFERRED TAX BALANCES

				March 31,2019		
DEFERRED TAX ASSET	**Net Balances April 1,2018**	**Recognised Profit or loss**	**Recognised in OCI**	**Net**	**Deferred Tax Asset**	**Deferred Tax liability**
PROPERTY ,PLANT AND EQUIPMENT	(64.70)	(20.78)	-	(85.48)	-	(85.48)
INVESTMENT	(13.87)	13.87	-	0.00	-	-
TRADE RECEIVABLE	0.55	0.78	-	1.33	1.33	-
EMPLOYEE BENEFIT	1.18	(0.53)	0.66	1.32	1.32	-
TAX ASSETS/(LIABILITIES)	**(76.84)**	**(6.66)**	**0.66**	**(82.84)**	**2.64**	**(85.48)**
NET LIABILITIES						**(82.84)**

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES ON RESTATED STANDALONE FINANCIAL STATEMENTS
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Note No 22:	**As at 30th September, 2021**	**As at 30th September, 2020**	**As at 31st March, 2021**	**As at 31st March, 2020**	**As at 31st March, 2019**
BORROWINGS **Secured Loans** **Loans Repayable on demand From Banks**					
DBS Bank (Post-Shipment Loan)	33.86	-	16.31	124.18	89.79
DBS Bank (Pre-Shipment Loan)	-	-	81.87	-	-
DBS Bank - Overdraft Balance Unit III (First pari passu charge on entire current assets, both present and future of the borrower, along with HDFC Bank and Citibank NA.First pari passu charge by way of hypothecation on movable fixed assets .First pari passu charge on factory land and building situated at Dahej and Ankleshwar along with HDFC Bank and Citi bank NA.Personal gurantees of Minal Dama,Mohan Dama and Jayesh Dama)	73.42	-	-	2.96	100.63
Citi Bank N.A. (Post-Shipment Loan) Unit III	44.85	-	178.28	427.09	106.62
Citi Bank - Overdraft Balance Unit II	-	-	-	0.62	20.11
Citi Bank - Overdraft Balance Unit III	85.63	-	-	125.70	543.40
Citi Bank N. A - PCFC Loan	42.34	55.35	227.73	-	70.34
(First pari passu charge on present and future current assets of the borrower.Pari passu charge on all movable fixed assets of the borrower at Ankleshwar abd Dahej (except fixed assets financed by term lenders on which they have exclusive charge) Pari pasu charge on Factory Land and Building at Dahej and Ankleshwar. Personal Gurantee of Mr Mohan Dama,Minal Dama Jayesh Dama)					
HDFC Bank Postshipment Loan	45.62	-	133.72	236.05	-
HDFC Bank Pre tshipment Loan	77.97	-	-	-	-
HDFC Bank Ltd - Overdraft Balance Unit I (Primary:-First pari-passu charge over entire by hypothecation of entire stock and book debts.Secondary:-First pari pasu charge over entire by fixed assets of the company situated at Dahej and Ankleshwar. pari-passu charge over entire movable assets of the company..Personal Guarantees of promoters Mohan Dama,Minal Dama,Jayesh Dama.)	-	48.33	-	36.30	130.07
Total	**403.70**	**103.68**	**637.90**	**952.89**	**1060.96**

Note No 23 :
Trade Payable

Particulars	As at 30th September, 2021	As at 30th September, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Trade Payable	3163.52	2106.28	2200.62	2308.73	2051.53
Due to Micro and small enterprises	67.51	27.87	32.77	26.99	34.18
Due to Others	3096.01	2078.41	2167.85	2281.74	2017.35

i)The Company has called for balance confirmation of creditors on random basis. Out of which the company has received response from some of the parties,which are subject to reconciliation with compnay's account.The other balances of creditors are subject to confirmation

ii)The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information and confirmation received by the company from suppliers regarding their status bifurcation are as undert.Auditors have relied upon the same

Particulars	**30th September, 2021**	**30th September, 2020**	**31st March 2021**	**31st March 2020**	**31st March 2019**
Principal amount due to suppliers under MSMED Act	67.51	27.87	32.77	26.99	34.18
Opening Interest Payable	18.50	13.63	13.63	10.80	0.00
Interest Accrued and due to suppliers under MSMED Act, on the above amount	0.71	0.47	0.33	0.63	1.68
Payment made to suppliers (Other than Interest) beyond the appointment day,during the year	59.59	33.85	124.95	82.17	153.13
Interest paid to suppliers under MSMED Act (Section 16)	-	-	-	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	1.12	0.09	4.54	2.19	9.12
Interest Accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	20.33	14.19	18.50	13.63	10.80

Trade payables ageing schedule
Outstanding for following periods from due date of payment as at 30th September 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) MSME	67.51	-	-	-	67.51
(II)Others	2267.27	358.16	203.77	266.81	3096.01
(III) Disputed dues-MSME	-	-	-	-	-
(IV) Disputed dues-Others	-	-	-	-	-

Outstanding for following periods from due date of payment as at 30th September 2020

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) MSME	27.87	-	-	-	27.87
(II)Others	1342.82	255.13	471.79	8.68	2078.41
(III) Disputed dues-MSME	-	-	-	-	-
(IV) Disputed dues-Others	-	-	-	-	-

Outstanding for following periods from due date of payment as at 31st March 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) MSME	32.77	-	-	-	32.77
(II)Others	1268.54	419.99	471.97	7.34	2167.85
(III) Disputed dues-MSME	-	-	-	-	-
(IV) Disputed dues-Others	-	-	-	-	-

Outstanding for following periods from due date of payment as at 31st March 2020

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) MSME	26.99	-	-	-	26.99
(II)Others	1810.40	402.95	67.98	0.41	2281.74
(III) Disputed dues-MSME	-	-	-	-	-
(IV) Disputed dues-Others	-	-	-	-	-

Outstanding for following periods from due date of payment as at 31st March 2019

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) MSME	34.18	-	-	-	34.18
(II)Others	1528.91	466.40	21.42	0.63	2017.35
(III) Disputed dues-MSME	-	-	-	-	-
(IV) Disputed dues-Others	-	-	-	-	-

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES ON RESATED STANDALONE FINANCIAL STATEMENTS
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Note No 24 : **Other Current Financials Liablities**	**As at** **30th September, 2021**	**As at** **30th September, 2020**	**As at** **31st March, 2021**	**As at** **31st March, 2020**	**As at** **31st March, 2019**
Current Maturity of Long Term debt	481.38	81.38	81.38	81.38	15.00
Interest payable as per MSMED Act,2006	20.33	14.19	18.50	13.63	10.80
Employee Benefit payable	66.53	33.96	40.61	20.33	19.15
Trade Payable-Capital Goods	156.55	24.54	256.97	88.31	62.74
	724.78	**154.07**	**397.46**	**203.65**	**107.69**
Note No 25 :					
Other Current Liablities					
Trade Payable-Expenses	96.63	156.67	129.71	137.71	82.39
Advances received from Customer	246.34	32.98	27.94	31.16	32.45
Statutory Payment	8.69	9.02	13.47	16.13	33.54
	351.66	**198.67**	**171.12**	**185.00**	**148.37**
Note No 26 :					
PROVISIONS					
Compensated Absences	2.93	3.30	4.14	1.19	6.79
	2.93	**3.30**	**4.14**	**1.19**	**6.79**
Note No 27 :					
Current tax liabilities					
Current tax payable (Net)	245.77	145.85	132.89	96.60	15.24
	245.77	**145.85**	**132.89**	**96.60**	**15.24**

HEMANI INDUSTRIES LIMITED

ANNEXURE-VI

NOTES ON RESTATED STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Particulars	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019
Note No.28					
REVENUE FROM OPERATION					
Revenue From Operation for Sale of Products					
Local Sales of Products (Refer Note (i) below)	2499.01	1801.63	4167.58	3320.95	2538.60
Export Sales of Products (Refer Note (i) below)	4373.75	2842.60	7049.87	6445.39	6137.07
(A)	6872.76	4644.23	11217.45	9766.34	8675.68
Other Operating Revenue					
Vatav Kasar	0.11	0.00	-	0.04	(0.04)
Export Incentives	90.62	57.06	135.16	176.63	147.39
Job Work Income	-	-	0.24	0.49	-
(B)	90.73	57.06	135.40	177.16	147.35
(A) + (B)	**6963.50**	**4701.29**	**11352.85**	**9943.50**	**8823.03**
	6963.50	**4701.29**	**11352.85**	**9943.50**	**8823.03**
Note No-(i)					
Sale of Products Comprises of					
Manufactured Goods					
Chemicals	6676.90	4548.23	11068.85	9659.60	8546.03
Total Sale of Manufactured Goods (a)	6676.90	4548.23	11068.85	9659.60	8546.03
Traded Goods					
Chemicals	195.86	96.00	148.61	106.74	129.65
Total Sale of Traded Goods (b)	195.86	96.00	148.61	106.74	129.65
Total Sales (a) + (b)	**6872.76**	**4644.23**	**11217.45**	**9766.34**	**8675.68**
Revenue from Operation by Category					
Technical	3808.20	2862.35	6955.78	5683.22	5513.49
Formulation	973.01	625.80	1486.94	841.20	869.33
Intermediate	1361.11	695.28	1736.18	1592.96	1490.66
Contract Manufacturing	590.84	288.13	802.05	934.56	715.64
Others	139.61	172.67	236.50	714.41	86.55
	6872.76	**4644.23**	**11217.45**	**9766.34**	**8675.68**
Revenue from Operation by Application					
Insecticide	4225.91	3100.87	6774.84	5189.44	4807.33
Herbicide	528.01	382.50	1474.62	1217.14	1421.85
Fungicide	26.25	4.79	12.62	0.00	0.00
Others	2092.59	1156.08	2955.36	3359.76	2446.50
	6872.76	**4644.23**	**11217.45**	**9766.34**	**8675.68**
Note No.29					
OTHER INCOME					
Interest					
From Bank Deposits	0.81	0.96	1.87	0.54	2.14
From Others	2.13	2.62	5.76	5.67	1.00
Interest Income on Financial Gurantee-Refer note no.47(ii,iv,vi)	14.00	2.25	9.47	-	-
Total	**16.95**	**5.82**	**17.10**	**6.21**	**3.14**
Dividend on Non-current Investment	0.05	-	0.03	0.06	0.08
Discount Received	21.51	-	1.65	0.11	1.08
Insurance Claim Received	0.21	-	-	0.27	15.21
Net Gain on Foreign currency translation & transaction	74.34	(0.84)	74.33	247.02	96.04
Short term Capital gain	0.07	0.00	0.00	-	7.57
Marked to Marked Income	56.97	14.82	31.22	-	-
Miscellaneous Income	0.00	1.58	1.61	1.10	1.69
Sales Tax Refund received	-	-	4.29	-	1.94
TOTAL	**170.11**	**21.37**	**130.21**	**254.78**	**126.75**
Note No : 30					
Cost of materials consumed					
Opening Stock	417.11	346.95	346.95	320.17	140.95
Add : Purchase	4161.05	2205.86	6138.29	5635.36	5384.37
	4578.16	2552.81	6485.24	5955.54	5525.32
Less : Closing Stock	619.90	316.51	417.11	346.95	320.17
TOTAL	**3958.26**	**2236.30**	**6068.12**	**5608.59**	**5205.15**

Cost of Materials Purchased Comprised of Various Chemicals	4161.05	2205.86	6138.29	5635.36	5384.37
Cost of Materials Purchased Comprised of					
Imported	1114.09	540.65	1136.16	820.74	585.39
Indigenous	3046.95	1665.21	5002.13	4814.63	4798.99
	4161.05	**2205.86**	**6138.29**	**5635.36**	**5384.37**
Note No : 31					
Purchase of Stock In Trade					
Chemicals	228.08	91.68	134.86	101.76	117.11
	228.08	**91.68**	**134.86**	**101.76**	**117.11**
Note No : 32					
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade					
Opening Stock of Finished Goods	209.90	321.00	321.00	238.19	52.97
Opening Stock of WIP	131.25	242.06	242.06	118.46	37.26
Opening Stock of Stock-in-trade	-	11.59	11.59	53.91	6.97
Opening Stock of Stock-in-transit	124.01	-	-	-	-
Less : Closing Stock of Finished Goods	239.70	178.99	209.90	321.00	238.19
Less : Closing Stock of WIP	530.84	344.51	131.25	242.06	118.46
Less : Closing Stock of stock in transit	106.96	128.87	124.01	-	-
Less : Closing Stock of stock in trade	-	-	-	11.59	53.91
TOTAL	**(412.35)**	**(77.72)**	**109.49**	**(164.09)**	**(313.36)**
Note No : 33					
EMPLOYEES BENEFIT EXPENSES					
Salaries, Wages & Bonus	252.79	206.69	456.63	357.70	325.61
Contribution to Providend & Other funds	5.85	11.72	20.36	17.75	5.51
Welfare expenses	5.84	9.94	23.28	7.00	10.54
TOTAL	**264.47**	**228.35**	**500.28**	**382.45**	**341.66**
Note No : 34					
FINANCE COST					
Interest	25.22	19.22	38.99	86.89	56.41
Other Borrowing Cost	24.41	21.90	22.98	36.68	32.82
TOTAL	**49.63**	**41.13**	**61.98**	**123.57**	**89.23**
Note No : 35					
OTHER EXPENSES					
Consumption of Stores & Spares & Packing charges*	388.70	363.79	156.80	472.18	611.85
Power & Fuel	225.95	208.39	436.69	381.88	337.15
Repairs & Maintenance to Building	4.80	7.37	9.26	8.20	4.52
Repairs & Maintenance to Machinery	45.52	24.53	111.72	147.71	159.58
Insurance	36.74	20.57	23.62	25.62	17.62
Jobwork Charges	22.08	15.58	28.75	21.38	38.39
Labour Charges	110.41	92.05	214.63	205.26	168.42
Water Charges	23.81	21.38	44.56	41.32	34.41
Advertisement	0.05	0.06	0.39	2.10	0.35
Auditors Remuneration(refer note no.i)	-	-	1.40	0.50	0.40
Tax Audit fees	-	-	0.70	0.70	0.60
Bad Debts Written off	-	-	13.90	32.99	0.79
Commission Charges - Local	9.09	9.31	26.08	31.50	149.56
Commission Charges - Overseas	46.70	47.45	93.85	93.26	50.02
Contribution for CSR-Refer note no-42	40.00	9.50	28.64	22.55	13.29
Donation	4.92	0.05	5.88	0.75	0.06
Drainage Charges	4.62	6.74	13.69	9.86	6.26
Export Charges	21.15	5.34	15.51	20.66	36.01
Freight & Forwarding	245.19	90.29	342.05	256.29	208.74
Fabrication Expense	0.95	-	-	-	-
Loss due to Fire-Refer note no-48	-	38.44	60.14	-	-
G.I.D.C.Expenses	-	1.45	1.77	2.66	2.79
General Expenses	1.08	0.09	2.38	5.70	5.17
Hire Charges	-	0.11	0.80	0.22	10.53
Interest to MSME	1.83	0.63	4.86	2.83	10.80
Import Clearing & Forwarding Charges	-	16.83	12.03	0.32	-
Laboratory Expenses	0.23	0.59	1.35	1.23	2.25
Legal & Professional Charges	20.45	23.42	50.48	50.35	58.70
Compensation to Employee	3.50	-	-	24.79	-
Membership & Subscription	0.34	-	0.88	4.56	1.13
Office Expenses	0.80	0.51	-	-	1.42
Postage and Courier	2.43	1.13	2.85	2.98	0.49
Pollution Treatment Expenses	67.07	94.87	233.70	145.86	91.73
Printing & Stationery	2.07	0.84	1.07	1.90	1.89
Penalty on Quality Default	-	-	25.71	1.00	0.50
Rent	3.83	18.61	5.42	2.58	1.22

R & D Expenses-Refer Note no.45	34.70	0.59	44.74	25.00	0.25
Safety & Security Expenses	3.17	3.44	7.38	6.89	5.78
Service Tax paid	-	-	-	5.37	-
Sales Promotion Expense	-	-	-	1.84	1.79
Storage, Handling & Forwarding Charges	1.77	0.59	4.17	2.98	2.05
Telephone Charges	0.29	0.22	0.71	0.78	0.94
Travelling & Conveyance	2.06	1.37	5.49	17.55	18.65
Vehicle Expenses	14.52	18.16	37.57	11.86	5.93
Loss on Sale of Assets	-	-	0.13	-	0.58
Weighing Expenses	-	-	0.03	0.17	0.19
Provision for Bad debt	21.03	9.96	13.82	5.63	2.23
Vatav & kasar	-	-	0.73	-	-
Miscelleneous Expenses	2.81	3.80	10.30	6.93	2.88
TOTAL	**1414.67**	**1158.08**	**2096.60**	**2106.70**	**2067.89**
* The amount of packing charges included in the amount of Consumption of Stores & spares and accordingly regrouped the same in the previous years					
Note no.(i)					
Auditor Remuneration comprises of (Net of service tax input Credit)					
Statutory Audit Fees	-	-	1.40	0.50	0.40
Foreign Exchange Earnings:-					
1)Export of Goods	4373.75	2842.60	7049.87	6445.39	6137.07
2)Interest Income	2.13	1.81	4.19	0.87	-

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

36 CONTINGENT LIABILITIES AND COMMITMENTS

A NOT PROVIDED FOR IN THE ACCOUNTS

PATRICULARS	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019
In Respect Of Guarantee Given to GPCB	7.23	6.73	7.23	6.73	3.73
In Respect Of Guarantee Given to Hemani Crop Care Private Limited	1870.00	520.00	1057.52	-	-
In Respect Of Letter of Credit outstanding	16.58	65.06	66.07	93.63	10.87
In Respect Of Guarantee Given to GSPC Gas					0.01
In Respect Of Guarantee Given to Central Excise Department	0.10	0.10	0.10	0.10	0.10

B CAPITAL COMMITMENTS

PATRICULARS	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019
Estimated Value of contracts for Property,plant and equipment remaining to be executed and not provided for (Net of capital advances)	108.26	99.22	145.57	166.14	157.86

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

37 EMPLOYEE BENEFITS OBLIGATIONS

GRATUITY EXPENSES

(a) Retirement Benefits

The Gratuity plan is governed by the payment of Gratuity Act,1972. Under the act, employee who has completed five years of service is entitled to specific benefit.The level of benefits provided depends on the members length of service and salary at retirement age.The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balancesheet for the respective plans.

AS PER INDIAN ACCOUNTING STANDARD 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED ARE GIVEN BELOW

(A) Defined Benefit Plans

I. Reconciliation of Defined Benefit Obligation (DBO)

PARTICULARS	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019
Opening Balance of Defined Benefit Obligation	**36.03**	**30.48**	**30.48**	**20.91**	**15.95**
Service cost					
a. Current service cost	2.60	2.42	4.84	2.70	2.06
Interest Cost	1.23	1.04	2.08	1.63	1.24
Benefits paid	(1.18)	(0.05)	(0.31)	(0.59)	(0.50)
Re-measurements					
a. Acturial Loss/(Gain) from changes in demographic assumptions	0.00	-	-	-	-
a. Acturial Loss/(Gain) from changes in financial assumptions	(0.02)	0.74	(0.35)	2.93	0.06
a. Acturial Loss/(Gain) from experience over the past period	0.49	(2.13)	(0.72)	2.90	2.09
Closing Balance of Defined Benefit Obligation	**39.15**	**32.51**	**36.03**	**30.48**	**20.91**

II Reconciliation of Fair Value of Plan Assets

PARTICULARS	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019
Opening Balance of Fair Value of Plan Assets	**37.53**	**27.97**	**27.97**	**23.94**	**16.71**
Contributions by Employer	5.02	7.04	7.91	2.58	6.16
Benefits paid	(1.18)	(0.05)	(0.31)	(0.59)	(0.50)
Interest income on Plan Assets	1.28	0.96	1.91	1.86	1.31
Re-measurements					
a. Acturial (Loss)/Gain from changes in financial assumptions					
b. Return on plan assets excluding amount included in net interest on the	(0.10)	(0.50)	0.05	0.18	0.26
net defined benefit liability/(asset)					
Closing Balance of Fair Value of Plan Assets	**42.55**	**35.42**	**37.53**	**27.97**	**23.94**

III Expenses recognised in the profit and loss account

PARTICULARS	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019
Service Cost					
Current service cost	2.60	2.42	4.84	2.70	2.06
Net Interest on net defined benefit liablity/(Asset)	(0.05)	0.09	0.17	(0.24)	(0.06)
Employer Expenses	**2.55**	**2.51**	**5.02**	**2.46**	**2.00**

IV Net liability /(Asset) recognised in the baance sheet

PARTICULARS	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019
Present Value of DBO	39.15	32.51	36.03	30.48	20.91
Fair Value of Plan Assets	42.55	35.42	37.53	27.97	23.94
Liablity/(Asset) recognised in the Balancesheet	(3.40)	(2.91)	(1.50)	2.51	(3.03)
Funded Status (Surplus/(Deficit)	3.40	2.91	1.50	(2.51)	3.03
Experience adjustment on Plan Liabilities:(Gain)/Loss	0.49	(2.13)	(0.72)	2.90	2.09
Experience adjustment on Plan assets:Gain/(Loss)	(0.10)	(0.50)	0.05	0.18	0.26

V Percentage Break-down of Total Plan Assets

PARTICULARS	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019
Investment funds with Insurance Company	100.00%	100.00%	100.00%	100.00%	100.00%

VI Actuarial Assumptions

PARTICULARS	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019
Salary Growth Rate	**7%**	**7%**	**7%**	**7%**	**7%**
Discount Rate	**6.90%**	**6.66%**	**6.90%**	**6.83%**	**7.78%**
Employee Turnover Rate	**2%**	**2%**	**2%**	**2%**	**2%**
Mortality	**IALM(2006-08)Ult**	**IALM(2006-08)Ult**	**IALM(2006-08)Ult**	**IALM(2006-08)Ult**	**IALM(2006-08)Ult**
Expected Return on Plan Assets	**6.90%**	**6.66%**	**6.90%**	**6.83%**	**7.78%**
Expected weighted average remaining working life					

VII Movement in Other Comprehensive Income

PATRICULARS	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019
Opening Balance (Loss)	(9.22)	(10.33)	(10.33)	(4.68)	**(2.79)**
Re-Measurement on DBO					
a. Acturial Loss/(Gain) from changes in demographic assumptions	(0.00)	-	-	-	-
a. Acturial Loss/(Gain) from changes in financial assumptions	0.02	(0.74)	0.35	(2.93)	(0.06)
a. Acturial Loss/(Gain) from experience over the past period	(0.49)	2.13	0.72	(2.90)	(2.09)
Re-Measurement on Plan Assets					
b. Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	(0.10)	(0.50)	0.05	0.18	0.26
Closing Balance (Loss)	**(9.79)**	**(9.45)**	**(9.22)**	**(10.33)**	**(4.68)**

VIII Sensitivity Analysis

Financial Year Ended September 30,2021	Increase 1%	Decrease 1%
Salary Growth Rate	DBO Increase by Rs.4.59 millions	DBO decrease by Rs.3.87 millions
Discount Rate	DBO Decrease by Rs.3.84 millions	DBO Increase by Rs.4.64 millions
Employee Turnover	DBO Decrease by Rs.0.17 millions	DBO Increase by Rs.0.18 millions

Financial Year Ended September 30,2020	Increase 1%	Decrease 1%
Salary Growth Rate	DBO Increase by Rs.3.74 millions	DBO decrease by Rs.3.17 millions
Discount Rate	DBO Decrease by Rs.3.15 millions	DBO Increase by Rs.3.79 millions
Employee Turnover	DBO Decrease by Rs.0.19 millions	DBO Increase by Rs.0.20 millions

Financial Year Ended March 31,2021	Increase 1%	Decrease 1%
Salary Growth Rate	DBO Increase by Rs.4.06 millions	DBO decrease by Rs.3.43 millions
Discount Rate	DBO Decrease by Rs.3.41 millions	DBO Increase by Rs.4.11 millions
Employee Turnover	DBO Decrease by Rs.10.15 millions	DBO Increase by Rs.0.16 millions

Financial Year Ended March 31,2020	Increase 1%	Decrease 1%
Salary Growth Rate	DBO Increase by Rs.3.64 millions	DBO decrease by Rs.3.09 millions
Discount Rate	DBO Decrease by Rs.3.07 millions	DBO Increase by Rs.3.68 millions
Employee Turnover	DBO Decrease by Rs.0.15 millions	DBO Increase by Rs.0.16 millions

Financial Year Ended March 31,2019	Increase 1%	Decrease 1%
Salary Growth Rate	DBO Increase by Rs.2.31 millions	DBO decrease by Rs.1.98 millions
Discount Rate	DBO Decrease by Rs.1.95 millions	DBO Increase by Rs.2.32 millions
Employee Turnover	DBO Increase by Rs.0.10 millions	DBO Decrease by Rs.0.12 millions

VI Movement in Surplus/(Deficit)

PATRICULARS	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019
Surplus/(Deficit) at start of year	39.75	27.94	27.94	17.25	7.20
Movement during the year					
Current Service cost	2.60	2.42	4.84	2.70	2.06
Net Interest on net DBO	(0.05)	0.09	0.17	(0.24)	(0.06)
Acturial (gain)/Loss	(0.73)	(1.38)	(1.11)	5.65	1.89
Contributions	5.02	7.04	7.91	2.58	6.16
Surplus/(Deficit) at end of year	46.59	36.11	39.75	27.94	17.25

B Defined Contributon Plans

PATRICULARS	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019
The company makes provident Fund contributions to defined contribution plans for qualifying employees. Under the schemes,the Company is required to contribute a specified percentage of payroll costs to fund the benefits	8.23	6.60	14.99	12.33	9.19

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI

NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

38 RELATED PARTIES DISCLOSURES :-

RELATIONSHIP	**NAME OF RELATED PARTY**
● Subsideries	HEMANI AUSTRALIA PTY LTD
	HEMANI KOREA LTD
	HEMANI CROPCARE PVT LTD
● Enterprises in which Key Managerial Personnel (KMP) & their relatives have significant influence	VEERA INTERNATIONAL EXIMP
	BHANU PACKAGING
	BHANU BARREL SUPPLIERS
	PREMONIT INTERNATIONAL EXIMP
	DHAVALDEEP INDUSTRIAL SYNDICATE
	B.K.ENTERPRISE
	KHUSH SHIPPING AGENCIES
	KRISHNA ROADLINES
	HEMANI LIFESCIENCE LTD
	HEMANI INTERMEDIATES PVT LTD
	HEMANI INTERNATIONAL
	IDEAL DYECHEM INDUSTRIES
	YOGESHWAR CHEMICALS
	FREIGHTBRIDGE LOGISTICS PVT. LTD.
	HEMANI CHEMIORGANIC PVT LTD
● Key Managerial Personnel	MOHAN SUNDERJI DAMA
	JAYESH MOHAN DAMA
	MINAL MOHAN DAMA
	NITIN DAMA
	D.N.RAI
	PREMJI SUNDERJI HEMANI
	SURBHI JAIN
	MAHESH TANNA (Appointed on 13th September 2021)
	DIPTI SAMANT (Appointed on 20th November 2021)
● Relatives of Key Managerial Personnel	MANALI JAYESH DAMA
	MEYURI SHETHIA
	MOHAN SUNDERJI DAMA HUF
	PREMJI SUNDERJI DAMA HUF
● Independent Director	VASANT BHANUSHALI (Resigned on 20th November 2021)
	NAVIN BHANUSHALI (Resigned on 20th November 2021)
	RAVI SUNDERARAJAN (Appointed on 20th November 2021)
	SAMEER PAIGANKAR (Appointed on 20th November 2021
	DR AVANI UMATT (Appointed on 20th November 2021

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION

38(I) **RELATED PARTIES DISCLOSURES :-**

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Particulars	Subsidiary					Enterprises in which Directors & Key Managerial Personnel (KMP) & their relatives have significant influence					Key Managerial Personnel (KMP)					TOTAL				
	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019
Purchase of Goods/Spares/Machinery	258.26	2.28	260.98			23.63	9.59	231.67	149.03	27.18	71.97	68.34				353.86	80.21	492.65	149.03	27.18
Sale of Goods	329.04	115.33	391.75	27.83				60.22			9.81	33.02				338.85	148.34	451.96	27.83	0.00
Purchase of Service						109.76	31.21	102.99	101.47	1.66					135.98	109.76	31.21	102.99	101.47	137.64
Interest paid											6.81	4.07	6.54	12.38	3.13	6.81	4.07	6.54	12.38	3.13
Interest Received	2.13	1.81	4.19	0.87												2.13	1.81	4.19	0.87	0.00
Remuneration											60.58	45.86	105.93	76.96	112.60	60.58	45.86	105.93	76.96	112.60
Rent paid /(Received)										(0.75)	2.60	2.36	4.73	4.30		2.60	2.36	4.73	4.30	(0.75)
Salary						10.34	5.64	11.76	3.05	2.22						10.34	5.64	11.76	3.05	2.22
Professional Fees and Commission							7.72	6.78	29.88	28.11							7.72	6.78	29.88	28.11
Investment in subsidiaries	0.00	0.00	0.01	6.28														0.01	6.28	0.00
Investment in subsidiaries (Preference Shares)	300.00															300.00				
Transfer of Land				63.38															63.38	
Transfer of Undertaking										105.00										105.00
Transfer of Rights of Leasehold Land										168.66										168.66
Total	**889.43**	**119.42**	**656.92**	**98.36**	**-**	**143.72**	**54.17**	**413.42**	**283.43**	**332.07**	**151.77**	**153.65**	**117.20**	**93.64**	**251.71**	**1184.92**	**327.24**	**1187.54**	**475.42**	**583.78**

Outstanding Balances with Related Parties

Particulars	Subsidiary					Enterprises in which Directors & Key Managerial Personnel (KMP) have significant influence					Key Managerial Personnel (KMP)					TOTAL				
	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019
Debtors	324.14	84.81	218.74	27.83				82.10			102.17	140.86				426.31	225.66	300.84	27.83	0.00
Receivables						3.57	3.57	0.35	3.94	3.57				0.26		3.57	3.57	0.35	4.21	3.57
Creditors						42.75	38.66	29.71	13.81	23.00	2.34	4.32		8.29		45.09	42.98	29.71	22.11	23.00
Payable								0.77	24.34	10.67	20.65	4.02	25.08	2.44		20.65	4.02	25.85	26.78	10.67
Investment in Equity and Preference Shares	306.29	6.29	6.29	6.28												306.29	6.29	6.29	6.28	0.00
Unsecured Loan given to Subsidiary	80.17	80.31	81.06	70.96												80.17	80.31	81.06	70.96	0.00
Corporate Guarantee*	1870.00	520.00	105.75													1870.00	520.00	105.75	0.00	0.00
Unsecured Loan received											211.49	56.08	56.36	74.24	152.53	211.49	56.08	56.36	74.24	152.53
Total	**2580.60**	**691.40**	**411.84**	**105.06**	**-**	**46.32**	**42.23**	**112.93**	**42.10**	**37.24**	**336.65**	**205.29**	**81.44**	**85.24**	**152.53**	**2963.58**	**938.92**	**606.21**	**232.40**	**189.77**

*The Company has given corporate guarantee for loan of Rs.1,870 millions as at 30th September 2021,As at 30th September 2020-Rs.520 millions and As at 31st march 2021-Rs.105.75 millions
The Bank Guarantee Interest is recorded at Present value of Rs.14.00 millions as at 30th September 2021 ,As at 30th September 2020-Rs.2.24 millions and As at 31st march 2021-Rs.9.46 millions

Transaction with Struck off Companies in F.Y.2018-19:			
Name of Struck off Company	**Nature of Transaction**	**Balance Outstanding**	**Relationship with Company**
HEMANI LIFESCIENCE PVT LTD	Transfer of Rights of Leasehold Land	0	Key Managerial Personnel (KMP) have significant influence

The Company has filed Struck off application on 14th August 2021 and status of the application is showing "Strike-off" on Ministry of Corporate affairs portal.

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
38(II) NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION
Material Transactions with Related Parties
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

	Sale of Goods / Services (Inclusive of Tax)					Purchase of Goods / Services/Land (Inclusive of Tax)				
Name of Related Parties	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**31st March 2019**	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**31st March 2019**
Subsidaries										
Hemani Crop Care Pvt. Ltd.	175.60	0.41	58.98			258.26	2.28	260.98	63.38	
Hemani Australia Pty Ltd	87.36	97.42	253.79	27.83						
Hemani Korea Ltd	66.07	17.50	78.97							
Key Managerial Personnel										
Veera International	9.81	33.02	60.22			71.97	68.34	188.26	153.90	135.98
Key Managerial Personnel (KMP) have significant influence										
Hemani Intermediate Pvt ltd-Transfer of Undertaking					105.00					
Hemani Lifescience Ltd-Transfer of Rights of Leasehold Land										168.66
Relatives of Key Managerial Personnel										
Bhanu Packaging							4.50	6.60	7.36	5.32
Dhavaldeep Ind Syndicate						15.16	0.76	15.52	6.75	12.31
B.K.Enterprise						7.57	2.79	19.22	12.19	9.55
Kush Shipping Agency						1.32	0.44	1.74	2.14	1.66
Bhanu Barrel Suppliers						0.90	1.55	2.06	4.26	
Freightbridge Logistics Pvt. Ltd.						108.44	30.77	101.25	63.90	

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES TO RESTATED STANDALONE INFORMATION
38(III) Material Transactions with Related Parties
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Particulars	**Remuneration/Salary**					**Interest paid/(received)**					**Rent Paid/(Received)**					**Professional/Commission**					**Total**				
Name of Related Parties	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**31st March 2019**	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**31st March 2019**	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**31st March 2019**	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**31st March 2019**	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**31st March 2019**
Subsidiary																									
Hemani Crop Care Pvt. Ltd.																									
Hemani Australia Pty Ltd						(1.94)	(1.67)	(3.86)	(0.87)												**(1.94)**	**(1.67)**	**(3.86)**	**(0.87)**	
Hemani Korea Ltd						(0.19)	(0.14)	(0.33)	0.00												**(0.19)**	**(0.14)**	**(0.33)**		
Key Managerial Personnel																									
Mohan Dama	30.00	22.00	52.00	36.00	63.00	3.39	2.39	4.75	4.80	1.69	0.87	0.79	1.58	1.43							**34.26**	**25.18**	**58.32**	**42.23**	**64.69**
Minal Dama	9.00	7.00	16.00	12.00		2.87	1.23	1.23	5.25	1.43	0.87	0.79	1.58	1.43							**12.74**	**9.02**	**18.81**	**18.68**	**1.43**
Jayesh Dama	18.00	14.00	32.00	24.00	45.50	0.54	0.45	0.56	2.33		0.87	0.79	1.58	1.43							**19.41**	**15.24**	**34.14**	**27.76**	**45.50**
Nitin Dama	0.66	0.64	1.30	1.21	1.09																**0.66**	**0.64**	**1.30**	**1.21**	**1.09**
D N Rai	2.68	2.22	4.63	3.75	3.01																**2.68**	**2.22**	**4.63**	**3.75**	**3.01**
Mahesh Tanna	0.25																				**0.25**				
Key Managerial Personnel (KMP) have significant influence																									
Hemani Intermediate Pvt ltd															(0.75)										**(0.75)**
Relatives of Key Managerial Personnel																									
Manali Dama	2.10	1.52	3.53	3.05	2.22																**2.10**	**1.52**	**3.53**	**3.05**	**2.22**
Meyuri Shethia	8.24	4.12	8.24														7.72	6.78	29.88	28.11	**8.24**	**11.84**	**15.02**	**29.88**	**28.11**

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38(IV) NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION
Related Party Disclosure Under Ind AS 24 Outstanding Balance
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

PARTICULARS	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019
Payable					
Meyuri Shethia	16.73	26.35	19.27	23.75	10.67
Bhanu Packaging	0.01	2.16	0.05	1.07	1.29
Dhavaldeep Industrial Syndicate	11.22	0.23	4.00	2.35	1.24
Bhanu Barrel Supplier	1.65	1.70	0.81	0.93	-
B.K.Enterprise	5.26	1.13	5.57	2.50	2.37
Hemani International	6.96	6.96	6.96	6.96	6.96
Veera International Eximp	-	-	7.40	8.29	10.56
Kush Shipping Agency	0.92	0.13	0.77	0.59	0.58
Mohan Dama (rent)	0.78	1.44	2.40	0.65	-
Minal Dama(Rent)	0.78	1.44	2.40	0.65	-
Jayesh Dama(Rent)	0.78	1.44	2.40	0.65	-
Receivables					
Premonit International Eximp	3.57	3.57	3.57	3.57	3.57
Veera International Eximp	102.17	140.86	78.53	-	-
Bhanu Barrel Supplier				0.06	-
Minal Dama	-	-	-	0.26	-
Manali Dama	-	-	0.35	0.31	-
Hemani Korea Ltd.	53.46	-	25.14	-	-
Hemani Australia Pty Ltd	88.36	61.68	147.35	27.83	-
Hemani Crop Care Pvt. Ltd.	182.33	23.13	46.25	-	-
Loan payable					
Mohan Dama	80.31	41.57	43.75	39.86	82.79
Minal Dama	111.93	10.94	10.94	13.78	49.69
Jayesh Dama	19.26	3.56	1.67	20.60	20.05
Loan Given					
Hemani Australia Pty Ltd	72.11	72.63	73.19	70.96	-
Hemani Korea Ltd	8.06	7.68	7.87	-	-
Investment in Equity Shares of Subsidiary					
Hemani Australia Pty Ltd	0.00	0.00	0.00	0.00	-
Hemani Korea Ltd	6.21	6.21	6.21	6.21	-
Hemani Crop care Pvt Ltd	0.08	0.08	0.08	0.07	-
Investment in Preference Shares of Subsidiary					
Hemani Crop care Pvt Ltd	300.00	-	-	-	-
Remuneration payable					
Mohan Dama	11.25	-	-	0.03	-
Minal Dama	3.90	0.98	0.98	-	-
Jayesh Dama	3.59	2.34	1.79	0.36	-
Nitin Dama	0.10	0.10	0.10	0.09	-
Meyuri Sethia	0.96	-	0.28	-	-
Manali Dama	0.25	0.21	0.20	-	-
Mahesh Tanna	0.24	-	-	-	-
D N Rai	0.37	0.40	0.19	-	-

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NOTES TO RESTATED STANDALONE
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39 FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT

Accounting Classification and Fair Values

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

	Carrying Amount				Fair Value			
September 30,2021	**Fair Value Through Profit And Loss**	**Fair Value Through Other Comprehensive Income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets measured at Amortised Cost								
Non-Current Investments	1.83		399.50	401.33	0.06	401.28		401.33
Other Financial Assets :-						0.00		0.00
Non-Current			116.14	116.14		116.14		116.14
Current			133.90	133.90		133.90		133.90
Trade and Other Receivables			5135.82	5135.82		5135.82		5135.82
Cash and Cash Equivalents			129.13	129.13		129.13		129.13
Bank Balances (Other than above)			0.00	0.00		0.00		0.00
Loans			80.17	80.17		80.17		80.17
Total Financial Assets	**1.83**		**5994.67**	**5996.50**	**0.06**	**5996.45**		**5996.50**
Financial Libilities measured at Amortised Cost								
Borrowings:-								
Non-Current			359.38	359.38		359.38		359.38
Current			403.70	403.70		403.70		403.70
trade and Other Payables			3163.52	3163.52		3163.52		3163.52
Other Financial Liabilities			815.79	815.79		815.79		815.79
Total Financial Liabilities	0.00		**4742.37**	**4742.37**		4742.37		4742.37

	Carrying Amount				Fair Value			
September 30,2020	**Fair Value Through Profit And Loss**	**Fair Value Through Other Comprehensive Income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets measured at Amortised Cost								
Non-Current Investments	1.77		21.01	22.78		22.78		22.78
Other Financial Assets :-						0.00		0.00
Non-Current			75.42	75.42		75.42		75.42
Current			40.03	40.03		40.03		40.03
Trade and Other Receivables			3559.14	3559.14		3559.14		3559.14
Cash and Cash Equivalents			235.44	235.44		235.44		235.44
Bank Balances (Other than above)			0.00	0.00		0.00		0.00
Loans			80.31	80.31		80.31		80.31
Total Financial Assets	**1.77**		**4011.36**	**4013.13**		**4013.13**		**4013.13**
Financial Libilities measured at Amortised Cost								
Borrowings:-								
Non-Current			284.43	284.43		284.43		284.43
Current			103.68	103.68		103.68		103.68
trade and Other Payables			2106.28	2106.28		2106.28		2106.28
Other Financial Liabilities			186.83	186.83		186.83		186.83
Total Financial Liabilities	0.00		**2681.21**	**2681.21**		2681.21		2681.21

The following table shows the carrying amounts and Fair Value of Financial Assets and Financial Liabilities, including their levels in the fair value hierachy. It does not included fair value information for Financial Assets and Financial Liabilities not Measured at Fair Value if the Carrying amount is a resonable approximation of Fair Value.

	Carrying Amount				Fair Value			
March 31,2021	**Fair Value Through Profit And Loss**	**Fair Value Through Other Comprehensive Income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets measured at Amortised Cost								
Non-Current Investments	1.77	0.00	57.20	58.97		58.97		58.97
Other Financial Assets :-						0.00		0.00
Non-Current			88.70	88.70		88.70		88.70
Current			58.46	58.46		58.46		58.46
Trade and Other Receivables			4630.27	4630.27		4630.27		4630.27
Cash and Cash Equivalents			207.51	207.51		207.51		207.51
Bank Balances (Other than above)			0.00	0.00		0.00		0.00
Loans			81.06	81.06		81.06		81.06
Total Financial Assets	**1.77**		**5123.21**	**5124.98**		**5124.98**		**5124.98**
Financial Libilities measured at Amortised Cost								
Borrowings:-								
Non-Current			241.09	241.09		241.09		241.09
Current			637.90	637.90		637.90		637.90
trade and Other Payables			2200.62	2200.62		2200.62		2200.62
Other Financial Liabilities			459.76	459.76		459.76		459.76
Total Financial Liabilities	0.00		**3539.37**	**3539.37**		3539.37		3539.37

The following table shows the carrying amounts and Fair Value of Financial Assets and Financial Liabilities, including their levels in the fair value hierachy. It does not included fair value information for Financial Assets and Financial Liabilities not Measured at Fair Value if the Carrying amount is a resonable approximation of Fair Value.

	Carrying Amount				Fair Value			
March 31,2020	**Fair Value Through Profit And Loss**	**Fair Value Through Other Comprehensive Income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets measured at Amortised Cost								
Non-Current Investments	1.77		6.28	8.05		8.05		8.05
Other Financial Assets :-						0.00		0.00
Non-Current			65.04	65.04		65.04		65.04
Current			13.90	13.90		13.90		13.90
Trade and Other Receivables			4349.93	4349.93		4349.93		4349.93
Cash and Cash Equivalents			34.92	34.92		34.92		34.92
Bank Balances (Other than above)			0.00	0.00		0.00		0.00
Loans			70.96	70.96		70.96		70.96
Total Financial Assets	**1.77**		**4541.03**	**4542.80**		**4542.80**		**4542.80**
Financial Libilities measured at Amortised Cost								
Borrowings:-								
Non-Current			335.22	335.22		335.22		335.22
Current			952.89	952.89		952.89		952.89
trade and Other Payables			2308.73	2308.73		2308.73		2308.73
Other Financial Liabilities			224.08	224.08		224.08		224.08
Total Financial Liabilities	0.00		**3820.92**	**3820.92**		3820.92		3820.92

March 31,2019	Fair Value Through Profit And Loss	Fair Value Through Other Comprehensive Income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets measured at Amortised Cost								
Non-Current Investments	1.77		0.00	1.77		1.77		1.77
Other Financial Assets :-						0.00		0.00
Non-Current			58.50	58.50		58.50		58.50
Current			35.58	35.58		35.58		35.58
Trade and Other Receivables			3044.30	3044.30		3044.30		3044.30
Cash and Cash Equivalents			23.85	23.85		23.85		23.85
Bank Balances (Other than above)			23.85	23.85		23.85		23.85
Loans			0.00	0.00		0.00		0.00
Total Financial Assets	**1.77**		**3186.09**	**3187.86**		**3187.86**		**3187.86**
Financial Libilities measured at Amortised Cost								
Borrowings:-								
Non-Current			163.78	163.78		163.78		163.78
Current			1060.96	1060.96		1060.96		1060.96
trade and Other Payables			2051.53	2051.53		2051.53		2051.53
Other Financial Liabilities			110.14	110.14		110.14		110.14
Total Financial Liabilities	**0.00**	**0.00**	**3386.41**	**3386.41**	**0.00**	**3386.41**	**0.00**	**3386.41**

(1) Investment in Subsidiary carried at amortised cost. Fair Value of financial Assets and Liabilities are measured at Amortized cost is not materially different from the Amortized cost Furthers impact of time value of money is not Significant for the financial instrument classified as current. Accordingly fair value has not been disclosed seperately.

Types of inputs are as under:

Input Level I	(Directly Observable) which includes quoted prices in active markets for identical assets such as quoted price for an Equity Security on Security Exchanges
Input Level II	(Indirectly Observable) which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses etc.
Input Level III	(Unobservable) which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.

40 Financial Risk Management:-'

The Company has exposure to the following risks arising from financial instruments:

• Credit Risk ;
• Liquidity Risk ; and
• Market Risk

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NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION
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Risk Management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash Resources,hedging of Foreign currency exposure, Credit Control and ensuring compliance with market risk limits and policies.

The Company's Risk Management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk Management policies and systems are reviewed 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 obligations.

The Audit Committee oversees how management monitors compliance with the Company's Risk Management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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 investments in debt securities.The carrying amount of following Financial Assets represents the maximum credit exposure:

Other Financial Assets

The Company maintains its Cash and Cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.The derivatives are entered into with bank and financial institution counter parties, which are rated AA- toAA+, based on ratings

Trade Receivables

The Sales Department has established a Credit Policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. The Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Board of Directors.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Company may have a secured claim. The Company does not otherwise require collateral in respect of trade and other receivables.

Trade Receivables of the Company are typically unsecured ,except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collect ability of accounts receivables. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, as per management perceptions, loss on collection of receivable is not material hence no additional provision considered.

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows: .

Particulars	30" September, 2021	30" September, 2020	31" March, 2021	31" March, 2020	31" March, 2019
Domestic	1701.14	1384.86	1552.27	1326.90	111.32
Other Region	3434.68	2174.28	3078.01	3023.03	2932.98
Total	**5135.82**	**3559.14**	**4630.27**	**4349.93**	**3044.30**

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NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Age of Receivables **(In Rs.)**

Particulars	As at 30' September, 2021	As at 30' September, 2020	As at 31' March, 2021	As at 31' March, 2020	As at 31' March, 2019
Neither due nor impaired	3335.03	2733.44	2979.61	2878.41	1967.10
Past due 1-90 days	1147.03	507.01	975.69	990.41	662.61
Past due 91-180 days	387.73	249.41	541.77	401.64	366.36
More than 180 days	266.04	69.28	133.20	79.47	48.22

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer Credit Risk, including underlying customers' Credit Ratings if they are available.

Management estimates that there are no instances of past due or impaired trade and other receivables.

ii. Liquidity Risk

Liquidity Risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. 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.

Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

30' September, 2021	Contractual Cash Flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Rupee Term Loans from banks						
HDFC Bank Limited	629.26	629.26	481.38	81.38	66.50	0.00
Working Capital Loans from Banks	403.70	403.70	403.70			
Trade and Other Payables	3163.52	3163.52	3163.52			

30' September, 2020	Contractual Cash Flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Rupee Term Loans from banks						
HDFC Bank Limited	309.72	309.72	81.38	81.38	146.96	
Working Capital Loans from Banks	103.68	103.68	103.68			
Trade and Other Payables	2106.28	2106.28	2106.28			

31' March, 2021	Contractual Cash Flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Rupee Term Loans from banks						
HDFC Bank Limited	266.11	266.11	81.38	81.38	103.35	0.00
Working Capital Loans from Banks	637.90	637.90	637.90			
Trade and Other Payables	2200.62	2200.62	2200.62			

31' March, 2020	Contractual Cash Flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Rupee Term Loans from banks						
HDFC Bank Limited	325.52	325.52	81.38	81.38	162.76	
Working Capital Loans from Banks	952.89	952.89	952.89			
Trade and Other Payables	2308.73	2308.73	2308.73			

31' March, 2019	Contractual Cash Flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Rupee Term Loans from banks						
HDFC Bank Limited	26.25	26.25	26.25			
Working Capital Loans from Banks	1060.96	1060.96	1060.96			
Trade and Other Payables	2051.53	2051.53	2051.53			

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NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION
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Derivative Financial Liabilities **Forward exchange contracts used for hedging**	**30.09.2021**	**30.09.2020**	**31.03.2021**	**31.03.2020**	**31.03.2019**
- Outflow - USD in Lakhs	NIL	NIL	NIL	NIL	NIL
- Inflow	NIL	NIL	NIL	NIL	NIL

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted Cash Flows relating **to** derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow arr ounts for derivatives that have simultaneous gross cash settlement.

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels

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 Company's long-term debt obligations with floating interest rates

Exposure to Interest Rate Risk

The Company's Interest Rate Risk arises from borrowings obligations. Borrowings issued exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:-

Variable-Rate Instruments	**30" September, 2021**	**30" September, 2020**	**31" March, 2021**	**31" March, 2020**	**31" March, 2019**
Non Current - Borrowings	147.88	284.43	184.73	253.84	148.78
Current portion of Long Term Borrowings	481.38	81.38	81.38	81.38	15.00
Total	629.26	365.80	266.11	335.22	163.78

Cash Flow Sensitivity Analysis For Variable-Rate Instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant

Particulars	**Profit or Loss**		**Equity, Net of Tax**	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
30th September, 2021				
Non Current - Borrowings	(14.79)	14.79	(11.07)	11.07
Current portion of Long Term Borrowings	(48.14)	48.14	(36.02)	36.02
Total	(62.93)	62.93	(47.09)	47.09
30th September, 2020				
Non Current - Borrowings	(28.44)	28.44	(21.28)	21.28
Current portion of Long Term Borrowings	(8.14)	8.14	(6.09)	6.09
Total	(36.58)	36.58	(27.37)	27.37
31st March, 2021				
Non Current - Borrowings	(18.47)	18.47	(13.82)	13.82
Current portion of Long Term Borrowings	(8.14)	8.14	(6.09)	6.09
Total	(26.61)	26.61	(19.91)	19.91
31st March, 2020				
Non Current - Borrowings	(25.38)	25.38	(19.00)	19.00
Current portion of Long Term Borrowings	(8.14)	8.14	(6.09)	6.09
Total	(33.52)	33.52	(25.08)	25.08
31st March, 2020				
Non Current - Borrowings	(14.88)	14.88	(11.13)	11.13
Current portion of Long Term Borrowings	(1.50)	1.50	(1.12)	1.12
Total	(16.38)	16.38	(12.26)	12.26

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NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION
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Financial instruments—Fair Values and Risk Management
iii. Market Risk
Market Risk is the risk that changes in market prices — such as foreign exchange **rates, interest rates and equity prices —** will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.
Currency Risk

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of highly probable forecasted transactions	Forward contract	USD	**0**	**3575.62**	Sell

Exposure to Currency Risk
The currency profile of Financial Assets and Financial Liabilities with exposure to foreign currency risk at the end of the reporting period expressed in rupees, are as follows

	30-Sep-21	30-Sep-21	30-Sep-21
	USD	**AUD**	**EURO**
Financial Assets			
Non-Current Investments	6.21	-	-
Trade and Other Receivables	3434.68	-	-
Less - Forward Contract For Selling	(3575.62)	-	-
Total	**(134.73)**	**-**	**-**
Financial Liabilities			
Short Term Borrowings	244.64	-	-
Trade and Other Payables	211.74	-	-
Less - Forward Contract For Buying	-	-	-
Total	**456.38**	**-**	**-**

	30-Sep-20	30-Sep-20	30-Sep-20
	USD	**AUD**	**EURO**
Financial Assets			
Non-Current Investments	6.21	-	
Trade and Other Receivables	2174.28	-	
Less - Forward Contract For Selling	(1152.09)	-	
Total	**1028.40**	**-**	**-**
Financial Liabilities			
Short Term Borrowings	103.68		
Trade and Other Payables	320.42		
Less - Forward Contract For Buying			
Total	**424.09**	**-**	**-**

	31-Mar-21	31-Mar-21	31-Mar-21
	USD	**AUD**	**EURO**
Financial Assets			
Non-Current Investments	6.21		
Trade and Other Receivables	3078.01		
Less - Forward Contract For Selling	(2470.36)		
Foreign Currency			
Total	**613.85**	**0.00**	**0.00**
Financial Liabilities			
Short Term Borrowings	637.90		
Trade and Other Payables	371.61		
Less - Forward Contract For Buying			
Foreign Currency			
Total	**1009.51**	**-**	**-**

	31-Mar-20	31-Mar-20	31-Mar-20
	USD	**AUD**	**EURO**
Financial Assets			
Non-Current Investments	6.21	-	
Trade and Other Receivables	2922.25		100.79
Less - Forward Contract For Selling	(1274.40)		(117.93)
Foreign Currency			
Total	**1654.05**	**-**	**(17.14)**
Financial Liabilities			
Short Term Borrowings	787.31		
Trade and Other Payables	267.10		
Less - Forward Contract For Buying	(4.51)		
Foreign Currency			
Total	**1049.90**	**-**	**-**

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

	31-Mar-19	31-Mar-19	31-Mar-19
	USD	**AUD**	**EURO**
Financial Assets			
Non-Current Investments	-	-	-
Trade and Other Receivables	2932.98	-	-
Less - Forward Contract For Selling	(387.03)	-	-
Total	**2545.94**	-	-
Financial Liabilitiet			
Short Term Borrowings	266.75		
Trade and Other Payables	81.24		
Less - Forward Contract For Buying	0.00		
Total	**347.99**	-	-

Sensitivity analysis

A reasonably possible strengthening I (weakening) of the Indian Rupee against US dollars at September 30,2021,September 30,2020,March 31,2021,March 31,2020 and March 31,2019 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in (Rs.)	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
30th September, 2021				
3% movement				
USD	(17.73)	17.73	(13.27)	13.27
EUR				
AUD	(0.00)	0.00	(0.00)	0.00

Effect in (Rs.)	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
30th September, 2020				
3% movement				
USD	18.13	(18.13)	13.57	(13.57)
EUR				
AUD	0.00	(0.00)	0.00	(0.00)

Effect in (Rs.)	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31st March, 2021				
3% movement				
USD	(11.87)	11.87	(8.88)	8.88
EUR				
AUD	0.00	(0.00)	0.00	(0.00)

Effect in (Rs.)	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31st March, 2020				
3% movement				
USD	18.12	(18.12)	13.56	(13.56)
EUR	0.51	(0.51)	0.38	(0.38)
AUD	(0.00)	0.00	(0.00)	0.00

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Effect in (Rs.)	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2019				
3% movement				
USD	65.94	(65.94)	49.34	(49.34)
EUR				
AED				

41 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

PARTICULARS	As at 30th September, 2021	As at September 30, 2020	As at 31st March, 2021	As at March 31, 2020	As at March 31, 2019
Total Interest bearing liabilities	1244.45	469.48	975.28	1387.39	1239.74
Less : Cash and Cash Equivalent	129.13	235.44	207.51	34.92	23.85
Adjusted Net Debt	**1115.32**	**234.04**	**767.76**	**1352.47**	**1215.88**
Total Equity	7141.93	5000.24	5998.68	4294.28	2945.03
Adjusted Equity	**7141.93**	**5000.24**	**5998.68**	**4294.28**	**2945.03**
Adjusted Net Debt to adjusted Equity ratio	0.16	0.05	0.13	0.31	0.41

42 Corporate Social resposnsibility expenditure

The Company has spent required under section 135 of the compnaies act,2013 in the areas of education

Particulars	30th September 2021	30th September 2020	31st March 2021	31st March 2020	31st March 2019
Contribution to school in towards education	40.00	9.50	28.64	22.55	13.29
Gross amount required to be spent as per Section 135 of the act	14.14	13.37	19.62	17.02	9.62
Short fall	-	(3.87)	-	-	-

*For September 30,2020, excess/Short spent determined at the end of the financial year

43 Leases:

1) The Company has elected not to apply the requirements of IND as 116 to short term leases of all the assets the have a lease term of twelve months or less and leases for which underying assets is low value.The lease payment associated with these leases are recognised as an expenses on directly profit and loss account

3) The borrowing rate applied to lease liabiities as at 1st April 2019 is (9.75%) (i.e. Incremental Borrowing rate of the compay)

The Company has lease contracts for HO Premises. Leases of HO Premises is having lease terms of 5 years.The Company's obligations under its leases are secured by the lessors title to the leased assets. The Company is restricted from assigning and subleasing the leased assets and some contrcats require the compnay to maintain premises in good state.

Terms of Cancellation and Escalation
The leases are cancellable by giving 3 months notice by either parties

A) Leases as lessee
i) The Movement in lease liabilities during the year:

Particulars	**30th September2021**	**30th September2020**	**31st March 2021**	**31st March 2020**	**31st March 2019**
Opening Balance	14.90	17.90	17.90	-	-
Additions during the year				20.49	-
Finance Cost incurred during the year	0.67	0.83	1.73	1.71	-
Payments of Lease Liabilities	(2.60)	(2.36)	(4.73)	(4.30)	-
Closing Balance	**12.97**	**16.37**	**14.90**	**17.90**	**0.00**

ii) The Carrying Value of Rights-of-Use and Depreciation charged during the year

Particulars	**30th September2021**	**30th September2020**	**31st March 2021**	**31st March 2020**	**31st March 2019**
Opening Balance	12.30	16.39	16.39	-	-
Additions during the year				20.49	-
Depreciation Charged During the year	(2.05)	(2.05)	(4.10)	(4.10)	-
Closing Balance	**10.25**	**14.35**	**12.30**	**16.39**	**0.00**

iii) Amount Recognised in Statement of Profit & Loss account during the year

Particulars	**30th September2021**	**30th September2020**	**31st March 2021**	**31st March 2020**	**31st March 2019**
Depreciation Expenses of Right-of-Use assets	2.05	2.05	4.10	4.10	0.00
Interest expense on lease liablities	0.67	0.83	1.73	1.71	-
Closing balance	**2.72**	**2.88**	**5.83**	**5.81**	**0.00**

iv) Amount Recognised in statement of Cash flows

Particulars	**30th September2021**	**30th September2020**	**31st March 2021**	**31st March 2020**	**31st March 2019**
Total Cash outflow for Leases	(2.60)	(2.36)	(4.73)	(4.30)	-

v) Maturity analysis of lease liablities

Particulars	**30th September2021**	**30th September2021**	**31st March 2021**	**31st March 2020**	**31st March 2019**
Less than one year	4.50	7.90	4.05	3.12	0.00
One to Five years	8.47	8.47	10.85	14.78	0.00
Total undisclosed Lease Liablity	**12.97**	**16.37**	**14.90**	**17.90**	**0.00**

Balances of Lease Liablities

Particulars	**30th September2021**	**30th September2020**	**31st March 2021**	**31st March 2020**	**31st March 2019**
Non Current lease Liablity	8.47	8.47	10.85	14.78	0.00
Current Lease Liablity	4.50	7.90	4.05	3.12	0.00
Total Lease liablity	**12.97**	**16.37**	**14.90**	**17.90**	**0.00**

The Company had entered into Lease rent agreement for HO Office pemises.The leasing agreement was cancellable,and renewable on a periodic basis by mutually accepted terms including escalation of lease rent

44 Geographical Segment

Particulars	India	USA and CANADA	Europe	South East Asia	Others	Total
Revenue April 2021 to September 2021	2491.68	936.33	1409.27	1352.70	682.80	**6872.76**
Revenue (1st April 2020 to September 2020)	2191.04	565.36	872.31	606.17	409.36	**4644.23**
Revenue (F.Y.2020-21)	4167.58	395.62	1599.89	1069.42	3984.94	**11217.45**
Revenue (F.Y.2019-20)	3320.95	450.65	2030.68	680.65	3283.41	**9766.34**
Revenue (F.Y.2018-19)	2538.60	1321.32	1906.55	796.64	2112.57	**8675.68**
Total Assets April 2021 to September 2021	12608.56					**12608.56**
Total Assets (1st April 2020 to September 2020)	8129.13					**8129.13**
Total Assets (F.Y.2020-21)	9961.79					**9961.79**
Total Assets (F.Y.2019-20)	8488.62					**8488.62**
Total Assets (F.Y.2018-19)	6584.68					**6584.68**
Capital Expenditure during April 2021 to September 2021	195.11					**195.11**
Capital Expenditure during (1st April 2020 to September 2020)	95.14					**95.14**
Capital Expenditure during F.Y.2020-21	519.30					**519.30**
Capital Expenditure during F.Y.2019-20	752.35					**752.35**
Capital Expenditure during F.Y.2018-19	547.26					**547.26**

45 **Research and Development expenditure**	**For the Six Months period ended**	**For the Six Months period ended**	**For the year ended**	**For the year ended**	**For the year ended**
	30th September 2021	**30th September 2020**	**31st March 2021**	**31st March 2020**	**31st March 2019**
Amount in Respect to					
Revenue Expenditure	34.70	0.59	44.74	25.00	0.25

46 Profit from Discontinue Operation for F.Y.2018-19

The company has sold Vapi Unit as a going concern.
Net Results of the Vapi Unit are as follows:-

Particulars	Amount
Revenue from Operations	0.75
Other Income	3.64
Total Income	**4.39**
Employee Benefit Expenses	0.03
Depreciation	1.87
Other Expenses	15.10
Total Expenses	**16.99**
Net Results	**(12.60)**

47 Financial Guarantee Given to subsidiaries

i) During the year company has given Financial gurantee to its Subsidiary (Hemani Cropcare Pvt Ltd) as on 30th September 2021 Rs.1870 millions in respect of loan taken ny Subsidiary from Citi Bank(Rs.1120 millions) and DBS Bank(Rs.750 millions) and fair value of gurantee of Rs.93.21 millions is showned as Capital contribution to subsidiary under note no.6 i.e. Investment in Subsidiary

ii) Other Income of Note no.29 for the year ended 30th September 2021 includes Interest income of Rs.14.00 millions in line with requirements of Ind AS 115 and Fair value of Balance Financial Gurantee of Rs.69.75 millions showned under note no.19 i.e. other financial gurantee.

iii) During the year company has given Financial gurantee to its Subsidiary (Hemani Cropcare Pvt Ltd) as on 30th September 2020 Rs.520 millions in respect of loan taken by Citi Bank(Rs.520 millions) and fair value of gurantee of Rs.14.71 millions is showned as Capital contribution to subsidiary under note no.6 i.e. Investment in Subsidiary

iv) Other Income of Note no.29 for the year ended 31st March 2021 includes Interest income of Rs.2.24 millions in line with requirements of Ind AS 115 and Fair value of Balance Financial Gurantee of Rs.12.47 millions showned under note no.19 i.e. other financial gurantee.

v) During the year company has given Financial gurantee to its Subsidiary (Hemani Cropcare Pvt Ltd) as on 31st March 2021 Rs.1057.52 millions in respect of loan taken by Citi Bank(Rs.320 millions) and DBS Bank(Rs.737.52 millions) and fair value of gurantee of Rs.50.91 millions is showned as Capital contribution to subsidiary under note no.6 i.e. Investment in Subsidiary

vi) Other Income of Note no.29 for the year ended 31st March 2021 includes Interest income of Rs.9.46 millions in line with requirements of Ind AS 115 and Fair value of Balance Financial Gurantee of Rs.41.44 millions showned under note no.19 i.e. other financial gurantee.

48 Other Expenses of Note no-35 for the year ended 31st March 2021 includes loss on account of fire on 9th June 2020 at a manufacturing facility of the company in Ankleshwar,Gujrat location. Loss on fire included Inventory,Property plant and equipment and other anciliary expenses amounting to Rs.60.13 millions as assed by management and was charged to statement of profit and loss for the year ended 31st March 2021 in the line with requirements of Ind AS 16.The company has all Risk insurance policy and its fully covered for insurance claim.Management has submitted requisite information to surveyor and insurance company, however preliminary/claim report is awaited from insurance company

49 The Novel Coronavirus (COVID-19) is a global pandemic and has rapidly spread throughout the world.This event has significantly affected economic activity worldwide and countinue to do so with measures taken by local authoroties and governments. The company has taken into consideration the impact of known internal and external events arising from COVID 19 pandemic while preparing the financial statements.As a part of such assessment,the company has considered the recoverability of outstanding trade receivables and future cash flow position upto the date of approval of these financial statements.The company is confident of recoverability of assets as on 31st March 2021. However, the impact assessment of COVID-19 is an ongoing process and its impact remains uncertain,given the uncertainities associated with its nature and duration. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results and the company will coutinue to closely monitor any significant impact on the companys financial position.

50 The code on Social Security,2020 ('Code'), pertaining to employee benefits during employment and post employment,received presidential assent is Septemebr 2020.The ministry of Labour and employment ahs released draft rules for the code on Social security,2020 on November 13,2020.The new code may impact the existing employee benefit obligations of the group. Teh company will assess the impact and recognise it in its financial statements in the period in which the code becomes effective and related rules are notified.

51 Transition to Ind AS on 1st April 2019:

The Company's first financial statements prepared in accordance with Ind AS from 1st April 2019

Exemption applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Optional exemption

Deemed cost- Fair value of Property, Plant and Equipment (PPE)

The Company has elected to measure all the items of PPE, intangible assets and investment property at its Indian GAAP carrying values which shall be the deemed cost as at the date of transition. As per Frequently Asked Questions (FAQs) issued by Accounting Standards Board (ASS) by Ind AS Transition Facilitation Group of Ind AS (IFRS) Implementation Committee of ICA!, deemed cost. is the amount used as a surrogate for the cost or depreciated cost and for the purpose of subsequent depreciation or amortisation, deemed cost becomes the cost as the starting point. Information regarding gross block of assets, accumulated depreciation and provision for impairment under Indian GAAP has been disclosed by way of a note forri)ing part of the financial statements.

Investments in Subsidiaries, Joint Ventures and Associates

"Under, Ind AS 101 an entity can determine the value of investment in a Subsidiary, Associate or Joint ventures as either of the below:- Cost determined in accordance with Ind AS 27 (i.e. retrospective application of Ind AS 27)- Fair value at the entity's date of transition to Ind AS- Previous GAAP carrying amount Accordingly, if an entity chooses to measure its investment at fair value at the date of transition then that is deemed to be cost of such investment for the Company and, therefore, it shall carry its investment at that amount (i.e. fair value at the date of transition) after the date of transition. The Company has elected to carry forward the previous GAAP amounts as the deemed cost for investment in equity shares of Subsidiary, Associates and Joint Ventures in the Standalone Financial Statements."

Mandatory Exemption

(i) Hedge Accounting

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Under Indian GAAP, there is no mandatory standard that deals comprehensively with hedge accounting, which has resulted in the adoption of varying practices. The Company has designated various economic hedges and applied economic hedge accounting principles to avoid profit or loss mismatch. All the hedges designated under Indian GAAP are of types which qualify for hedge accounting in accordance with Ind AS 109 also. Moreover, the Company, before the date of transition to Ind AS, has designated a transaction as hedge and also meets all the conditions for hedge accounting in Ind AS 109. Consequently, the Company continues to apply hedge accounting after the date of transition to Ind AS.

Estimates

On an assessment of the estimates made under Indian GAAP the Company has concluded that there was no necessity to revise the estimates under Ind AS except where estimates were required by Ind AS and not required by Indian GAAP or the basis of measurement were different.

Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of Financial Assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Notes to the Reconciliation:

1 Interest bearing Loans and Borrowings

Under Indian GAAP, transaction costs incurred in connection with interest bearing loans and borrowings are amortised upfront and charged to Profit or Loss for the period. Under Ind-AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.There is no processing charged on term loan taken during financial year ended 31st March 2019 and at 1st April 2018 hence no impact in balancesheet

2 Employee Benefits

Under Ind AS-, the Company recognises all remeasurement gains and losses arising from defined benefit plans in Other Comprehensive Income in the period in which they occur. Under Indian GAAP the Company recognised actuarial gains and losses in the statement of profit or loss in the period in which they occur. this has resulted in the decrease of employee emoluments by Rs.4.15 millions for the year ended 31st March 2019

3 Other Comprehensive Income

Under Indian GAAP, the Company has not presented Other Comprehensive Income FOCI) separately. Hence, it has reconciled Indian GAAP Profit or Loss to Ind AS Profit or Loss. Further, Indian GAAP Profit or Loss is reconciled to total Comprehensive Income as per Ind AS.

4 Statement of Cash Flows

The transition from Indian GAAp to IND AS has not had a material impact on the statement of Cash flow

5 Expected Credit Loss

Under India GAAP,The compnay has not presented expected credit loss.Under IND AS provides for allowances for expcted credit losses. This has resulted in to decrease of Trade Receivable by Rs.1.56 millios on 1st April 2018 and Rs.2.23 millions as on 31st March 2019

6 Investment at Fair Value

Under India GAAP,Equity Invesment needs to be shown at Cost.Under IND AS all equity investments in the scope of IND As 109 are to be measured at fair value in the statement of financial position,with value chnages recognised in profit and loss account.This resulted in to Increase in Investment value by Rs.39.69 millions as at 1st April 2018 and Expenses increase by Rs.39.69 millions

7 Deferred Tax

Indian GAAP requires Deferred Tax accounting using the income statement approach,which focus on differences beween taable profits and accounting profits for the period. Ind-AS 12 requires entites to account for deferred ta using the balancesheet approach, whihc focuses on temporary differences between carrying amount of as asset or liability in the balancesheet and its ta base. The application of IND-AS 12 approach has resulted in recognition of deferred tax on New temperory differences which was not required under Indian GAAP.

Deferred Tax:		
The above Changes in Deferred Tax liability is as follows:-	**31st March 2019**	**31st March 2018**
For Investment shown at fair value	-	13.87
For Expected Credit loss	(1.33)	(0.55)
For Employee Benefit	1.06	0.27
Total	**(0.27)**	**13.59**

8 Reconciliation of Equity

The Impact on the above IND AS adjustment on the equity is as follows:-	**31st March 2019**	**31st March 2018**
Indian GAAP Equity	2878.72	2087.12
For Investment at Fair Value	-	39.69
For Employee Benefit	3.03	0.76
For Expected Credit Loss	(3.79)	(1.56)
For Deferred Tax on adjustment on above	(22.98)	(12.14)
Net Impact on Retained Earnings	(23.75)	26.75
Ind AS Equity	**2854.98**	**2113.87**

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

52 Earnings Per share

In the board meeting held on 18th December 2021 it was decided to split 1 Equity shares of Rs.10 each fully paid up into 2 equity shares of Rs.5 each fully paid up. Thereafter it was decided to issue Bonus shares in the ratio of 4 shares of Rs. 5each fully paid up for 1 equity shares of Rs.5 each fully paid to the shareholders who held shares on 18th December 2021.The basic EPS and diluted EPS are computed after considering split of shares and Bonus issue of shares,eventhough the said events happen after reporting date but before the approval of accounts for the half year ended 30th September 2021.Accordingly in compliance with IND AS 33 "Earning per share' and read with IND AS 10 "Events after Reporting period", the disclosure of earning per share for six months period ended 30th September 2021 has been arrived at after giving effect to the above sub-divison as well as bonus.

Basic and Dilluted EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders by the wieghted average number of Equity Shares outstanding during the year.

The following reflects the income and share used in the basic and dilluted EPS Computation:

Prior Share Split and Bonus issue

Particulars		Year ended September 30,2021*	Year ended September 30,2020*	Year ended MARCH 31,2021	Year ended MARCH 31,2020	Year ended MARCH 31,2019
Numerator for basic and diluted EPS						
Profit after tax attributable to equity holders (Without Considering Other Comprehensive Income)	(A)	1143.96	704.87	1703.01	1356.32	743.66
Denominator for basic EPS						
Weighted average number of equity shares for basic EPS	(B)	9.01	9.01	9.01	9.01	9.01
Denominator for diluted EPS						
Weighted average number of equity shares for diluted EPS	(C)	9.01	9.01	9.01	9.01	9.01
Basic earnings per share of face value of Rs. 10 each (in Rs.)	(A/B)	127.03	78.27	189.10	150.61	82.58
Diluted earnings per share of face value of Rs. 10 each (in Rs.)	(A/C)	127.03	78.27	189.10	150.61	82.58

(*Earning per share for six months period ended 30th September 2021 and ended 30th September 2020 are not annualised)

Post Share Split and Bonus issue

Particulars		Year ended September 30,2021*	Year ended September 30,2020*	Year ended MARCH 31,2021	Year ended MARCH 31,2020	Year ended MARCH 31,2019
Numerator for basic and diluted EPS						
Profit after tax attributable to equity holders (Without Considering Other Comprehensive Income)	(A)	1143.96	704.87	1703.01	1356.32	743.66
Denominator for basic EPS						
Weighted average number of equity shares for basic EPS	(B)	90.06	90.06	90.06	90.06	90.06
Denominator for diluted EPS						
Weighted average number of equity shares for diluted EPS	(C)	90.06	90.06	90.06	90.06	90.06
Basic earnings per share of face value of Rs. 5 each (in Rs.)	(A/B)	12.70	7.83	18.91	15.06	8.26
Diluted earnings per share of face value of Rs. 5 each (in Rs.)	(A/C)	12.70	7.83	18.91	15.06	8.26

(*Earning per share for six months period ended 30th September 2021 and ended 30th September 2020 are not annualised)

53 Segment Information

In the opinion of Board of Directors,the Company operates in a single business segment viz. 'chemicals' and therefore disclosure of segment wise information is not applicable

54 Subsequent Events

i) Subsequent to Balancesheet Date:-

a) The board of director in its meeting dated 20th November 2021 has approved for increase in the authorised share capital of the company from existing Rs.150 Millions divided into 1,50,00,000 equity shares of Rs.10 each to Rs.550 millions divided into 5,50,00,000 millions Equity shares of Rs.10 each.

b) The board of directors at the meeting held on 18th December 2021 has approved to split 1 Equity shares of Rs.10 each fully paid up into 2 equity shares of Rs.5 each fully paid up.Therefore the authorised share capital has been changed from Rs.550 millions divided into 5,50,00,000 equity shares of Rs.10 each to Rs.550 millions divided into 11,00,00,000 Equity shares of Rs.5 each.

c) Thereafter it was decided to issue Bonus shares in the ratio of 4 shares of Rs. 5 each fully paid up for 1 equity shares of Rs.5 each fully paid to the shareholders who held shares on dated 18th December 2021.

ii) The Company has appointed Company Secretary Mrs Dipti Samant on 20th November 2021 and Three Independent Director on 20th November 2021 namely Mr.Ravi Sunderarajan,Mr. Sameer Paigankar and Dr. Avani Umatt.

iii) Two Directors, Mrs Minal Dama and Nitin Dama and two Independent Directors,Mr Navin Bhanushali and Mr Vasant Bhanushali resigned on 20th November 2021

iv) The subsidary Company i.e.Hemani Crop Care became wholly owned subsidary of Hemani Industries Limited w.e.f 24th January 2022.

v) The Bank has released the Personal Guarantee of Directors i.e. Mr. Mohan Dama,Jayesh Dama and Minal Dama with respect to Working capital and Term loan taken by the company from HDFC Bank,Citi Bank and DBS Bank.

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

55 Key Ratio and its elements

Particulars	Elements of Ratio		30th September 2021 (Not annualised)	30th September 2020 (Not annualised)	31st March 2021	31st March 2020	31st March 2019	Percentage Change from September 30,2020 to September 30,2021	Percentage Change from March 31,2020 to March 31,2021	Percentage Change from March 31,2019 to March 31,2020	Remarks
	Numerator	**Denominator**									
(a) Current Ratio	Current assets	Current Liablities	1.79	1.99	1.9	1.54	1.25	-10.00	(23%)	(24%)	Change is not more than 25%
(b) Debt-Equity Ratio	Total Debt	Total Equity	0.17	0.09	0.16	0.32	0.42	89.00	50%	24%	Refer Note no-1
(c) Debt Service Coverage Ratio	Profit before Interest,Depreciation and Tax	Non-Current borrowings Current maturity of long term loans	1.62	2.2	7.98	5.19	8.57	-26.00	(54%)	39%	Refer Note no-2
(d) Return on equity ratio	Total Income for the period	Average Total Equity	0.17	0.15	0.33	0.37	0.29	13.00	11%	(29%)	Refer Note no-3
(e)Inventory Turnover ratio	Cost of goods sold(Cost of Goods sold Cost of material consumed Purchase of stock in trade Changes in Inventories of finsihed goods,Stock In trade and Work in Progress	Average Inventory	2.78	2.21	6.28	6.19	9.9	26.00	(1%)	37%	Refer Note no-4
(f) Trade Receivable turnover ratio	Revenue from operations-Exports incentives	Average trade receivables	1.41	1.17	2.47	2.59	3.07	21.00	5%	16%	Change is not more than 25%
(g) Trade payables turnover ratio	Total Purchase	Average trade payables	1.64	1.04	2.78	2.63	2.7	58.00	(6%)	3%	Refer Note no-5
(h) Net capital turnover ratio	Revenue from operations	Average Working capital (Working Capital Current assets-Current liablities)	2.13	1.76	3.54	4.88	10.5	21.00	27%	54%	Refer Note no-6
(i) Net profit ratio	Net profit after tax	Revenue from operations	0.16	0.15	0.15	0.14	0.08	7.00	(11%)	(62%)	Refer Note no-7
(j) Return on Capital Employed	Profit before tax Finance cost	Capital Employed(Capital Employed Total assets-Current liablities)	0.2	0.18	0.37	0.42	0.44	11.00	11%	5%	Change is not more than 25%
(k) return on Investment	Net profit after tax	Average Total assets	0.1	0.08	0.18	0.18	0.12	25.00	(3%)	(44%)	Refer Note no-8

Particulars	**Elements of Ratio**		**1st April 2021 to 30th**		**1st April 2020 to 30th**		**31st March 2021**		**31st March 2020**		**31st March 2019**	
	Numerator	**Denominator**	**Numerator**	**Denominator**	**Numerator**	**Denominator**	**Numerator**	**Denominator**	**Numerator**	**Denominator**	**Numerator**	**Denominator**
(a) Current Ratio	Current assets	Current Liablities	8741.95	4892.35	5390.54	2711.84	6747.52	3544.13	5786.14	3748.05	4230.89	3390.58
(b) Debt-Equity Ratio	Total Debt	Total Equity	1244.45	7141.93	469.48	5000.24	960.37	5998.68	1369.48	4294.28	1239.74	2945.03
(c) Debt Service Coverage Ratio	Profit before Interest,Depreciation and Tax	Non-Current borrowings Current maturity of long term loans	1363.78	840.75	804.07	365.80	2573.71	322.47	2162.88	416.60	0.00	178.78
(d) Return on equity ratio	Total Income for the period	Average Total Equity	1143.96	6570.30	704.87	4647.26	1704.40	5146.48	1349.24	3619.66	0.00	2574.48
(e)Inventory Turnover ratio	Cost of goods sold(Cost of Goods sold Cost of material consumed Purchase of stock in trade Changes in Inventories of finsihed goods,Stock In trade and Work in Progress	Average Inventory	3773.99	1356.70	2250.26	1016.28	6312.47	1005.77	5546.26	895.38	0.00	506.04
(f) Trade Receivable turnover ratio	Revenue from operations-Exports incentives	Average trade receivables	6872.87	4883.05	4644.23	3954.54	11082.29	4490.10	9589.71	3697.12	8528.28	2777.87
(g) Trade payables turnover ratio	Total Purchase	Average trade payables	4389.12	2682.07	2297.54	2207.50	6273.15	2254.68	5737.12	2180.13	5501.48	2037.12
(h) Net capital turnover ratio	Revenue from operations	Average Working capital (Working Capital Current assets-Current liablities)	6963.50	3264.15	4701.29	2678.70	11352.85	3203.39	9943.50	2038.09	0.00	840.31
(i) Net profit ratio	Net profit after tax	Revenue from operations	1143.96	6963.50	704.87	4701.29	1704.40	11352.85	1349.24	9943.50	0.00	0.00
(j) Return on Capital Employed	Profit before tax Finance cost	Capital Employed(Capital Employed Total assets-Current liablities)	1571.76	7716.21	986.15	5417.30	2389.74	6417.66	1976.62	4740.57	0.00	3194.10
(k) return on Investment	Net profit after tax	Average Total assets	1143.96	11285.17	704.87	8308.88	1704.40	9225.21	1349.24	7536.65	0.00	5977.83

Note no-1	In the opinion of Management,The Ratio has changed mainly due to Unsecuread loans from Directors Increasedand loans from bank increased
Note no-2	In the opinion of Management,The Ratio has changed mainly due to increase in profit margins and Also, Non Current borrowings increased
Note no-3	In the opinion of Management,The Ratio has changed mainly due to improved profit before tax
Note no-4	In the opinion of Management,The Ratio has changed mainly due to increase in purchases due to higher sales.
Note no-5	In the opinion of Management,The Ratio has changed mainly due to increase in trade payable due to higher purchases
Note no-6	In the opinion of Management,The Ratio has changed mainly due to Improved Revenue from Operations.
Note no-7	In the opinion of Management,The overall Improvements in the net margins indicates an ability of the company to fetch higher sales realisation from its customer resulting into higher profit after tax
Note no-8	In the opinion of Management,Due to Improved profit after tax and Total assets increased

56 Previous year's figures

Previous year's figures have been regoruped /reclasified wherever necessary to correspond with the current years classification/disclosure

In terms of our attached report of even date.

For **KPB & ASSOCIATES**
Chartered Accountants
(ICAI Firm Regn. No. -114841W)

Ketan Gada
Partner
Membership No. - 106451

Place : Mumbai
Date : March 28, 2022

For **Hemani Industries Ltd**

Mohan Dama
Managing Director
(DIN No. : 01803334)

Jayesh Dama
Joint Managing Director
(DIN No. :00934721)

Dipti Samant
Company Secretary

Mahesh Tanna
Chief Financial officer

Place : Mumbai
Date : March 28, 2022

HEMANI INDUSTRIES LIMITED
ANNEXURE-VII

PART-A Statement of Ad ustment to Restated Standalone Financial Information,Audited Standalone Financial Statement ,Special Purpose Audited Financial Statement,Audited Interim Standalone Financial Statement
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Reconciliation of E uity	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**31st March 2019**
E uity as per Special Purpose Audited Financial Statement,Audited Interim Standalone Financial Statement and Audited Standalone Financial Statement	7141.93	5000.24	5998.68	4294.28	2945.03
Adjustment:NIL	-	-	-	-	-
E uity as per Restated Standalone Financial Information	**7141 93**	**5000 24**	**5998 68**	**4294 28**	**2945 03**

Reconciliation of Profit and loss	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**31st March 2019**
Profit (Loss) as per Special Purpose Audited Financial Statement,Audited Interim Standalone Financial Statement and Audited Standalone Financial Statement	**1143 25**	**705 97**	**1704 40**	**1349 24**	**791 61**
Adjustment:NIL	-	-	-	-	-
Profit (Loss) as per Restated Standalone Financial Information	**1143 25**	**705 97**	**1704 40**	**1349 24**	**791 61**

PART-B-Non Ad usting event

1 **Audit ualifications for the respective years, hich do not re uire any ad ustments in the Restated Standalone Financial Information are as follo s**

There are no audit qualification in Auditors reports on the Audited Interim Standalone Financial statements for six months period ended 30th September,2021,30th September 2020 and Audited Standalone Financial Statements year ended 31st March 2021 and Special purpose audited Financial Statement year ended 31st March 2020, 31st March 2019

2 **Emphasis of Matters for the respective years, hich do not re uire any ad ustments in the Restated Standalone Financial Information are as follo s**

Emphasis of matter for Audited Interim Standalone Financial statements six months period ended September 30, 2021 and September 30,2020:
We draw attention to Note 49 to the Special Purpose Interim Standalone Financial Statements which states that the management has made an assessment of the impact of COVID 19 on companies operations, financial performance and position as at and for the end of six months period ended September 30,2021 and has concluded that there is no material Impact which Is required to be recognised in the Special Purpose Interim Standalone Financial Statements. Accordingly, no adjustments have been made to the Special Purpose Interim Standalone Financial Statements. Our opinion is not modified In respect of this matter.

Emphasis of matter of Audited Standalone Financial Statement for the year ended March 31 , 2021:
We draw attention to note 44 to the Standalone financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company’s operations, financial performance and position as at and for the end of year ended March 31 , 2021 and has concluded that there is no material impact which is required to be recognised in the consolidated financial statements. Accordingly, no adjustments have been made to the consolidated financial statements. Our opinion is not modified In respect of this matter.

Emphasis of matter of Special Purpose Audited Standalone Financial Statement for the year ended March 31 , 2020:
We draw attention to Note 42 to the Standalone financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company' operations, financial performance and position as at and for the end of year ended March 31 , 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements. Our opinion is not modified in respect of this matter.

PART-C- Material Regrouping None
Appropriate regroupings have been made in the Restated Standalone Financial Information Statement of Assets and Liabilities, Restated Standalone Financial Information Statement of Profit & Loss, Restated Standalone Financial Information Statement of Changes In Equity and Restated Standalone Financial Information Statement of Cash Flows, wherever required, by reclassification of the corresponding items of Income, expenses, assets, Liabilities, reserves and cashflows, In order to bring them In line with the accounting policies, classification and presentation as per Restated Standalone Summary Statement of the Company for the period ended 30th September 2021 prepared in accordance with revised Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of lndfa (Issue of Capital 6 Disclosure Requirements) Regulations 2018, as amended.

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Hemani Industries Limited
301, C wing, Neelkanth Business Park,
Kirol Village, Nr. Vidyavihar Bus Depot,
Mumbai 400086

Dear Sirs,

1. We, KPB & Associates, Chartered Accountants ("we" or "us" or "KPB") have examined the attached Restated Ind AS Consolidated Financial Information of Hemani Industries Limited (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), comprising the Restated Ind AS Consolidated Statement of Assets and Liabilities as at September 30, 2021, September 30, 2020, March 31, 2021 and March 31, 2020, the Restated Ind AS Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Ind AS Consolidated Statement of Changes in Equity, the Restated Ind AS Consolidated Cash Flow Statement for the six month period ended September 30, 2021, and September 30, 2020 and each of the years ended March 31, 2021 and March 31, 2020, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on March 28, 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 ("IPO") prepared in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Management's Responsibility for the Restated Consolidated Financial Information

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India and relevant stock exchanges in connection with the proposed IPO. The Restated Consolidated Financial Information has been prepared by the management of the Company on the basis of preparation stated in note 2 of Annexure V to the Restated Consolidated Financial Information. The Company's Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

Auditor's Responsibilities

3. We have examined such Restated Consolidated Financial Information taking into consideration:

a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 1,2021 in connection with the proposed IPO of the Company;

b) The Guidance Note also requires that we comply with the ethical requirements of the Code of

Ethics issued by the ICAI;

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidences supporting the Restated Consolidated Financial Information; and

d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO.

Restated Consolidated Financial Information

4. These Restated Consolidated Financial Information have been compiled by the management of the Company from:

a) Audited special purpose interim consolidated IndAS financial statements of the Group as at and for the six month period ended September 30, 2021 and September 30, 2020 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the "Special Purpose Interim Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on January 29 , 2022.

b) Audited Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2021 prepared in accordance with the Indian Accounting Standards (referred to as "IndAS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on October 11, 2021.

c) Audited Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2020 prepared in accordance with the Indian Accounting Standards (referred to as "IndAS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on December 18, 2021.

The wholly owned foreign subsidiary namely Hemani Australia PTY Limited was incorporated on June 24, 2019, wholly owned foreign subsidiary Hemani Korea Ltd was incorporated on November 11, 2019, and Indian subsidiary namely Hemani Crop Care Private Limited was incorporated on October 29, 2019 and become wholly owned Subsidiary w.e.f. January 24, 2022 and accordingly financial period ended March 31, 2020 was the first period of consolidated financial statements.

d) The audited consolidated financial information of the Group referred to in paragraph 4(a), 4 (b) and 4(c) above have been compiled from the audited standalone financial statements and other financial information of the Company and its subsidiaries i.e. 1) Hemani Crop Care Private Limited, 2) Hemani Australia PTY Limited, and 3) Hemani Korea Ltd ("Subsidiaries") as at and for the six months ended September 30, 2021 and September 30, 2020 and as at and for the years ended March 31, 2021 and March 31, 2020.

The Indian Subsidiary, Hemani Crop Care Private Limited has been audited by us, KPB & Associates as at and for the six months ended September 30, 2021 and September 30, 2020, as at and for the year ended March 31, 2021, and by Haren Parekh & Co. for the year ended March 31, 2020.

The financial information of the Foreign Subsidiaries, Hemani Australia PTY Limited, and Hemani

Korea Ltd are unaudited and has been furnished to us by the management.

5. We have audited the Special Purpose Ind AS Consolidated Financial Information of the Group for the year ended March 31, 2020, as referred in Para 4(c) above, prepared by the Company in accordance with the IndAS for the limited purpose of complying with the requirement of its financial statements been audited by an audit firm holding a valid peer review certificate issued by the "Peer Review Board" of the ICAI as required by ICDR Regulations in relation to proposed IPO. We have issued our report dated December 18, 2021 on the Special Purpose Ind AS Consolidated Financial Information to the Board of Directors who have approved these in their meeting held on December 18, 2021.

6. **Auditor's Report**

Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:

a) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note (refer Note 2 - Basis of Preparation of Annexure V to the Restated Consolidated Financial Information);
b) have been prepared after incorporating adjustments in respect of changes in the accounting policies (as disclosed in Annexure V to this report), material errors, if any, and regrouping/reclassifications retrospectively to reflect the same accounting treatment as per the accounting policies as at and for the six months period ended September 30, 2021, and September 30, 2020 for all the reporting periods; and
c) there are no qualifications in the auditors' reports which require any adjustments.

7. For the purpose of our examination, we have relied on:

a) Auditors' reports issued by us dated January 29, 2022, October 11, 2021 and December 18, 2021 on the consolidated financial statements of the Group as at and for the six month period ended September 30, 2021 and September 30, 2020, and as at and for the year ended March 31, 2021 and March 31, 2020 as referred in Paragraph 4, above;

b) As indicated in our audit reports referred above and as referred in Para 4(d) above, we have audited the financial statements of Hemani Crop Care Private Limited, an Indian subsidiary for the six months ended September 30, 2021 and September 30, 2020 and as at and for the year ended March 31, 2021, and by Haren Parekh & Co. for the year ended March 31, 2020 whose share of total assets, total revenues, net cash inflows / (outflows) included in the consolidated financial statements, for the relevant years is tabulated below:

(Rs. In Millions)

Hemani Crop Care Private Limited			
For the period/year ended	**Total Assets of the Subsidiary**	**Total Revenue of the Subsidiary**	**Net cash inflows/(outflows)**
September 30, 2021	2,286.70	621.50	39.30
September 30, 2020	699.75	1.96	102.12
March 31, 2021	1,574.13	327.30	208.51
March 31, 2020	225.72	0.00	2.79

c) As indicated in our audit reports referred above we did not audit the financial statements of Hemani Australia PTY Limited, and Hemani Korea Ltd, foreign subsidiaries, whose share of total assets, total revenues, net cash inflows / (outflows) included in the consolidated financial statements, for the relevant years is tabulated below, which are unaudited and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on such unaudited financial statements.

(Rs. In million)

Hemani Australia PTY Limited			
For the period/year ended	**Total Assets of the Subsidiary**	**Total Revenue of the Subsidiary**	**Net cash inflows/(outflows**
September 30, 2021	288.49	220.11	45.19
September 30, 2020	152.99	358.41	(0.23)
March 31, 2021	270.01	587.12	585.11
March 31, 2020	109.14	90.42	68.94

(Rs. In million)

Hemani Korea Ltd			
For the period/year ended	**Total Assets of the Subsidiary**	**Total Revenue of the Subsidiary**	**Net cash inflows/(outflows**
September 30, 2021	57.33	29.34	(2.18)
September 30, 2020	18.80	11.28	2.95
March 31, 2021	26.05	68.50	1.14
March 31, 2020	2.10	0.00	1.39

8. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Audited Special Purpose Interim IND AS Consolidated Financial Statements, Audited Consolidated Ind AS Financial Statements and Audited Special Purpose Consolidated Ind AS Financial Statements mentioned in paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit report issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India and recognized stock exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose. 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.

For KPB & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No - 114841W

Ketan N Gada
(Partner)
Membership No: 106451
UDIN:22106451AFUHJX9184
Place: Mumbai
Date: March 28, 2022

HEMANI INDUSTRIES LIMITED
ANNEXURE-I

Restated Consolidated Statements of Assets and Liabilities
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Particulars	Note No. Annexure VI	As at 30th September 2021	As at 30th September 2020	As at 31st March 2021	As at 31st March 2020
I.Assets					
(1) Non-current assets					
(a) Property, plant and Equipment	2	3343.07	2650.37	3269.74	2297.30
(b) Right of Use Assets	3	385.22	390.32	386.40	360.48
(c) Capital work-in-progress	4	620.25	91.07	184.47	148.80
(d) Other Intangible Assets	5	1.18	-	1.25	-
(e) Financial Assets					
i)Investments	6	1.83	1.77	1.77	1.77
ii) Other Financial Assets	7	127.51	82.77	102.72	66.09
(f) Other Non Current Assets	8	68.94	38.85	56.28	37.18
Total Non-current assets		**4547.99**	**3255.15**	**4002.63**	**2911.62**
(2) Current assets					
(a) Inventories	9	2211.26	1054.01	1345.17	1031.82
(b) Financial Assets					
i) Trade Receivable	10	5077.95	3545.17	4553.99	4350.39
ii) Cash and Cash Equivalents	11	191.90	410.91	347.86	108.04
iii) Bank Balance other than (ii) above	12	250.51	2.50	200.95	0.00
iv) Other Financial Assets	13	170.52	40.73	67.76	13.90
vi) Current Tax assets (net)		-	-	-	-
(C) Other Current assets	14	1786.15	492.79	950.31	303.36
Total Current assets		**9688.30**	**5546.10**	**7466.03**	**5807.51**
Total Assets		**14236.28**	**8801.26**	**11468.67**	**8719.13**
II. EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital	15	90.06	90.06	90.06	90.06
(b) Other Equity	16	7021.64	4886.78	5888.25	4181.26
Equity Attributable to Equity holders of the parent		**7111.70**	**4976.84**	**5978.31**	**4271.31**
Non Controlling Interest	17	1.15	0.25	0.52	0.07
Liablities					
Non Current Liabilities					
(a) Financial Liabilities					
i) Borrowings	18	1279.45	792.47	1118.13	412.72
ia) Lease liablities		12.97	16.37	14.90	20.01
ii) Other Financial Liabiliy	19	158.28	3.93	5.95	2.53
(b) Provisions	20	8.58	11.73	12.96	12.45
(C) Deferred tax liabilities	21	124.60	88.32	103.08	78.17
Total Non Current Liabilities		**1583.89**	**912.82**	**1255.03**	**525.86**
Current Liabilities					
(a) Financial Liabilities					
i) Borrowing	22	835.00	103.68	722.35	1036.72
ii) Trade payables	23	3279.13	2155.15	2672.71	2322.85
ii) Other financial Liablity	24	820.68	303.26	516.68	267.34
(a) Other Current Liablities	25	358.80	200.12	180.61	192.19
(c) Provisions	26	2.95	3.30	4.14	1.19
(d) Current Tax liabilities (net)	27	242.98	145.85	138.31	101.60
Total Current Liabilities		**5539.54**	**2911.36**	**4234.80**	**3921.88**
Total Liablities		**14236.28**	**8801.26**	**11468.67**	**8719.13**
Contingent Liabilities	36				
Significant Accounting Policies	1				
Disclosures under IND AS forming part of Notes to Accounts	37-57				

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial information appearing in Annexure VII.

In terms of our attached report of even date.
For **KPB & ASSOCIATES**
Chartered Accountants
ICAI Firm Regn. No. - 114841W

For and on behalf of the Board of Directors of
Hemani Industries Ltd

Ketan Gada
Partner
Membership No. - 106451

Mohan Dama
Managing Director
(DIN No. : 01803334)

Jayesh Dama
Joint Managing Director
(DIN No. :00934721)

Mahesh Tanna
Chief Financial Officer

Dipti Samant
Company Secretary

Place : Mumbai
Date : March 28, 2022

Place : Mumbai
Date : March 28, 2022

HEMANI INDUSTRIES LIMITED
ANNEXURE-II
Restated Consolidated Statement of Profit and Loss
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Particulars	Note No. Annexure VI	For Six Months period ended 30th September 2021	For Six Months period ended 30th September 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Income					
I. Revenue from operations	28	7143.99	4950.36	11719.23	10000.19
II. Other Income	29	160.48	16.98	116.86	259.78
III. Total Revenue (I +II)		**7304.47**	**4967.34**	**11836.09**	**10259.97**
IV. Expenses:					
Cost of materials consumed	30	4206.19	2239.05	6174.61	5608.59
Purchase of Trading goods	31	186.20	360.63	485.49	164.24
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	32	(620.78)	(103.42)	(111.79)	(172.18)
Employee benefit expense	33	304.01	250.38	541.55	399.34
Financial costs	34	68.11	41.21	72.67	123.86
Depreciation and amortization expense	2	126.16	100.35	197.43	187.50
Other expenses	35	1520.55	1155.31	2151.80	2112.24
IV. Total Expenses		**5790.45**	**4043.53**	**9511.75**	**8423.59**
V. Profit before tax	(III - IV)	**1514.02**	**923.81**	**2324.33**	**1836.39**
VI. Tax expense:					
(1) Current tax		365.00	230.00	605.00	463.58
(2) Deferred tax		(21.38)	(10.37)	(25.20)	4.67
(3) Earlier Year Tax		-	-	-	42.79
VII. Profit(Loss) from the period from continuing operations	**(V-VI)**	**1127.64**	**683.44**	**1694.14**	**1334.69**
Owners of the parent		**1127.08**	**683.34**	**1693.76**	**1334.71**
Non Controlling Interest		**0.56**	**0.10**	**0.38**	**(0.01)**
VIII.Other Comprehensive Income					
i)Items that will not be reclassified to Statement of profit & loss					
Remeasurements gain/(losses) on defined benefit plans		(0.57)	0.88	1.11	(5.65)
ii)Income tax related to items that will not been reclassified to profit and (loss)		(0.14)	0.22	0.28	(1.42)
iii)Foreign Currency Translation Reserve		(13.81)	11.88	(0.25)	-
iv)Cancelled Lease contract write off		-	0.23	0.23	-
Total Comprehensive Income		**(14.52)**	**13.21**	**1.38**	**(7.08)**
Equityholders of the parent		**(14.52)**	**13.21**	**1.38**	**(7.08)**
Non Controlling Interest		-	-	-	-
IX. Profit/(Loss) for the period	**(VII+VIII)**	**1113.13**	**696.65**	**1695.51**	**1327.62**
X. Earning per equity share:Prior to split and Bonus (In Rs.)	50				
Basic (Face Value of Rs.10 each)		125.15	75.88	188.08	148.21
Diluted		125.15	75.88	188.08	148.21
		(Not annualised)	(Not annualised)		
X. Earning per equity share:Post split and Bonus (In Rs.)	50				
Basic (Face Value of Rs.5 each)		12.52	7.59	18.81	14.82
Diluted		12.52	7.59	18.81	14.82
		(Not annualised)	(Not annualised)		
Significant Accounting Policies	1				
Disclosures under IND AS forming part of Notes to Accounts	37-57				

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial information appearing in Annexure VII.

In terms of our attached report of even date.
For KPB & ASSOCIATES
Chartered Accountants
ICAI Firm Regn. No. - 114841W

Ketan Gada
Partner
Membership No. - 106451

Place : Mumbai
Date : March 28, 2022

For and on behalf of the Board of Directors of
Hemani Industries Ltd

Mohan Dama
Managing Director
(DIN No. : 01803334)

Jayesh Dama
Joint Managing Director
(DIN No. :00934721)

Mahesh Tanna
Chief Financial Officer
Place : Mumbai
Date : March 28, 2022

Dipti Samant
Company Secretary

HEMANI INDUSTRIES LIMITED
ANNEXURE-III
Restated Consolidated Statement of Cash Flows
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Particulars	For Six Months period ended 30th September 2021	For Six Months period ended 30th September 2021	For the year ended 31st March 2021	For the year ended 31st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax and Extraordinary items	1514.02	923.81	2324.33	1836.39
Adjusted for :				
a. Depreciation	126.16	100.35	197.43	187.69
b. Loss on Sale of Fixed Assets	-	-	0.13	-
c. Loss of Plant,Property and Equipment due to fire	-	38.44	38.44	-
d. Provision for Doubtful debt	21.03	9.96	13.82	5.63
e. Leave Encashment	(5.57)	3.90	5.65	4.33
f. Lease contract write off	0.00	-	(0.23)	-
g. Finance Cost	68.11	41.21	72.67	94.28
h. Interest received on loans, deposits	(2.82)	(1.76)	(4.23)	(5.34)
i. Dividend income on				
Long Term unquoted Investments (Non-Trade)	(0.05)	-	(0.03)	(0.06)
j. Short term capital gain	(0.51)	-	(0.12)	-
Operating profit before working capital changes	**1720.36**	**1115.92**	**2647.87**	**2122.91**
Adjusted for :				
a. Increase in Trade payables	606.42	-	349.86	271.39
b. Increase in Other Current liablities	178.19	7.93	-	43.82
c. Increase in Other Non-Current Financial liablities	142.31	35.92	-	20.08
d. Increase in Other Current financial liablity	304.00	-	249.34	159.65
e. Decrease in Trade Receivable	-	805.22	-	
f. Decrease in Other Current Assets	-	-	-	78.44
g. Decrease in Other Current Financail assets	0.00	0.00	-	159.48
h. Increase in Inventories	(866.09)	(22.19)	(313.35)	(264.78)
i. Increase in Trade & other receivables	(523.97)	-	(203.60)	(1306.09)
j. Decrease in Other Current liablity	-	-	(11.58)	-
k. Increase in Other Current financial Assets	(102.75)	(26.83)	(53.86)	-
l. Decrease in Other Non Current Financial Liabilities		(2.24)	(1.68)	-
m. Increase in Other current Assets	(835.84)	(189.43)	(646.95)	-
n. Increase in Other Non-Current assets	(12.66)	(1.67)	(19.10)	-
o. Increase in Other Non-Current Financial assets	(24.79)	(18.21)	(36.63)	(6.06)
p. Decrease in Trade Payable	-	(167.76)	-	-
Cash generated from opeartions	**585.17**	**1536.67**	**1960.33**	**1278.84**
Less : Taxes paid	253.45	184.65	562.66	431.71
NET CASH GENERATED FROM OPERATION	**331.72**	**1352.02**	**1397.66**	**847.13**
B. CASH FLOW FROM INVESTING ACTIVITES				
a. Sale of Fixed Assets	-	-	0.10	-
b. Sale of Investment	540.45	-	-	5.34
c. Interest received on loans, deposits	2.82	1.76	4.23	-
d. Short term capital gain (net)	0.51	-	0.12	-
e. Dividend income	-	-	-	-
Long Term Unquoted investment (Non-Trade)	0.05	-	0.03	0.06
f. Purchase of fixed assets	(634.00)	(465.86)	(1279.50)	(896.87)
g. Purchase of Investment	(540.00)	-	-	-
h. Investment in Fixed Deposit	(49.57)	-	(200.95)	(0.54)
Net cash (used) in investing activities	**(679.74)**	**(464.09)**	**(1475.97)**	**(892.01)**
C. CASH FLOW FROM FINANCING ACTIVITES				
a. Proceeds/(Repayment) from Bank Borrowings	161.32	379.82	634.53	250.61
b. Proceeds/(Repayment) from Other Borrowings	-	-	70.88	(1.67)
c. Proceeds/(Repayment) from Short term Borrowings	112.65	(933.04)	(314.37)	(24.24)
d. Interest - others and financial charges	(68.11)	(41.21)	(72.67)	(94.28)
Net cash generated/(used) in financing activities	205.86	(594.43)	318.37	130.42
D. Increase/(Decrease) in cash and cash equivalents (A+B+C)	**(142.15)**	**293.49**	**240.06**	85.54
Cash and cash equivalents at the beginning of the year	**347.86**	**108.04**	**108.04**	**23.85**
Cash and cash equivalents at the end of the year	**191.90**	**413.41**	**347.86**	**108.04**
Foreign Currency translation Reserve Movement	**13.81**	**(11.88)**	**0.25**	**1.35**
Net Increase/(Decrease) in cash & cash equivalents	(142.15)	293.49	240.06	85.54

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial information appearing in Annexure VII.

In terms of our attached report of even date.
For **KPB & ASSOCIATES.**
Chartered Accountants
ICAI Firm Regn. No. - 114841W

For and on behalf of the Board of Directors of
Hemani Industries Ltd

Ketan Gada
PARTNER
Membership No. -106451

Place : Mumbai
Date : March 28, 2022

Mohan. S. DAMA
Managing Director
(DIN No. : 01803334)

Jayesh Mohan Dama
Joint Managing Director
(DIN No. :00934721)

Mahesh Tanna
Chief Financial Officer

Dipti Samant
Company Secretary

Place : Mumbai
Date : March 28, 2022

HEMANI INDUSTRIES LIMITED
ANNEXURE-IV
RESTATED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

	As at 30th September 2021		As at 30th September 2020		As at 31st March 2021		As at 31st March 2020	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
(a) Equity Share Capital								
Balance at beginning of the reporting period	9,005,750	90.06	9,005,750	90.06	9,005,750	90.06	9,005,750	90.06
Changes in Equity Share Capital during the year	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	9,005,750	90.06	9,005,750	90.06	9,005,750	90.06	9,005,750	90.06

(b) Other Equity	Reserves & Surplus			
Particuars	**Retained Earnings**	**Foreign Currency Translation Reserve**	**Lease Contract**	**Total Equity**
Balance at April 1,2019	**2854.98**	-	-	**2854.98**
Profit for the year	**1334.71**	**(1.35)**	-	**1333.36**
Other Comprehensive Income for the year-Remeasurement Gain/(Loss) on Defined Benefit Plan	(7.08)	-	-	(7.08)
Total Comprehensive Income of the year	**(7.08)**	-	-	**(7.08)**
Balance at March 31,2020	**4182.61**	**(1.35)**	-	**4181.26**
Profit for the year	**1693.76**	-	-	**1693.76**
Other Comprehensive Income for the year-Remeasurement Gain/(Loss) on Defined Benefit Plan	1.39	-	-	1.39
Other Comprehensive Income for the year-Foreign Currency Translation reserve	-	(0.25)	-	(0.25)
Other Comprehensive Income for the year-Lease Contract write off	-	-	-	-
Total Comprehensive Income of the year	**1.39**	**(0.25)**	-	**1.15**
Balance at March 31,2021	**5877.76**	**(1.60)**	-	**5876.16**
Balance at March 31,2020	**4182.61**	**(1.35)**	-	**4181.26**
Profit for the year	**683.34**	-	-	**683.34**
Other Comprehensive Income for the year-Remeasurement Gain/(Loss) on Defined Benefit Plan	1.10	-	-	1.10
Other Comprehensive Income for the year-Foreign Currency Translation reserve	-	11.88	-	11.88
Other Comprehensive Income for the year-Lease Contract write off	-	-	0.23	0.23
Total Comprehensive Income of the year	**1.10**	**11.88**	**0.23**	**13.21**
Balance at September 30,2020	**4867.05**	**10.53**	**0.23**	**4877.80**
Balance at March 31,2021	**5877.76**	**10.27**	**0.23**	**5888.25**
Profit for the year	**1127.08**	**0.00**	**0.00**	**1127.08**
Other Comprehensive Income for the year-Remeasurement Gain/(Loss) on Defined Benefit Plan	(0.71)	-	-	(0.71)
Other Comprehensive Income for the year-Foreign Currency Transalation reserve	-	(13.81)	-	(13.81)
Other Comprehensive Income for the year-Lease Contract write off	-	-	-	0.00
Transferred to Adjusted Foreign Currency Translation Reserve	-	-	(0.23)	(0.23)
Total Comprehensive Income of the year	**(0.71)**	**(13.81)**	**0.00**	**(14.74)**
Balance at September 30,2021	**7004.13**	**(3.54)**	**0.00**	**7000.60**

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial information appearing in Annexure VII.

In terms of our attached report of even date.

For KPB & ASSOCIATES
Chartered Accountants
ICAI Firm Regn. No. - 114841W

For and on behalf of the Board of Directors of
Hemani Industries Ltd

Ketan Gada
PARTNER
Membership No. - 106451

Place : Mumbai
Date : March 28, 2022

Mohan Dama
Managing Director
(DIN No. : 01803334)

Jayesh Dama
Joint Managing Director
(DIN No. :00934721)

Mahesh Tanna
Chief Financial Officer

Dipti Samant
Company Secretary

Place : Mumbai
Date : March 28, 2022

Annexure -V

GENERAL NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED SEPTEMBER 30, 2021 SEPTEMBER 30,2020 YEARS ENDED MARCH 31, 2021 AND MARCH 31, 2020.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & PRACTICES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL INFORMATION

(All amounts in INR Millions, except per share data and where otherwise stated)

1. CORPORATE INFORMATION

Hemani Industries Ltd. **("the Holding Company" or "the Parent" or "the Company**") is a Public Limited Company, incorporated under the provisions of Companies Act, 1956. The registered office of the company is located at C-301, Neelkanth Business Park, R.N Road, Vidyavihar West, Mumbai 400 086 India. The company has two wholly owned foreign subsidiaries namely Hemani Australia PTY Limited (incorporated on June 24,2019 having its registered office at Sky City Unit 304 Level 3,20 Lexington Drive, BELLA VISTA NSW 2153) and Hemani Korea Ltd (incorporated on November 11, 2019 having its registered office at 1607, Suseohyundai Venturevill, 10,Bangogae-ro,I-gil,Gangnam-gu,Seoul,Republic of Korea) and one Wholly owned Indian subsidiary namely Hemani Crop Care Private Limited (incorporated on October 29, 2019 having its registered office at C-301, Neelkanth Business Park, R.N Road, Vidyavihar West, Mumbai 400 086 India) (collectively referred to as **"Subsidiaries"**) (Holding Company and Subsidiaries collectively referred as the **"Group"**)

The Group is engaged in manufacturing and selling of Agrochemicals Products.

The accompanying Restated Consolidated Financial Information was approved by the board of directors on March 28, 2022.

2. BASIS FOR PREPARATION OF ACCOUNTS

The Restated Consolidated Financial Information of the Company prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013.

Accordingly, the Restated Consolidated Financial Information of the Company comprise the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2021, September 30,2020, March 31, 2021, and March 31, 2020, the Restated Consolidated Statement of Profit and Loss (including the other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flows for the six months ended September 30, 2021,September 30,2020 and for the years ended March 31, 2021 and March 31, 2020 , the summary statement of significant accounting policies, the other explanatory information (collectively, the **Restated Consolidated Financial Information**, as approved by the board of Directors of the Company at their meeting held on March 28, 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"**)as per the requirement of:

a) Section 26 of Part I of chapter III of the Companies Act, 2013 ("the Act")

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note")

In addition, the Restated Consolidated Financial Information are presented in "INR" or "Rs." which is also the Company's functional currency and all values are stated as INR millions, except when otherwise indicated.

Annexure -V

GENERAL NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED SEPTEMBER 30, 2021 SEPTEMBER 30,2020 YEARS ENDED MARCH 31, 2021 AND MARCH 31, 2020.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & PRACTICES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL INFORMATION

(All amounts in INR Millions, except per share data and where otherwise stated)

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after April 1, 2019. Accordingly, the financial statements of the Company on and from April 1, 2019 have been prepared in accordance with the Ind AS and the provisions of the Companies Act, 2013 (**"Act"**) (to the extent notified).

The Restated Consolidated Financial Information have been prepared so as to contain information / disclosures compiled by the management from:

a) Audited special purpose interim Consolidated Ind AS financial statements of the Group as at and for the six month period ended September 30, 2021, September 30, 2020 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Interim Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on January 29, 2022.

b) Audited Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2021, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on October 11, 2021 .

c) Audited Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2020 prepared in accordance with the Indian Accounting Standards (referred to as "IndAS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on December 18, 2021 respectively

These notes provide a list of the significant accounting policies adopted in the preparation of these Restated Consolidated Financial Information. These policies have been consistently applied to all the year/period presented, unless otherwise stated

3. **SYSTEM OF ACCOUNTING**

The Group follows Mercantile System of Accounting and recognizes Income & Expenditure on an accrual basis.

Accounts of the Group are prepared under the Historical Cost convention method, except for certain financial instruments that are measured at fair value in accordance with Ind AS.

4. GOING CONCERN

Fundamental Accounting assumption of going concern is followed in preparation of Restated Consolidated Financial Information.

5. Basis of Consolidation:

The Restated Consolidated Financial Information have been prepared on the following basis

a. Subsidiaries

Subsidiaries are entities over which the group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Parent and its Subsidiaries line by the line adding together like items if assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealized gains on transactions between group companies are eliminated unless the transaction provides evidence of an impairment. Accounting policy of Subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR)

The audited/unaudited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or Ind AS

The Restated Consolidated Financial Information have been prepared using uniform accounting policies for like transactions and other events in similar circumstances

The carrying amount of the Parent’s investment in each subsidiary is offset (eliminated) against the Parent’s portion of equity in each subsidiary

6. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Restated Consolidated Financial Information requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

6.1 Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the **Restated Consolidated Financial Information** were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

6.2 Taxes:

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

6.3 Defined benefit plans (gratuity benefits):

A liability in respect of defined benefit plans is recognized in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 34 for details of the key assumptions used in determining the accounting for these plans.

6.4 Useful economic lives of Property, plant and equipment:

Property, plant and equipment as disclosed in note 3 are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values.

6.5 Intangible assets:

Intangible development costs are capitalized as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable. The costs which can be capitalized include laboratory testing expenses that are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

6.6 Impairment of non- financial assets:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset.

In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

GENERAL NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION FOR SIX MONTHS ENDED SEPTEMBER 30, 2021 SEPTEMBER 30,2020 YEARS ENDED MARCH 31, 2021 AND MARCH 31, 2020.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & PRACTICES FORMING PART OF RESTATED CONSOLIDATED FINANCIAL INFORMATION

(All amounts in INR Millions, except per share data and where otherwise stated)

6.7 **Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

In view of the nationwide lockdown announced by the Government of India to control the spread of COVID19, the Company's business operations were temporarily disrupted from March 24, 2020. The Company has resumed operations in a phased manner as per government directives. Based on the immediate assessment of impact of COVID-19 on the operations of the Company and ongoing discussions with the Customers, vendors and service providers, the Company is positive of serving customer orders and obtaining regular supply of raw materials and logistics services. The Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of its current and non-current assets, after considering internal and external sources of information as at the date of approval of these financial statements. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Trade Receivables and Inventories. In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available up to the date of issuance of these financial statements. In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that carrying amounts of trade receivables and inventories are expected to be realisable. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements, and the Company will continue to closely monitor the developments.

7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

7.1 Current Vs. Non-Current Classification:

The Group presents assets and liabilities in the 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 at least twelve months after the reporting period.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- 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 months after the reporting period
- All other assets and liabilities are classified as non-current assets and liabilities.
- 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.

7.2 Trade receivables

A receivable represents the Group'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). Refer to accounting policies of financial assets in (Financial instruments – initial recognition and subsequent measurement.)

7.3 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 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.

7.4 Revenue Recognition

Revenue from contract with customer is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

- **Sale of Goods**

  Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods or terms as agreed with the customer. The normal credit term is 180 to 365 days from the date of dispatch. As a consequence, it does not adjust any of the transaction price for the time value of money. The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any)

- **Variable consideration**

  If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at the time of completion of performance obligation and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with cash discount in accordance with the company policy. The cash discount component gives rise to variable consideration.

- **Volume rebates**

  The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract.

- **Contract assets**

  A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs its obligation by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

- **Interest Income**

  For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

- **Export Incentives**

  An export incentive received under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and is included in revenue in the statement of profit and loss due to its operating nature**.**

- **Dividend**

  Dividend income is recognized when the right to receive the same is established, which is generally when shareholders approve the dividend.

- **Insurance Claims**

  Claims receivable on account of insurance are accounted for to the extent the Company is virtually certain of their ultimate collection.

7.5 LEASES

As per Ind AS 116, the standard sets out the principles for the recognition, measurement, presentation and disclosure of lessee and the lessor. Ind AS 116 introduces single lessee accounting model and requires lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Operating lease expenses are charged to the statement of Profit & Loss. The standard also contains enhanced disclosure requirements for lessees.

Under Ind AS 116, the lease liability is remeasured upon the occurrence of certain events, such as a change in lease term or a change in future lease payments resulting from a change in an index or rate (for example, inflation-linked payments or market rate rent reviews). A corresponding adjustment is made to the right of use asset.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Lease payments associated with following leases are recognized as expense on straight-line basis:

i) Low value leases; and
ii) Leases which are short-term.

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognized in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognized over the lease term, based on a pattern reflecting a constant periodic rate of return on Company’s net investment in the lease. A lease which is not classified as a finance lease is an operating lease.

The Company recognizes lease payments in case of assets given on operating leases as income on a straight-line basis. The Company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

7.6 FOREIGN CURRENCIES

The Company’s financial statements are presented in INR, which is also the Company’s functional currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss. On-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or statement of profit or loss are also recognized in OCI or profit or loss, respectively).

7.7 FAIR VALUE MEASUREMENT

The Group measures certain financial instruments at fair value at each balance sheet date.

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 Group 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 financial statements are categorized within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements 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.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Board of Directors.

External values are involved for valuation of significant assets. Involvement of external values is decided upon annually by the board of directors after discussion with and approval by the Management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Values are normally rotated every three years. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company’s accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each financial asset and financial liability with relevant external sources to determine whether the change is reasonable.

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.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions.
- Quantitative disclosures of fair value measurement hierarchy.
- Investment in equity shares.
- Financial instruments (including those carried at amortized cost).

7.8 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (PPE) and capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Items of stores and spares that meet the definition of Property, Plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 income statement when the asset is derecognized. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 Depreciation is not provided on freehold land. Leasehold land is amortized over the lease period on a straight line basis. 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.

The residual values are not more than 5% of the original cost of the item of Property, Plant and Equipment. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Asset	Estimated Useful life
Right to use – Leasehold Land	As per Terms of Lease
Building	30 Years
Plant & Machinery	20 Years
Other Plant & Machinery	8 years
Electrical Installation	10 Years
Furniture and Fixtures	10 Years
Vehicles	10 Years
Computers	3 Years
Other equipment's	5 Years

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Cost includes acquisition and other incidental cost related to acquiring the intangible asset. Research costs are expensed as incurred. Intangible development costs are capitalized as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable. The costs which can be capitalized include laboratory testing expenses that are directly attributable to development of the asset for its intended use. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

7.9 IMPAIRMENT OF NON- FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash- generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

7.10 FINANCIAL INSTRUMENT

Financial assets and/or financial liabilities are recognized when the company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

7.10.1 **Financial Asset**

Initial Recognition and Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Debt instruments at amortized cost

A 'debt instrument' is measured at its amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and lessor costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss.

Debt instrument at Fair Value Through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

The asset's contractual cash flows represent SPPI (Solely Payments of Principal and Interest).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

Debt instrument at Fair Value Through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTOCI. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investments in Subsidiary

Investment in equity shares in Subsidiary carried at amortised cost.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognizes an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a.) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs(Expected Credit loss) 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. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write- off criteria, the company does not reduce impairment allowance from the gross carrying amount.

7.10.2 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities

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.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Loan and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized 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.

Amortized 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.

Trade and other payables

These amounts represent liability for good and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 12 Month of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Derivatives and hedging activities

The derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

De-recognition

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.

7.10.3 OFF-SETTING FINANCIAL INSTRUMENT

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

8. INVENTORIES

Stores and spares, packing materials and raw materials are valued at lower of cost or net realizable value and for this purpose, cost is determined on FIFO basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Semi-finished products, finished products and by-products are valued at lower of cost or net realizable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale

9. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

10.Retirement and other employee benefits

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss in the year when employee rendered related services.

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year.

Re-measurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

11.ACCOUNTING FOR TAXES ON INCOME

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation 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 provisions where appropriate.

Deferred taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss 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

12.PROVISIONS

Provisions are recognized 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, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. 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 recognized as a finance cost.

13.CONTINGENT LIABILITIES

Provisions are not recognized for future operating losses. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

14.LEASES

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

Where the Company is the lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is re-measured 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 Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured 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.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Company has elected not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognizes the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Lease under Ind AS 116:

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term

15. EARNING PER SHARE

- **Basic earnings per share**
  Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period which

includes the impact on account of sub-division and issue of bonus equity shares subsequent to balance sheet data but prior to adoption of financial statements.

- **Diluted earnings per share**
  For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The weighted average number of shares outstanding during the period includes the impact on sub-division and issue of bonus equity shares subsequent to balance sheet data but prior to adoption of financial statements.

16.CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and Short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

17.DIVIDEND

The Company recognizes a liability for dividends to equity holders of the Company when the dividend is authorized and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

18.OPERATING SEGMENTS

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation.

Considering the nature and scope of business of the Group, the Chief Operating Decision Maker could not identify any operating Segment.

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note No. 02 PROPERTY,PLANT AND EQUIPMENTS
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.21	Additions	Deduction	As on 30.09.21	Upto 01.04.21	Deduction	Current year	Upto 30.09.21	As on 30.09.21	As on 31.03.21
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Office Equipments	4.46	0.09	-	**4.55**	3.12	-	0.65	**3.77**	0.78	**1.43**
Factory Building	1203.65	35.03	-	**1238.68**	81.41	-	20.22	**101.63**	1137.05	**742.71**
Plant & Equipment	2202.65	157.53	-	**2360.17**	336.66	-	82.59	**419.25**	1940.92	**1364.46**
Electric Installation	196.26	2.31	-	**198.58**	43.61	-	15.01	**58.61**	139.96	**66.74**
Laboraory Equipments	107.91	-	-	**107.91**	13.64	-	0.43	**14.07**	93.84	**95.94**
Furniture & Fixture	17.13	0.15	-	**17.28**	6.02	-	0.53	**6.55**	10.73	**4.73**
Vehicle	16.48	-	-	**16.48**	0.33	-	2.00	**2.33**	14.15	**16.90**
Computer	6.00	0.13	-	**6.13**	1.85	-	0.37	**2.22**	3.91	**3.62**
R & D Equipment	2.03	-	-	**2.03**	0.21	-	0.10	**0.30**	1.72	**0.77**
TOTAL	**3756.57**	**195.23**	**0.00**	**3951.80**	**486.83**	**0.00**	**121.90**	**608.74**	**3343.07**	**2297.30**

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.20	Additions	Deduction	As on 30.09.20	As on 01.04.20	Deduction	Current year	As on 30.09.20	As on 30.09.20	As on 31.03.20
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Office Equipments	3.32	0.24	-	3.56	1.89	-	0.49	2.38	1.18	1.43
Factory Building	791.63	191.25	-	982.88	48.92	-	15.54	64.45	918.42	742.71
Plant & Machinery	1584.27	232.50	38.10	1778.66	219.80	9.38	65.13	275.55	1503.12	1364.46
Electric Installation	87.61	61.75	9.90	139.46	20.87	0.18	11.18	31.86	107.59	66.74
Laboraory Equipments	107.82	-	-	107.82	11.88	-	1.38	13.26	94.56	95.94
Furniture & Fixture	7.79	0.15	-	7.94	3.06	-	1.46	4.52	3.42	4.73
Vehicle	20.22	0.96	-	21.17	3.32	-	1.17	4.49	16.68	16.90
Computer	5.27	0.45	-	5.73	1.65	-	0.10	1.75	3.98	3.62
R & D Equipment	0.84	0.69	-	1.53	0.07	-	0.04	0.11	1.41	0.77
TOTAL	**2608.76**	**487.99**	**48.01**	**3048.75**	**311.46**	**9.56**	**96.48**	**398.38**	**2650.37**	**2297.30**

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.20	Additions	Deduction	As on 31.03.21	Upto 01.04.20	Deduction	Current year	Upto 31.03.21	As on 31.03.21	As on 31.03.20
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Office Equipments	3.32	1.14	-	**4.46**	1.99	-	1.13	**3.12**	1.34	**1.43**
Factory Building	791.63	412.02	-	**1203.65**	48.92	-	32.49	**81.41**	1122.25	**742.71**
Plant & Equipment	1584.27	656.48	38.10	**2202.65**	219.80	9.38	126.24	**336.66**	1865.98	**1364.46**
Electric Installation	87.61	118.56	9.90	**196.26**	20.87	0.18	22.92	**43.61**	152.66	**66.74**
Laboraory Equipments	107.82	0.08	-	**107.91**	11.88	-	1.76	**13.64**	94.27	**95.94**
Furniture & Fixture	7.79	9.34	-	**17.13**	3.06	-	2.95	**6.02**	11.12	**4.73**
Vehicle	20.22	0.96	4.69	**16.48**	3.32	4.46	1.47	**0.33**	16.15	**16.90**
Computer	5.27	0.73	-	**6.00**	1.65	-	0.20	**1.85**	4.15	**3.62**
R & D Equipment	0.84	1.19	-	**2.03**	0.07	-	0.13	**0.21**	1.82	**0.77**
TOTAL	**2608.76**	**1200.51**	**52.70**	**3756.57**	**311.56**	**14.02**	**189.29**	**486.83**	**3269.74**	**2297.30**

Description	Gross Block					Depreciation					Net Block	
	As on 01.04.19	Reclassified as Right of Use asset	Additions	Deduction	As on 31.03.20	Upto 01.04.19	Reclassified as Right of Use asset	Deduction	Current year	Upto 31.03.20	As on 31.03.20	As on 31.03.19
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Office Equipments	2.95	-	0.38	-	**3.32**	1.19	-	-	0.71	**1.89**	1.43	1.76
Right to Use of Leasehold Land (Refer note no.3)	146.15	(146.15)	-	-	**0.00**	1.39	(1.39)	-		**-**	**-**	**-**
Factory Building	655.61	-	136.01	-	**791.63**	23.58	-	-	25.33	**48.92**	742.71	632.03
Plant & Equipment	1261.79	-	322.48	-	**1584.27**	89.81	-	-	129.99	**219.80**	1364.46	1171.98
Electric Installation	21.93	-	65.68	-	**87.61**	3.38	-	-	17.49	**20.87**	66.74	18.56
Laboraory Equipments	104.84	-	2.98	-	**107.82**	10.77	-	-	1.11	**11.88**	95.94	94.07
Furniture & Fixture	5.90	-	1.89	-	**7.79**	0.74	-	-	2.33	**3.06**	4.73	5.16
Vehicle	19.64	-	0.58	-	**20.22**	2.29	-	-	1.03	**3.32**	16.90	17.35
Computer	4.89	-	0.38	-	**5.27**	0.92	-	-	0.73	**1.65**	3.62	3.97
R & D Equipment	-	-	0.84	-	**0.84**	-	-	-	0.07	**0.07**	0.77	**-**
TOTAL	**2223.70**	**(146.15)**	**531.21**	**0.00**	**2608.76**	**134.06**	**(1.39)**	**0.00**	**178.79**	**311.46**	**2297.30**	**1944.88**

1. There has been no revaluation of any of the items of Property,plant and equipment during the period April 2021 to September 2021.April 2020 to September 2020,As at 31st March 2021,as at 31st March 2020
2.Title deeds for all the immovable property held by Groupas at 30th September2021,30th September 2020,31st March 2021 and as at 31st March 2020
3.There are no proceedings intiated nor there are any pending proceedings against the Group for holding any benami property under the Benami Transactions (Prohibition) Act,1988 as at 30th September 2021,30th September 2020,31st March 2021 and 31st March 2020

Note No. 03 RIGHT OF USE ASSETS

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.21	Additions	Deduction	As on 30.09.21	As on 01.04.21	Deduction	Current year	As on 30.09.21	As on 30.09.21	As on 31.03.21
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Right to Use of Builing	20.49	-	-	**20.49**	8.20	-	2.05	**10.25**	10.25	**12.20**
Right to Use of Leasehold Land	382.77	3.00	-	**385.77**	8.66	-	2.14	**10.80**	374.97	**374.11**
TOTAL	**403.26**	**3.00**	**0.00**	**406.27**	**16.86**	**0.00**	**4.19**	**21.05**	**385.22**	**386.31**

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.20	Additions	Deduction	As on 30.09.20	As on 01.04.20	Deduction	Current year	As on 30.09.20	As on 30.09.20	As on 31.03.20
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Right to Use of Builing	23.70	-	(3.21)	**20.49**	5.43	(1.33)	2.05	**6.15**	14.35	**18.27**
Right to Use of Leasehold Land	346.87	35.60	-	**382.47**	4.67	-	1.83	**6.49**	375.98	**342.21**
TOTAL	**370.58**	**35.60**	**(3.21)**	**402.96**	**10.09**	**(1.33)**	**3.88**	**12.64**	**390.32**	**360.48**

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.20	Additions	Deduction	As on 31.03.21	As on 01.04.20	Deduction	Current year	As on 31.03.21	As on 31.03.21	As on 31.03.20
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Right to Use of Builing	23.70	-	(3.21)	**20.49**	5.43	(1.33)	4.10	**8.20**	12.30	**18.27**
Right to Use of Leasehold Land	346.87	35.90	-	**382.77**	4.67	-	4.00	**8.66**	374.11	**342.21**
TOTAL	**370.58**	**35.90**	**(3.21)**	**403.26**	**10.09**	**(1.33)**	**8.10**	**16.86**	**386.40**	**360.48**

Description	Gross Block					Depreciation					Net Block	
	As on 01.04.19	Reclassified as Right of Use	Additions	Deduction	As on 31.03.20	As on 01.04.19	Reclassified as Right of Use	Deduction	Current year	As on 31.03.20	As on 31.03.20	As on 31.03.19
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Right to Use of Builing (Refer Note no.2)	-	-	23.70	-	**23.70**	-	-	-	5.43	**5.43**	18.27	**0.00**
Right to Use of Leasehold Land (Refer Note no.2)	-	146.15	200.72	-	**346.87**	-	1.39	-	3.28	**4.67**	342.21	**144.76**
TOTAL	**-**	**146.15**	**224.42**	**-**	**370.58**	**0.00**	**1.39**	**0.00**	**8.71**	**10.09**	**360.48**	**144.76**

Note No. 04 CAPITAL WORK IN PROGRESS

Description	Gross Block				
	As on 01.04.21	Additions	Deduction	As on 30.09.21	As on 31.03.21
	Amount	Amount	Amount	Amount	Amount
Capital WIP Others	184.47	435.78	-	**620.25**	184.47
TOTAL	**184.47**	**435.78**	**-**	**620.25**	**184.47**

Description	Gross Block				
	As on 01.04.20	Additions	Deduction	As on 30.09.20	As on 31.03.20
	Amount	Amount	Amount	Amount	Amount
Capital WIP	148.80	370.71	428.44	**91.07**	148.80
TOTAL	**148.80**	**370.71**	**428.44**	**91.07**	**148.80**

Description	Gross Block				
	As on 01.04.20	Additions	Deduction	As on 31.03.21	As on 31.03.20
	Amount	Amount	Amount	Amount	Amount
Capital WIP	148.80	717.14	681.47	**184.47**	148.80
TOTAL	**148.80**	**717.14**	**681.47**	**184.47**	**148.80**

Description	Gross Block				
	As on 01.04.19	Additions	Deduction	As on 31.03.20	As on 31.03.19
	Amount	Amount	Amount	Amount	Amount
Capital WIP	0.57	148.80	0.57	**148.80**	0.57
TOTAL	**0.57**	**148.80**	**0.57**	**148.80**	**0.57**

HEMANI INDUSTRIES LIMITED
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Note no-4.1 **Ageing schedule for capital-Work-in Progress(CWIP)-Based on requirements of Amended Schedule III as at 30th September 2021**

Particulars	Amounts in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	482.25	138.00	-	-	620.25

Note no-4.1 **Ageing schedule for capital-Work-in Progress(CWIP)-Based on requirements of Amended Schedule III as at 30th September 2020**

Particulars	Amounts in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	91.07	-	-	-	91.07

Note no-4.1 **Ageing schedule for capital-Work-in Progress(CWIP)-Based on requirements of Amended Schedule III as at 31st March 2021**

Particulars	Amounts in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	184.47	-	-	-	184.47

Note no-4.1 **Ageing schedule for capital-Work-in Progress(CWIP)-Based on requirements of Amended Schedule III as at 31st March 2020**

Particulars	Amounts in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	148.80	-	-	-	148.80

Note no-4.2-There are no projects as on each reporting period where activity had been suspended.Also there are no projects as on reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

Note No. 05 OTHER INTANGIBLE ASSETS

Description	Gross Block				Amortization				Net Block	
	As on 01.04.21	Additions	Deduction	As on 30.09.21	As on 01.04.21	Deduction	Current year	As on 30.09.21	As on 30.09.21	As on 31.03.21
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
EPPS Software	1.29	-	-	**1.29**	0.04	-	0.06	**0.11**	1.18	1.29
TOTAL	**1.29**	**-**	**-**	**1.29**	**0.04**	**-**	**0.06**	**0.11**	**1.18**	**1.29**

Description	Gross Block				Amortization				Net Block	
	As on 01.04.20	Additions	Deduction	As on 30.09.20	As on 01.04.20	Deduction	Current year	As on 30.09.20	As on 30.09.20	As on 31.03.20
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
EPPS Software	-	-	-	-	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**

Description	Gross Block				Amortization				Net Block	
	As on 01.04.20	Additions	Deduction	As on 31.03.21	As on 01.04.20	Deduction	Current year	As on 31.03.21	As on 31.03.21	As on 31.03.20
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
EPPS Software	-	1.29	-	**1.29**	-	-	0.04	**0.04**	1.25	0.00
TOTAL	**-**	**1.29**	**-**	**1.29**	**-**	**-**	**0.04**	**0.04**	**1.25**	**0.00**

Description	Gross Block				Amortization				Net Block	
	As on 01.04.19	Additions	Deduction	As on 31.03.20	As on 01.04.19	Deduction	Current year	As on 31.03.20	As on 31.03.20	As on 31.03.19
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
EPPS Software	-	-	-	-	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Note No-5.1-The amortization expense of intangible assets have been included under 'Depreciation and amortization expenses' in the Financial statement of Profit and loss

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NOTES ON RESTATED CONSOLIDATED FINANCIAL INFORMATION
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Particulars	As at 30th September 2021	As at 30th September 2020	As at 31st March 2021	As at 31st March 2020
Note No : 6				
NON-CURRENT FINANCIAL ASSETS- INVESTMENTS				
Investments in Equity Shares accounted through statement of profit & loss				
12000 (Previous year 12000) Shares of Rs. 50 each fully paid up in DNSB, Dombivli	0.60	0.60	0.60	0.60
2500 (Previous year 2500)Shares of Rs. 10 each fully paid up in Ankleshwar Res. & Anal. Centre	0.03	0.03	0.03	0.03
70147 (Previous year 70147) Shares of Rs. 10 each fully paid up in Narmada Clean Tech Limited	1.03	1.03	1.03	1.03
10500 (Previous year 10500) Shares of Rs. 10 each fully paid up in Bharuch Enviro Inf. Ltd	0.11	0.11	0.11	0.11
1140 (Previous year 1140) Shares of Rs. 10 each fully paid up in The Greater Co-op. Bank Ltd	0.01	0.01	0.01	0.01
100(Previous year 100) Shares of Rs. 25 each fully paid up in Shamrao Vitthal Co-op. Bank Ltd	0.00	0.00	0.00	0.00
17.038 (P.Y.- Nil) Units of SBI Overnight Mutual Fund	0.06	-	-	-
Total	**1.83**	**1.77**	**1.77**	**1.77**

AGGREGATE VALUE OF UNQUOTED INVESTMENTS

Particulars	As at 30th September 2021	As at 30th September 2020	As at 31st March 2021	As at 31st March 2020
Non Current	1.83	1.77	1.77	1.77
Current	-	-	-	-

Note No. 7 **Other Non Current Financial Assets**	As at 30th September 2021	As at 30th September 2020	As at 31st March 2021	As at 31st March 2020
(Unsecured and Consider good)				
Fixed Deposit with Axis Bank, Ank. Br	0.70	0.70	0.70	0.70
Fixed Deposit with Bank of India - Ankleshwar Br.	1.13	1.15	1.13	0.05
Fixed Deposit with ICICI Bank	-	-	2.00	-
Fixed Deposit with HDFC Bank	26.98	-	-	-
Fixed Deposit with Citi Bank	6.41	-	6.41	-
Accrued Interest with bank	2.20	1.40	1.51	0.78
Security Deposits	90.09	79.52	90.96	64.56
TOTAL	**127.51**	**82.77**	**102.72**	**66.09**

Note No. 8 **Other Non Current Assets**	As at 30th September 2021	As at 30th September 2020	As at 31st March 2021	As at 31st March 2020
Capital Advances	57.22	35.28	54.78	37.18
Fair Value of Plan Assets	3.40	2.91	1.50	-
Leasehold Deposits	0.08	0.51	-	-
Technical know -How	8.24	0.15	-	-
TOTAL	**68.94**	**38.85**	**56.28**	**37.18**

HEMANI INDUSTRIES LIMITED
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NOTES ON RESTATED CONSOLIDATED FINANCIAL INFORMATION
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Note No. 9	As at 30th September 2021	As at 30th September 2020	As at 31st March 2021	As at 31st March 2020
INVENTORIES (At cost or Net realisable value whichever is lower)				
Raw Materials	684.47	299.12	531.48	346.95
Raw Material in Transit	0.73	-	11.52	3.10
Sub Total (i)	**685.21**	**299.12**	**543.01**	**350.05**
Stores & Spares & Other Materials	210.75	62.62	107.63	107.24
W.I.P.	598.12	345.25	150.75	242.06
Finished Goods	389.18	184.91	397.67	329.09
Goods in Transit	180.70	128.87	146.11	-
Traded Goods	147.31	33.24	-	3.38
Sub Total (ii)	**1526.06**	**754.89**	**802.16**	**681.77**
TOTAL	**2211.26**	**1054.01**	**1345.17**	**1031.82**

Note No. 10	As at 30th September 2021	As at 30th September 2020	As at 31st March 2021	As at 31st March 2020
TRADE RECEIVABLES				
(Secured and considered goods)				
Exceeding Six months from Due date	-	-	-	-
Others	-	-	-	-
(Unsecured and considered goods)				
Exceeding Six months from Due date	266.04	69.28	133.20	88.89
Others	4856.18	3496.93	4444.02	4270.92
Allowances for Credit Impaired(Expected Credit Allowances)	(44.26)	(21.04)	(23.23)	(9.42)
TOTAL	**5077.95**	**3545.17**	**4553.99**	**4350.39**

The Company has called for balance confirmation of Trade Receivables on Random basis. Out of which the company has received response from some of the parties,which are subject to reconciliation with company's account. The other balances of Trade Receivables are subject to confirmation.

Note No. 10.1-Trade Receivables Ageing Schedule
Outstanding for Following periods from due date of payment as at 30th September 2021

Particulars	Less than 6 Months	6 Months-1 year	1-2 years	2-3 years	More than 3 years	Allowances for Expected credit loss	Total
(I) Undisputed Trade receivables-Considered good	4856.20	83.91	149.89	20.01	11.26	(44.26)	5077.00
(II) Undisputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	-	-	-
(III) Undisputed Trade receivables-Credit impaired	-	-	-	-	-	-	-
(IV) Disputed Trade receivables-Considered good	-	-	-	-	-	-	-
(V) Disputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	0.95	-	0.95
(VI) Disputed Trade receivables-Credit impaired	-	-	-	-	-	-	-

Note No. 10.1-Trade Receivables Ageing Schedule
Outstanding for Following periods from due date of payment as at 30th September 2020

Particulars	Less than 6 Months	6 Months-1 year	1-2 years	2-3 years	More than 3 years	Allowances for Expected credit loss	Total
(I) Undisputed Trade receivables-Considered good	3496.93	36.86	25.81	5.34	0.14	(21.04)	3544.05
(II) Undisputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	-	-	-
(III) Undisputed Trade receivables-Credit impaired	-	-	-	-	-	-	-
(IV) Disputed Trade receivables-Considered good	-	-	-	-	-	-	-
(V) Disputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	1.12	-	1.12
(VI) Disputed Trade receivables-Credit impaired	-	-	-	-	-	-	-

Note No. 10.1-Trade Receivables Ageing Schedule
Outstanding for Following periods from due date of payment as at 31st March 2021

Particulars	Less than 6 Months	6 Months-1 year	1-2 years	2-3 years	More than 3 years	Allowances for Expected credit loss	Total
(I) Undisputed Trade receivables-Considered good	4444.02	76.99	41.13	11.50	2.47	(23.23)	4552.86
(II) Undisputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	-	-	-
(III) Undisputed Trade receivables-Credit impaired	-	-	-	-	-	-	-
(IV) Disputed Trade receivables-Considered good	-	-	-	-	-	-	-
(V) Disputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	1.12	-	1.12
(VI) Disputed Trade receivables-Credit impaired	-	-	-	-	-	-	-

Note No. 10.1-Trade Receivables Ageing Schedule
Outstanding for Following periods from due date of payment as at 31st March 2020

Particulars	Less than 6 Months	6 Months-1 year	1-2 years	2-3 years	More than 3 years	Allowances for Expected credit loss	Total
(I) Undisputed Trade receivables-Considered good	4270.92	46.92	31.11	8.52	1.22	(9.42)	4349.26
(II) Undisputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	-	-	-
(III) Undisputed Trade receivables-Credit impaired	-	-	-	-	-	-	-
(IV) Disputed Trade receivables-Considered good	-	-	-	-	-	-	-
(V) Disputed Trade receivables-Which have significant increase in Credit risk	-	-	-	-	1.12	-	1.12
(VI) Disputed Trade receivables-Credit impaired	-	-	-	-	-	-	-

Note No 11		As at 30th September 2021	As at 30th September 2020	As at 31st March 2021	As at 31st March 2020
CASH AND CASH EQUIVALENTS					
Cash on Hand		1.49	1.07	0.32	1.97
	Sub Total (i)	**1.49**	**1.07**	**0.32**	**1.97**
BALANCE WITH BANKS IN CURRENT A/C					
Bank Balance in Current A/c		190.40	409.85	347.53	106.07
	Sub Total (ii)	**190.40**	**409.85**	**347.53**	**106.07**
	TOTAL (i + ii)	**191.90**	**410.91**	**347.86**	**108.04**

Note No 12		As at 30th September 2021	As at 30th September 2020	As at 31st March 2021	As at 31st March 2020
OTHER BANK BALANCES					
BANK DEPOSITS					
Fixed Deposit with Citi Bank		-	2.50	-	-
Fixed Deposit with HDFC Bank		110.50	-	0.50	-
Fixed Deposit with DBS Bank		140.00	-	200.00	-
Accrued Interest with bank		0.01	-	0.45	-
	TOTAL	**250.51**	**2.50**	**200.95**	**-**

Note No. 13		As at 30th September 2021	As at 30th September 2020	As at 31st March 2021	As at 31st March 2020
OTHER CURRENT FINANCIAL ASSETS					
Unsecured and Considered Good					
Export Incentive Receivable		100.23	22.85	24.64	7.81
Advances to Employee		5.91	3.31	5.80	4.12
Others		64.38	14.58	37.33	1.97
	TOTAL	**170.52**	**40.73**	**67.76**	**13.90**

Note No. 14		As at 30th September 2021	As at 30th September 2020	As at 31st March 2021	As at 31st March 2020
OTHER CURRENT ASSETS					
Balance with Government Authoroities		1061.64	287.16	732.58	232.33
Advances to Suppliers		709.83	202.77	194.69	64.78
Prepaid Expenses		14.69	2.86	23.04	6.24
	TOTAL	**1786.15**	**492.79**	**950.31**	**303.36**

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES ON RESTATED CONSOLIDATED FINANCIAL INFORMATION
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Particulars	As at 30th September 2021	As at 30th September 2020	As at 31st March 2021	As at 31st March 2020
Note No. 15				
EQUITY SHARE CAPITAL				
AUTHORISED CAPITAL				
1,50,00,000 Equity Shares of Rs.10/- each	150.00	150.00	150.00	150.00
	150.00	**150.00**	**150.00**	**150.00**
Issued, Subscribed & Fully Paid Up Capital				
90,05,750 Equity Shares of Rs. 10 Each fully paid up	90.06	90.06	90.06	90.06
Total	**90.06**	**90.06**	**90.06**	**90.06**
1.No class of Shares have been issued as bonus shares or for consideration other than cash by the company during the period of five years immediately preceding the current period end (September 30,2021)				
2.No class of shares have been bought back by the company during the period five years immediately preceding the current period end (September 30,2021)				
3.Subsequent to Balancesheet Date :-				
a)The board of director in its meeting dated 20th November 2021 has approved for increase in the authorised share capital of the company from existing Rs.150 Millions divided into 1,50,00,000 equity shares of Rs.10 each to Rs.550 Millions divided into 5,50,00,000 Equity shares of Rs.10 each.				
b)The board of directors at the meeting held on 18th December 2021 has approved to split 1 Equity shares of Rs.10 each fully paid up into 2 equity shares of Rs.5 each fully paid up. Therefore the authorised share capital has been changed from Rs.550 Millions divided into 5,50,00,000 equity shares of Rs.10 each to Rs.550 Millions divided into 11,00,00,000 Equity shares of Rs.5 each.				
c)Thereafter it was decided to issue Bonus shares in the ratio of 4 shares of Rs. 5 each fully paid up for 1 equity shares of Rs.5 each fully paid to the shareholders who held shares on dated 18th December 2021.				
RECONCILIATION OF SHARES OUTSTANDING				
No. of shares outstanding at the beginning	9,005,750	9,005,750	9,005,750	9,005,750
Add:Issued During the year	-	-	-	-
Less:Shares Bought Back/Redemption etc	-	-	-	-
No. of shares outstanding at the end	9,005,750	9,005,750	9,005,750	9,005,750
Details of shareholders holding more than 5 percent shares				
Name of the shareholders	No. of Shares Held	No. of Shares Held	No. of Shares Held	No. of Shares Held
MINAL MOHAN DAMA	(32.81%) 29,55,060	(32.81%) 29,55,060	(32.81%) 29,55,060	(32.81%) 29,55,060
JAYESH MOHAN DAMA	(29.74%) 26,78,371	(29.74%) 26,78,371	(29.74%) 26,78,371	(29.74%) 26,78,371
MOHAN SUNDERJI DAMA	(37.45%) 33,72,315	(37.45%) 33,72,315	(37.45%) 33,72,315	(37.45%) 33,72,315
Disclosure of Shareholding of promoters:				
Name of the shareholders				
MOHAN SUNDERJI DAMA	(37.45%) 33,72,315	(37.45%) 33,72,315	(37.45%) 33,72,315	(37.45%) 33,72,315
MINAL MOHAN DAMA	(32.81%) 29,55,060	(32.81%) 29,55,060	(32.81%) 29,55,060	(32.81%) 29,55,060
JAYESH MOHAN DAMA	(29.74%) 26,78,371	(29.74%) 26,78,371	(29.74%) 26,78,371	(29.74%) 26,78,371
TERMS / RIGHTS ATTACHED TO EQUITY SHARES :				
The company is having only one class of equity shares having a nomial value of Rs. 10/- per share				
Every holder of the equity shares of the company is entitled to one vote per shares held				

HEMANI INDUSTRIES LIMITED
ANNNEXURE-VI
NOTES ON RESTATED CONSOLIDATED FINANCIAL INFORMATION
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Note No. 16	As at 30th September 2021	As at 30th September 2020	As at 31st March 2021	As at 31st March 2020
Other Equity				
1) Remeasurement Gains/ (Losses)on Defined Benefits Plan				
As per Last year accounts	(8.24)	(9.63)	(9.63)	(2.55)
Less:Profit of the year	(0.71)	1.10	1.39	(7.08)
	(8.95)	(8.53)	(8.24)	(9.63)
2) Retained Earnings				
As per Last year accounts	5885.99	4192.24	4192.24	2857.53
Add:Surplus of the year	1127.08	683.34	1693.76	1334.71
	7013.08	4875.58	5885.99	4192.24
3) Foreign Currency Transalation Reserve				
As per Last year accounts	10.27	(1.35)	(1.35)	0.00
Add:Arising during the year	(13.81)	11.88	(0.25)	(1.35)
Less:Adjusted during the year	21.05	8.97	11.86	0.00
	17.51	19.50	10.27	(1.35)
4)Lease contract write off				
As per Last year accounts	0.23	-	-	-
Add/(Less):Arising/(Transferred) during the year	(0.23)	0.23	0.23	-
	-	0.23	0.23	-
TOTAL	**7021.64**	**4886.78**	**5888.25**	**4181.26**

Note No.17:	As at 30th September 2021	As at 30th September 2020	As at 31st March 2021	As at 31st March 2020
Non Controlling Interest				
Balance at Begning	0.52	0.07	0.07	0.00
Share Capital	0.07	0.07	0.07	0.08
Profit & Loss	0.56	0.10	0.38	(0.01)
	1.15	**0.25**	**0.52**	**0.07**

Particulars	As at 30th September 2021	As at 30th September 2020	As at 31st March 2021	As at 31st March 2020
Note No 18 : **Borrowings**				
(a) Secured Loans				
Term Loan from Banks				
Term Loan from DBS Bank *(Primary:-First pari-passu charge over entire fixed assets of the company situated at Sykha,Gujrat. First pari-passu charge over entire movable assets,Immovable assets and current assets of the company..Personal Guarantees of promoters Mohan Dama,Minal Dama,Jayesh Dama and corporate gurantee of Hemani Industries limited-Parent company)*	508.20	-	492.48	0.00
Term Loan from HDFC Bank Ltd. - Surat *(Primary:-First pari-passu charge over entire fixed assets of the company situated at Dahej and Ankleshwar. pari-passu charge over entire movable assets of the company.Secondary:-First pari pasu charge by hypothecation of entire stock and book debts.Personal Guarantees of promoters Mohan Dama,Minal Dama,Jayesh Dama.)*	147.88	228.34	184.73	261.86
Term Loan from Citi bank *(Primary:-First pari-passu charge over entire present and future movable and immovable fixed assets of the company situated at Sykha,Gujrat. First pari-passu charge over on present and future stocks and book debts of the company..Personal Guarantees of promoters Mohan Dama,Minal Dama,Jayesh Dama and corporate gurantee of Hemani Industries limited-Parent company)*	411.88	270.00	219.19	0.00
Total (a)	**1067.96**	**498.34**	**896.39**	**261.86**
(b) Unsecured Loans				
Unsecured Loan From Related Parties				
From Director	211.49	294.13	221.73	150.79
Unsecured Loan From Others				
Loan from Tata Capital financial Services limited	-	-	-	0.06
	211.49	**294.13**	**221.73**	**150.86**
Total (b)	**211.49**	**294.13**	**221.73**	**150.86**
TOTAL LONG-TERM BORROWING (a) + (b)	**1279.45**	**792.47**	**1118.13**	**412.72**

Maturity Profile of Secured Term Loan

	2021 - 22	2022-23	2023-25
From Citi Banks	**20.875 Millions/-**	**41.75 Millions/-**	**93.93 Millions/-**

(Loan amount : Rs.167 Millions/- Rate of Interest-8.25%)

	2021 - 22	2022-23	2023-25
From Citi Banks	**12.82 Millions/-**	**25.75 Millions/-**	**57.93 Millions/-**

(Loan amount: Rs.103 Millions/- (USD 1.39 Millions) Rate of Interest-3.00%)

	2021 - 22	2022-23	2023-26
From Citi Banks	**NIL /-**	**25.87 Millions/-**	**168.17 Millions/-**

(Loan amount: Rs.194.04 Millions/- (USD 2.60Millions) Rate of Interest-1.45%)

2021 - 22 2022-23 2023-26 **From DBS Banks NIL 2.67 Millions/- 8.01 Millions/-** **(Loan amount: Rs.10.69 Millions/- Rate of Interest-8%)** **2021 - 22 2022 - 23 2023-26** **From DBS Banks NIL 121.88 Millions/- 365.64 Millions/-** **(Loan amount: Rs.487.52 Millions/- (USD 6.7 Millions/-) Rate of Interest-2.85%)** **Maturity Profile of Secured Term Loan of HDFC Bank** **2021 - 22** **From Banks 440.68 Millions** **2022 - 23 2023 - 24** **From Banks 81.37 Millions 107.19 Millions** **Rate of Interest-9.25%-9.75%** **Terms of Repayment of loans from related parties are not fixed however they have agreed to retain for atleast 24 months** 1)The Group has filed its Quarterly Stock and Book debt statement with bank for quarter ended 30th June 2021 and 30th September 2021 and The said disclosure requirement is applicable for the period beginning on or after 1st April 2021 and accordingly, details of previous filing were not maintained. i)In the opinion of Management,The difference of Closing stock as on 30th June 2021 and 30th September 2021 is due to pending Goods Receipts Notes which was done subsequent to submission of stock statement to bank. ii)In the opinion of Management,The difference of Trade payable and Trade receivable as on 30th September 2021 and as on 30th June 2021 is due to discount and flucations in foreign exchange. 2) The Group has created satisfactory charges for all the borrowing with registrar of companies within the statutory period				
Note No 19 :				
Other Financial Liablity				
Deposit Received from Customer	8.28	3.93	5.95	2.53
Financial Liablity-Preference Shares-Refer Note no.49	150.00	-	-	-
	158.28	**3.93**	**5.95**	**2.53**
Note No 20:				
PROVISIONS				
Provision for Employee benefits	0.18	-	0.02	2.51
Compensated Absences	8.41	11.73	12.94	9.94
	8.58	**11.73**	**12.96**	**12.45**

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES ON RESTATED CONSOLIDATED FINANCIAL INFORMATION
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

MOVEMENT IN DEFERRED TAX BALANCES

Note no-21				September 30,2021		
DEFERRED TAX ASSET	**Net Balances April 1,2021**	**Recognised Profit or loss**	**Recognised in OCI**	**Net**	**Deferred Tax Asset**	**Deferred Tax liability**
PROPERTY ,PLANT AND EQUIPMENT	(129.28)	(31.04)	-	(160.32)	-	(160.32)
TRADE RECEIVABLE	5.85	5.29	-	11.14	11.14	-
EMPLOYEE BENEFIT	7.55	(2.47)	(0.14)	4.93	4.93	-
RIGHT TO USE OF ASSETS AND LEASE LIABLITY	0.66	0.03	-	0.69	0.69	-
PROCESSING FEES	0.44	0.25	-	0.69	0.69	-
UNABSORBED DEPRECIATION	11.70	6.56	-	18.27	18.27	-
TAX ASSETS/(LIABILITIES)	**(103.08)**	**(21.38)**	**(0.14)**	**(124.60)**	**35.71**	**(160.32)**
NET LIABILITIES						**(124.60)**

MOVEMENT IN DEFERRED TAX BALANCES

				September 30,2020		
DEFERRED TAX ASSET	**Net Balances April 1,2020**	**Recognised Profit or loss**	**Recognised in OCI**	**Net**	**Deferred Tax Asset**	**Deferred Tax liability**
PROPERTY ,PLANT AND EQUIPMENT	(87.42)	(18.43)	-	(105.85)	-	(105.85)
TRADE RECEIVABLE	2.37	2.92	-	5.29	5.29	-
EMPLOYEE BENEFIT	6.45	(1.78)	0.22	4.90	4.90	-
RIGHT TO USE OF ASSETS AND LEASE LIABLITY	0.44	0.07	-	0.51	0.51	-
PROCESSING FEES	-	0.56	-	0.56	0.56	-
UNABSORBED DEPRECIATION	-	6.28	-	6.28	6.28	-
TAX ASSETS/(LIABILITIES)	**(78.17)**	**(10.37)**	**0.22**	**(88.32)**	**17.54**	**(105.85)**
NET LIABILITIES						**(88.32)**

MOVEMENT IN DEFERRED TAX BALANCES

				March 31,2021		
DEFERRED TAX ASSET	**Net Balances April 1,2020**	**Recognised Profit or loss**	**Recognised in OCI**	**Net**	**Deferred Tax Asset**	**Deferred Tax liability**
PROPERTY ,PLANT AND EQUIPMENT	(87.42)	(41.85)	-	(129.28)	-	(129.28)
TRADE RECEIVABLE	2.37	3.48	-	5.85	5.85	-
EMPLOYEE BENEFIT	6.45	0.82	0.28	7.55	7.55	-
RIGHT TO USE OF ASSETS AND LEASE LIABLITY	0.44	0.22	-	0.66	0.66	-
PROCESSING FEES	-	0.44	-	0.44	0.44	-
UNABSORBED DEPRECIATION	-	11.70	-	11.70	11.70	-
TAX ASSETS/(LIABILITIES)	**(78.17)**	**(25.20)**	**0.28**	**(103.08)**	**26.20**	**(129.28)**
NET LIABILITIES						**(103.08)**

MOVEMENT IN DEFERRED TAX BALANCES

				March 31,2020		
DEFERRED TAX ASSET	**Net Balances April 1,2019**	**Recognised Profit or loss**	**Recognised in OCI**	**Net**	**Deferred Tax Asset**	**Deferred Tax liability**
PROPERTY ,PLANT AND EQUIPMENT	(85.48)	(1.95)	-	(87.42)	-	(87.42)
TRADE RECEIVABLE	1.33	1.05	-	2.37	2.37	-
EMPLOYEE BENEFIT	1.32	3.71	1.42	6.45	6.45	-
RIGHT TO USE OF ASSETS AND LEASE LIABLITY	-	0.44	-	0.44	0.44	-
TAX ASSETS/(LIABILITIES)	**(82.84)**	**2.81**	**1.42**	**(78.60)**	**9.26**	**(87.42)**
NET LIABILITIES						**(78.17)**

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES ON RESTATED CONSOLIDATED FINANCIAL INFORMATION
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Note No 22: BORROWINGS	As at 30th September, 2021	As at 30th September, 2020	As at 31st March, 2021	As at 31st March, 2020
Secured Loans				
Loans Repayable on demand From Banks				
DBS Bank (Post-Shipment Loan)	45.29	-	33.34	124.18
DBS Bank (Pre-Shipment Loan)	34.36	-	100.73	-
DBS Bank Cash Credit	44.61	-	-	-
DBS Bank - Overdraft Balance Unit III	73.42	-	24.83	2.96
(First pari passu charge on entire current assets, both present and future of the borrower, along with HDFC Bank and Citibank NA.First pari passu charge by way of hypothecation on movable fixed assets .First pari passu charge on factory land and building situated at Dahej and Ankleshwar along with HDFC Bank and Citi bank NA.Personal gurantees of Minal Dama,Mohan Dama and Jayesh Dama)				
Citi Bank N.A. (Post-Shipment Loan)	44.85	-	202.01	427.09
Citi Bank - Overdraft Balance Unit II	-	-	-	0.62
Citi Bank - Overdraft Balance Unit III	85.63	-	-	125.70
Citi Bank N. A - PCFC Loan	42.34	55.35	227.73	-
(First pari passu charge on present and future current assets of the borrower.Pari passu charge on all movable fixed assets of the borrower at Ankleshwar abd Dahej (except fixed assets financed by term lenders on which they have exclusive charge) Pari pasu charge on Factory Land and Building at Dahej and Ankleshwar. Personal Gurantee of Mr Mohan Dama,Minal Dama Jayesh Dama)				
HDFC BANK	98.15	48.33	-	36.30
Secured against Fixed Deposit				
Fixed Deposit Receipt no - 50300548356557				
Fixed Deposit Value - 110 Millions				
HDFC Bank Postshipment Loan	45.62	-	133.72	236.05
HDFC Bank Preshipment Loan	77.97	-	-	-
(Primary:-First pari-passu charge over entire by hypothecation of entire stock and book debts.Secondary:-First pari pasu charge over entire by fixed assets of the company situated at Dahej and Ankleshwar. pari-passu charge over entire movable assets of the company..Personal Guarantees of promoters Mohan Dama,Minal Dama,Jayesh Dama.)				
Citi Bank N.A	242.77	-	-	83.83
(First pari passu charge on entire current assets, both present and future of the borrower, along with HDFC Bank and Citibank NA.First pari passu charge by way of hypothecation on movable fixed assets .First pari passu charge on factory land and building situated at Dahej and Ankleshwar along with HDFC Bank and DBS Bank NA.Personal gurantees of Minal Dama,Mohan Dama and Jayesh Dama)				
Total	**835.00**	**103.68**	**722.35**	**1036.72**

Note No 23 :
Trade Payable

Particulars	As at 30th September, 2021	As at 30th September, 2020	As at 31st March, 2021	As at 31st March, 2020
Trade Payable	3279.13	2155.15	2672.71	2322.85
Due to Micro and small enterprises	76.65	27.87	32.77	26.99
Due to Others	3202.48	2127.29	2639.95	2295.86

i)The Company has called for balance confirmation of creditors on random basis. Out of which the company has received response from some of the parties,which are subject to reconciliation with compnay's account.The other balances of creditors are subject to confirmation

ii)The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information and confirmation received by the company from suppliers regarding their status bifurcation are as undert.Auditors have relied upon the same

Particulars	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Principal amount due to suppliers under MSMED Act	76.65	27.87	32.77	26.99
Opening Interest Payable	18.50	13.63	13.63	10.80
Interest Accrued and due to suppliers under MSMED Act, on the above amount	0.88	0.54	0.33	0.63
Payment made to suppliers (Other than Interest) beyond the appointment day,during the year	83.66	33.85	124.95	82.17
Interest paid to suppliers under MSMED Act (Section 16)	-	-	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	1.69	0.09	4.54	2.19
Interest Accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	21.07	14.26	18.50	13.63

Trade payables ageing schedule
Outstanding for following periods from due date of payment as at 30th September 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) MSME	76.65	-	-	-	76.65
(II)Others	2373.74	358.16	203.77	266.81	3202.48
(III) Disputed dues-MSME	-	-	-	-	-
(IV) Disputed dues-Others	-	-	-	-	-

Trade payables ageing schedule
Outstanding for following periods from due date of payment as at 30th September 2020

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) MSME	27.87	-	-	-	27.87
(II)Others	1391.69	255.13	471.79	8.68	2127.29
(III) Disputed dues-MSME	-	-	-	-	-
(IV) Disputed dues-Others	-	-	-	-	-

Trade payables ageing schedule
Outstanding for following periods from due date of payment as at 31st March 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) MSME	32.77	-	-	-	32.77
(II)Others	1740.64	419.99	471.97	7.34	2639.95
(III) Disputed dues-MSME	-	-	-	-	-
(IV) Disputed dues-Others	-	-	-	-	-

Trade payables ageing schedule
Outstanding for following periods from due date of payment as at 31st March 2020

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) MSME	26.99	-	-	-	26.99
(II)Others	1824.52	402.95	67.98	0.41	2295.86
(III) Disputed dues-MSME	-	-	-	-	-
(IV) Disputed dues-Others	-	-	-	-	-

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Note No 24 : **Other Current Financials Liablities**	**As at 30th September, 2021**	**As at 30th September, 2020**	**As at 31st March, 2021**	**As at 31st March, 2020**
Current Maturity of Long Term debt	515.08	81.38	132.00	81.38
Interest as per MSMED Act,2006	20.33	14.19	18.50	13.63
Employee Benefit payable	68.96	33.97	40.96	20.33
Trade Payable-Capital Goods	216.32	173.72	325.22	152.00
	820.68	**303.26**	**516.68**	**267.34**
Note No 25 :				
Other Current Liablities				
Trade Payable-Expenses	101.77	157.19	137.75	137.71
Advances received from Customer	246.34	32.98	27.94	31.16
Statutory Payment	10.68	9.95	14.92	23.32
	358.80	**200.12**	**180.61**	**192.19**
Note No 26 :				
PROVISIONS				
Provision for Employee benefits	0.02	-	0.00	-
Compensated Absences	2.93	3.30	4.14	1.19
	2.95	**3.30**	**4.14**	**1.19**
Note No 27 :				
Current tax liabilities				
Current tax payable	242.98	145.85	138.31	101.60
	242.98	**145.85**	**138.31**	**101.60**

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Particulars		For Six Months period ended 30th September 2021	For Six Months period ended 30th September 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Note No.28					
REVENUE FROM OPERATION					
Revenue From Operation for Sale of Products					
Local Sales of Products (Refer Note (i) below)		2937.03	1803.56	4436.16	3377.64
Export Sales of Products (Refer Note (i) below)		4086.38	3089.74	7140.82	6445.39
	(A)	7023.41	4893.30	11576.97	9823.03
Other Operating Revenue					
Vatav Kasar		0.11	0.00	-	0.04
Export Incentives		120.47	57.06	142.02	176.63
Job Work Income		-	-	0.24	0.49
	(B)	120.58	57.06	142.26	177.16
	(A) + (B)	**7143.99**	**4950.36**	**11719.23**	**10000.19**
		7143.99	**4950.36**	**11719.23**	**10000.19**
Sale of Products Comprises of					
Manufactured Goods					
Chemicals		6580.83	4548.23	11110.87	9716.29
Total Sale of Manufactured Goods	**(i)**	6580.83	4548.23	11110.87	9716.29
Traded Goods					
Chemicals		442.58	345.06	466.10	106.74
Total Sale of Traded Goods	**(ii)**	442.58	345.06	466.10	106.74
Total Sales (i) + (ii)		**7023.41**	**4893.30**	**11576.97**	**9823.03**
Revenue from Operation by Category					
Technical		3958.84	3215.80	7246.82	5739.91
Formulation		973.01	625.80	1486.94	841.20
Intermediate		1361.11	706.51	1804.65	1592.96
Contract Manufacturing		590.84	288.13	802.05	934.56
Others		139.61	57.06	236.50	714.41
		7023.41	**4893.30**	**11576.97**	**9823.03**
Revenue from Operation by Application					
Insecticide		3761.74	3454.31	6750.10	5246.13
Herbicide		1113.50	382.50	1790.41	1217.14
Fungicide		26.25	4.79	12.62	0.00
Others		2121.91	1051.70	3023.84	3359.76
		7023.41	**4893.30**	**11576.97**	**9823.03**
Note No.29					
OTHER INCOME					
Interest					
From Bank Deposits		2.82	0.96	2.47	0.54
From Others		-	0.81	1.76	4.79
Total		**2.82**	**1.76**	**4.23**	**5.34**
Dividend on Non-current Investment		0.05	-	0.03	0.06
Discount Received		21.51	-	1.65	0.11
Insurance Claim Received		0.21	-	-	0.27
Net Gain on Foreign currency translation & transaction		75.67	(6.15)	99.58	252.90
Government Stimulus		2.71	-	5.33	-
Miscellaneous Income		0.02	6.54	1.63	1.10
Marked to Marked Income		56.97	14.82	-	-
Sales Tax Refund received		-	-	4.29	-
Short Tem capital Gain		0.51	-	0.12	-
	TOTAL	**160.48**	**16.98**	**116.86**	**259.78**
Note No : 30					
Cost of materials consumed					
Opening Stock		543.02	346.95	346.95	320.17
Add : Purchase		4348.37	2213.69	6370.67	5635.36
		4891.39	2560.64	6717.62	5955.54
Less : Closing Stock		685.21	321.59	543.01	346.95
	TOTAL	**4206.19**	**2239.05**	**6174.61**	**5608.59**
Cost of Materials Purchased Comprised of					
Various Chemicals					
Imported		1440.31	540.65	1796.79	820.74
Indigenous		2908.07	1673.04	4573.87	4814.63
		4348.37	**2213.69**	**6370.67**	**5635.36**
Note No : 31					
Purchase of Stock In Trade					
Chemicals		186.20	360.63	485.49	164.24
Note No : 32					
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade					
Opening Stock of Finished Goods		397.67	329.09	329.09	238.19
Opening Stock of WIP		150.75	242.06	242.06	118.46
Opening Stock of Stock in transit		146.11	-	-	-
Opening Stock of Stock-in-trade		0.00	11.59	11.59	53.91
Less : Closing Stock of Finished Goods		536.49	185.08	397.67	329.09

Less : Closing Stock of WIP	598.12	345.25	150.75	242.06
Less : Closing Stock of stock in trade	-	26.96	-	11.59
Less : Closing Stock of stock in transit	180.70	128.87	146.11	0.00
TOTAL	**(620.78)**	**(103.42)**	**(111.79)**	**(172.18)**
Note No : 33				
EMPLOYEES BENEFIT EXPENSES				
Salaries, Wages & Bonus	288.27	227.09	493.84	373.37
Contribution to Providend & Gratuity and Leave Encashment	9.37	13.29	23.93	18.91
Welfare expenses	6.37	10.00	23.78	7.06
TOTAL	**304.01**	**250.38**	**541.55**	**399.34**
Note No : 34				
FINANCE COST				
Interest	40.43	16.98	50.33	116.76
Other Borrowing Cost	27.68	24.24	22.35	7.10
TOTAL	**68.11**	**41.21**	**72.67**	**123.86**
Note No : 35				
OTHER EXPENSES				
Consumption of Stores & Spares & packing charges*	400.05	355.41	158.72	472.18
Power & Fuel	269.60	208.41	446.25	381.91
Repairs & Maintenance to Building	26.03	24.61	9.34	8.28
Repairs & Maintenance to Machinery	25.24	7.37	111.76	147.71
Insurance	39.04	22.42	27.65	25.80
Jobwork Charges	22.18	15.58	29.60	21.38
Labour Charges	120.05	92.05	224.51	205.26
Water Charges	25.40	21.38	45.75	41.32
Advertisement	0.05	0.06	0.39	2.10
Auditors Remuneration(refer note no.ii)	-	-	1.55	0.50
Tax Audit fees	-	-	0.70	0.70
Bad Debts	-	-	13.90	32.99
Commission Charges - Local	10.76	9.31	26.10	31.50
Commission Charges - Overseas	48.59	47.45	95.15	93.26
Contribution for CSR-Refer Note no.42	40.00	9.50	28.64	22.55
Compensation to Employee	3.50	-	-	-
Donation	4.92	0.05	5.90	0.75
Drainage Charges	5.50	6.74	16.53	9.86
Export Charges	25.28	5.34	16.68	20.66
Freight & Forwarding	260.07	107.18	364.38	256.29
Fabrication Expenses	0.95	-	-	-
Loss due to Fire-Refer note no.46	-	38.44	60.14	-
G.I.D.C.Expenses	-	1.45	1.77	2.66
General Expenses	1.74	0.35	2.86	5.96
Hire Charges	3.07	0.11	0.80	0.22
Interest to MSME	2.57	0.63	4.86	2.83
Laboratory Expenses	0.23	0.59	1.35	1.23
Legal & Professional Charges	21.77	24.43	52.70	52.50
Loading Unloading charges	-	-	0.12	-
Licence Fees	-	1.06	0.11	2.07
Marked to Marked Loss	-	-	-	24.79
MEIS Licence sale Loss	-	-	-	0.05
Membership & Subscription	0.34	-	0.88	4.56
Office Expenses	0.94	0.52	-	-
Testing Fees	0.28	0.35	0.95	0.22
Service Tax Paid	-	-	-	5.37
Postage and Courier	2.45	1.16	2.85	2.98
Pollution Treatment Expenses	67.89	94.87	233.70	145.86
Printing & Stationery	2.25	0.93	1.44	2.11
Rework Charges	-	0.00	25.71	1.00
Rent	5.33	18.69	7.68	2.84
R & D Expense-Refer Note no-45	34.90	0.59	44.74	25.00
Safety & Security Expenses	4.52	3.44	9.07	6.89
Preliminary Expenses	-	-	-	0.02
Storage, Handling & Forwarding Charges	3.72	0.86	4.93	3.09
Telephone Charges	0.38	0.30	0.86	0.95
Travelling & Conveyance	2.21	1.44	5.72	19.43
Vehicle Expenses	14.71	18.16	38.39	11.86
Loss on Sale of Assets	-	-	0.13	-
Weighing Expenses	-	-	-	0.17
Miscelleneous Expenses	3.01	4.10	11.34	6.94
Provision for Bad debt	21.03	9.96	13.82	5.63
Government Fees to GPCB	-	-	0.67	-
Vatav kasar	-	-	0.73	-
TOTAL	**1520.55**	**1155.31**	**2151.80**	**2112.24**

*During September 2021 the amount of Packing charges included in Consumption of Stores and spares and Regrouped the same in all previous year also

Note no.(i)				
Auditor Remuneration comprises of				
Statutory Audit Fees	-	-	1.55	0.50
Foreign Exchange Earnings:-				
1)Export of Goods	**4086.38**	**3089.74**	**7140.82**	**6445.39**

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36 CONTINGENT LIABILITIES AND COMMITMENTS

A NOT PROVIDED FOR IN THE ACCOUNTS

PATRICULARS	30th September 2021	30th September 2020	31st March 2021	31st March 2020
In Respect Of Guarantee Given to GPCB	7.23	6.73	7.23	6.73
In Respect Of Letter of Credit outstanding	16.58	65.06	66.07	93.63
In Respect of Guarantee Given by the holding company on behalf of subsidiaries	1870.00	520.00	1057.52	-
In Respect Of Guarantee Given to Central Excise Department	0.10	0.10	0.10	0.10

B CAPITAL COMMITMENTS

PATRICULARS	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Estimated Value of contracts for Property,plant and equipment remaining to be executed and not provided for (Net of capital advances)	202.18	134.01	239.24	271.91

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37 EMPLOYEE BENEFITS OBLIGATIONS
GRATUITY EXPENSES

(a) Retirement Benefits

The Gratuity plan is governed by the payment of Gratuity Act,1972. Under the act, employee who has completed five years of service is entitled to specific benefit.The level of benefits provided depends on the members length of service and salary at retirement age.The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balancesheet for the respective plans.

AS PER INDIAN ACCOUNTING STANDARD 19 "EMPLOYEE BENEFITS", THE DISCLOSURES AS DEFINED ARE GIVEN BELOW

(A) Defined Benefit Plans

I. Reconciliation of Defined Benefit Obligation (DBO)

Particular	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Opening Balance of Defined Benefit Obligation	**36.06**	**30.48**	**30.48**	**20.91**
Service cost				
a. Current service cost	2.62	2.42	4.87	2.70
Interest Cost	1.23	1.04	2.08	1.63
Benefits paid	(1.18)	(0.05)	(0.31)	(0.59)
Re-measurements				
a. Acturial Loss/(Gain) from changes in demographic assumptions	0.00	-	-	-
a. Acturial Loss/(Gain) from changes in financial assumptions	(0.03)	0.74	(0.35)	2.93
a. Acturial Loss/(Gain) from experience over the past period	0.94	(2.13)	(0.72)	2.90
Closing Balance of Defined Benefit Obligation	**39.64**	**32.51**	**36.06**	**30.48**

II Reconciliation of Fair Value of Plan Assets

Particular	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Opening Balance of Fair Value of Plan Assets	**37.53**	**27.97**	**27.97**	**23.94**
Contributions by Employer	5.02	7.04	7.91	2.58
Benefits paid	(1.18)	(0.05)	(0.31)	(0.59)
Interest income on Plan Assets	1.28	0.96	1.91	1.86
Re-measurements				
a. Acturial (Loss)/Gain from changes in financial assumptions	-	-	-	-
b. Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	(0.10)	(0.50)	0.05	0.18
Closing Balance of Fair Value of Plan Assets	**42.55**	**35.42**	**37.53**	**27.97**

III Expenses recognised in the profit and loss account

Particular	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Service Cost	-	-	-	-
Current service cost	2.62	2.42	4.87	2.70
Net Interest on net defined benefit liablity/(Asset)	(0.05)	0.09	0.17	(0.24)
Employer Expenses	**2.57**	**2.51**	**5.04**	**2.46**

IV Net liability /(Asset) recognised in the baance sheet

Particular	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Present Value of DBO	39.64	32.51	36.06	30.48
Fair Value of Plan Assets	42.55	35.42	37.53	27.97
Liablity/(Asset) recognised in the Balancesheet	(2.91)	(2.91)	(1.47)	2.51
Funded Status (Surplus/(Deficit)	2.91	2.91	1.47	(2.51)
Experience adjustment on Plan Liabilities:(Gain)/Loss	0.94	(2.13)	(0.72)	2.90
Experience adjustment on Plan assets:Gain/(Loss)	(0.10)	(0.50)	0.05	0.18

V Percentage Break-down of Total Plan Assets

Particular	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Investment funds with Insurance Company	100.00%	100.00%	100.00%	100.00%

VI Actuarial Assumptions

Particular	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Salary Growth Rate	**7%**	**7%**	**7%**	**7%**
Discount Rate	**6.90%**	**6.66%**	**6.90%**	**6.83%**
Employee Turnover Rate	**2%**	**2%**	**2%**	**2%**
Mortality	**IALM(2006-08)Ult**	**IALM(2006-08)Ult**	**IALM(2006-08)Ult**	**IALM(2006-08)Ult**
Expected Return on Plan Assets	**6.90%**	**6.66%**	**6.90%**	**6.83%**
Expected weighted average remaining working life	0.00	0.00	0.00	0.00

VII Movement in Other Comprehensive Income

Particular	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Opening Balance (Loss)	(9.22)	(10.33)	(10.33)	(4.68)
Re-Measurement on DBO	(0.00)	(0.00)	(0.00)	-
a. Acturial Loss/(Gain) from changes in demographic assumptions	(0.00)	-	-	-
a. Acturial Loss/(Gain) from changes in financial assumptions	0.03	(0.74)	0.35	(2.93)
a. Acturial Loss/(Gain) from experience over the past period	(0.94)	2.13	0.72	(2.90)
Re-Measurement on Plan Assets	(0.00)	(0.00)	(0.00)	(0.00)
b. Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	(0.10)	(0.50)	0.05	0.18
Closing Balance (Loss)	**(10.23)**	**(9.45)**	**(9.22)**	**(10.33)**

VIII Sensitivity Analysis

Financial Year Ended September 30,2021	Increase 1%	Decrease 1%
Salary Growth Rate	DBO Increase by Rs.4.69 Millions	DBO decrease by Rs.3.95 Millions
Discount Rate	DBO Decrease by Rs.3.92 Millions	DBO Increase by Rs.4.74 Millions
Employee Turnover	DBO Decrease by Rs.0.19 Millions	DBO Increase by Rs.0.19 Millions

Financial Year Ended September 30,2020	Increase 1%	Decrease 1%
Salary Growth Rate	DBO Increase by Rs.3.74 Millions	DBO decrease by Rs.3.17 Millions
Discount Rate	DBO Decrease by Rs.3.15 Millions	DBO Increase by Rs.3.79 Millions
Employee Turnover	DBO Decrease by Rs.0.19 Millions	DBO Increase by Rs.0.20 Millions

Financial Year Ended March 31,2021	Increase 1%	Decrease 1%
Salary Growth Rate	DBO Increase by Rs.4.07 Millions	DBO decrease by Rs.3.43 Millions
Discount Rate	DBO Decrease by Rs.3.40 Millions	DBO Increase by Rs.4.11 Millions
Employee Turnover	DBO Decrease by Rs.0.15 Millions	DBO Increase by Rs.0.16 Millions

Financial Year Ended March 31,2020	Increase 1%	Decrease 1%
Salary Growth Rate	DBO Increase by Rs.3.64 Millions	DBO decrease by Rs.3.09 Millions
Discount Rate	DBO Decrease by Rs.3.07 Millions	DBO Increase by Rs.3.68 Millions
Employee Turnover	DBO Decrease by Rs.0.15 Millions	DBO Increase by Rs.0.16 Millions

VI Movement in Surplus/(Deficit)

Particular	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**
Surplus/(Deficit) at start of year	39.75	27.94	27.94	17.25
Movement during the year				
Current Service cost	2.62	2.42	4.87	2.70
Net Interest on net DBO	(0.05)	0.09	0.17	(0.24)
Acturial (gain)/Loss	(0.73)	(1.38)	(1.11)	5.65
Contributions	5.02	7.04	7.91	2.58
Surplus/(Deficit) at end of year	46.62	36.11	39.78	27.94

B Defined Contributon Plans

Particular	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**
The company makes provident Fund contributions to defined contribution plans for qualifying employees. Under the schemes,the Company is required to contribute a specified percentage of payroll costs to fund the benefits	8.75	6.60	15.04	12.33

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38 Related Parties Disclosures :-

Relationship	Name Of Related Party
• **Subsidiaries**	Hemani Australia Pty Ltd Hemani Korea Ltd Hemani Cropcare Pvt Ltd
• **Enterprises in which Key Managerial Personnel (KMP) & their relatives have significant influence**	Veera International Eximp Bhanu Packaging Bhanu Barrel Suppliers Premonit International Eximp Dhavaldeep Industrial Syndicate B.K.Enterprise Khush Shipping Agencies Hemani International Freightbridge Logistics Pvt. Ltd.
• **Key Managerial Personnel**	Mohan Sunderji Dama Jayesh Mohan Dama Minal Mohan Dama Nitin Dama D.N.Rai Bhaskara Sai Chander Yarrapotu Chang-Kun-Shin Mahesh Tanna (Appointed On 13th September 2021) Dipti Samant (Appointed On 20th November 2021)
• **Relatives of Key Managerial Personnel**	Manali Jayesh Dama Meyuri Shethia Mohan Sunderji Dama Huf
• **Independent Director**	Vasant Bhanushali (Resigned On 20th November 2021) Navin Bhanushali (Resigned On 20th November 2021) Ravi Sunderarajan (Appointed On 20th November 2021) Sameer Paigankar (Appointed On 20th November 2021 Dr Avani Umatt (Appointed On 20th November 2021

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38 (I) RELATED PARTIES DISCLOSURES POST ELIMINATION OF INTRA-GROUP TRANSACTIONS :-

Particulars	Subsidiary				Enterprises in which Directors & Key Managerial Personnel (KMP) have significant influence				Key Managerial Personnel (KMP)				Relatives of Key Managerial Personnel				Total			
	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Purchase of Goods/Spares/Machinery	-	-	-	-	23.63	9.59	66.32	30.56	71.97	68.34	188.26	153.90	-	-	-	-	95.60	77.93	254.58	184.46
Sale of Goods	-	-	-	-	-	-	-	-	9.81	33.02	60.22	-	-	-	-	-	9.81	33.02	60.22	0.00
Purchase of Service	-	-	-	-	113.01	31.21	103.80	66.04	-	-	-	-	-	-	-	-	113.01	31.21	103.80	66.04
Interest paid	-	-	-	-	-	-	-	-	6.81	4.07	6.54	12.38	-	-	-	-	6.81	4.07	6.54	12.38
Interest Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	86.43	64.76	139.95	92.91	-	-	-	-	86.43	64.76	139.95	92.91
Rent paid /(Received)	-	-	-	-	-	-	-	-	2.60	2.36	4.73	4.30	-	-	-	-	2.60	2.36	4.73	4.30
Salary	-	-	-	-	-	-	-	-	-	-	-	-	10.34	4.12	11.76	3.05	10.34	4.12	11.76	3.05
Professional Fees and Commission	-	-	-	-	-	-	-	-	-	-	-	-	-	7.72	6.78	29.88	-	7.72	6.78	29.88
Investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of Undertaking	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of Rights of Leasehold Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**136.64**	**40.80**	**170.12**	**96.60**	**177.62**	**172.55**	**399.69**	**263.49**	**10.34**	**7.72**	**18.54**	**32.93**	**324.59**	**221.07**	**588.36**	**393.01**

RELATED PARTIES DISCLOSURES PRIOR TO ELIMINATION OF INTRA-GROUP TRANSACTIONS :-

Particulars	Subsidiary				Enterprises in which Directors & Key Managerial Personnel (KMP) have significant influence				Key Managerial Personnel (KMP)				Relatives of Key Managerial Personnel				Total			
	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Purchase of Goods/Spares/Machinery	258.26	2.28	-	-	23.63	9.59	66.32	30.56	71.97	68.34	188.26	153.90	-	-	-	-	353.86	80.21	254.58	184.46
Sale of Goods	329.04	115.33	391.75	27.83	-	-	-	-	9.81	33.02	60.22	-	-	-	-	-	338.85	148.34	451.96	27.83
Purchase of Service	-	-	-	-	113.01	31.21	103.80	66.04	-	-	-	-	-	-	-	-	113.01	31.21	103.80	66.04
Interest paid	-	-	-	-	-	-	-	-	6.81	4.07	6.54	12.38	-	-	-	-	6.81	4.07	6.54	12.38
Interest Received	2.13	1.76	4.19	0.87	-	-	-	-	-	-	-	-	-	-	-	-	2.13	1.76	4.19	0.87
Remuneration	-	-	-	-	-	-	-	-	86.43	64.76	139.95	92.91	-	-	-	-	86.43	64.76	139.95	92.91
Rent paid /(Received)	-	-	-	-	-	-	-	-	2.60	2.36	4.73	4.30	-	-	-	-	2.60	2.36	4.73	4.30
Salary	-	-	-	-	-	-	-	-	-	-	-	-	10.34	4.12	11.76	3.05	10.34	4.12	11.76	3.05
Professional Fees and Commission	-	-	-	-	-	-	-	-	-	-	-	-	-	7.72	6.78	29.88	-	7.72	6.78	29.88
Investment in subsidiaries (Preference Shares)	300.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300.00	-	-	-
Investment in subsidiaries	-	-	0.01	6.28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	6.28
Transfer of Undertaking	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of Land	-	-	-	63.38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63.38
Transfer of Rights of Leasehold Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**889.43**	**119.36**	**395.95**	**98.36**	**136.64**	**40.80**	**170.12**	**96.60**	**177.62**	**172.55**	**399.69**	**263.49**	**10.34**	**7.72**	**18.54**	**32.93**	**1214.03**	**340.43**	**984.30**	**491.37**

Outstanding Balances with Related Parties Post elimination of Intra-Group Transaction

Particulars	Subsidiary				Enterprises in which Directors & Key Managerial Personnel (KMP) have significant influence				Key Managerial Personnel (KMP)				Relatives of Key Managerial Personnel				Total			
	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Debtors	-	-	-	-	-	-	-	-	102.17	140.86	78.53	-	-	-	-	-	102.17	140.86	78.53	-
Receivables	-	-	-	-	3.57	3.57	3.57	3.63	-	-	-	0.26	-	0.31	0.35	0.31	3.57	3.89	3.92	4.15
Creditors	-	-	-	-	19.08	5.35	13.29	7.44	6.96	6.96	14.36	15.25	16.73	26.35	19.27	23.75	42.77	38.66	46.92	46.51
Payable	-	-	-	-	-	-	-	-	22.99	8.14	10.72	2.44	-	-	-	-	22.99	8.14	10.72	2.44
Unsecured Loan given to Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unsecured Loan received	-	-	-	-	-	-	-	-	211.49	56.08	222.33	151.74	-	-	-	-	211.49	56.08	222.33	151.74
Total	-	-	-	-	**22.65**	**8.92**	**16.86**	**11.07**	**343.61**	**212.04**	**325.94**	**169.70**	**16.73**	**26.66**	**19.62**	**24.07**	**383.00**	**247.62**	**362.42**	**204.84**

Outstanding Balances with Related Parties Prior to elimination of Intra-Group Transaction

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Particulars	Subsidiary				Enterprises in which Directors & Key Managerial Personnel (KMP) have significant influence				Key Managerial Personnel (KMP)				Relatives of Key Managerial Personnel				Total			
	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Debtors	324.14	84.81	218.74	27.83	-	-	-	-	102.17	140.86	78.53	-	-	-	-	-	426.31	225.66	297.27	27.83
Receivables	-	-	-	-	3.57	3.57	3.57	3.63	-	-	-	0.26	-	0.31	0.35	0.31	3.57	3.89	3.92	4.15
Creditors	-	-	-	-	19.08	5.35	13.29	7.44	6.96	6.96	6.96	6.96	16.73	26.35	19.27	23.75	42.77	38.66	39.52	38.22
Investment in Equity and Preference Shares	306.29	6.29	6.29	6.28	-	-	-	-	-	-	-	-	-	-	-	-	306.29	6.29	6.29	6.28
Payable	-	-	-	-	-	-	-	-	22.99	8.14	18.12	10.73	-	-	-	-	22.99	8.14	18.12	10.73
Unsecured Loan given to Subsidiary	80.17	80.31	81.06	70.96	-	-	-	-	-	-	-	-	-	-	-	-	80.17	80.31	81.06	70.96
Corporate Guarantee*	1870.00	520.00	105.75	-	-	-	-	-	-	-	-	-	-	-	-	-	1870.00	520.00	105.75	-
Unsecured Loan received	-	-	-	-	-	-	-	-	211.49	56.08	222.33	151.74	-	-	-	-	211.49	56.08	222.33	151.74
Total	**2580.60**	**691.40**	**411.84**	**105.06**	**22.65**	**8.92**	**16.86**	**11.07**	**343.61**	**212.04**	**325.94**	**169.70**	**16.73**	**26.66**	**19.62**	**24.07**	**2963.60**	**939.02**	**774.26**	**309.90**

*The Company has given corporate guarantee for loan of Rs.1870 Millions as at 30th September 2021,As at 30th September 2020-Rs.520 Millions and As at 31st march 2021-Rs.105.75 Millions.

The Bank Guarantee Interest is recorded at Present value of Rs.14.00 Millions as at 30th September 2021,As at 30th September 2020-Rs.2.24 Millions and As at 31st march 2021-Rs.9.46 Millions

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

38 (II) **Material Transactions with Related Parties Post Elimination of Intra Group Transaction**

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Name of Related Parties	Sale of Goods / Services (Inclusive of Tax)				Purchase of Goods / Services (Inclusive of Tax)			
	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Key Managerial Personnel								
Veera International	9.81	33.02	60.22	-	71.97	68.34	188.26	153.90
Relatives of Key Managerial Personnel								
Bhanu Packaging	-	-	-	-	-	4.50	6.60	7.36
Dhavaldeep Ind Syndicate	-	-	-	-	15.16	0.76	18.73	6.75
B.K.Enterprise	-	-	-	-	7.57	2.79	38.92	12.19
Kush Shipping Agency	-	-	-	-	1.34	0.44	1.77	2.14
Bhanu Barrel Suppliers	-	-	-	-	0.90	1.55	2.06	4.26
Freightbridge Logistics Pvt. Ltd.	-	-	-	-	111.67	30.77	102.03	63.90

Material Transactions with Related Parties Prior to Elimination of Intra Group Transaction

Name of Related Parties	Sale of Goods / Services (Inclusive of Tax)				Purchase of Goods / Services (Inclusive of Tax)			
	30th September 2021	30th September 2020	31st March 2021	31st March 2020	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Subsidaries								
Hemani Crop Care Pvt. Ltd.	175.60	0.41	58.98	-	258.26	2.28	-	63.38
Hemani Australia Pty Ltd	87.36	97.42	253.79	27.83	-	-	-	-
Hemani Korea Ltd	66.07	17.50	78.97	-	-	-	-	-
Key Managerial Personnel								
Veera International	9.81	33.02	60.22	-	71.97	68.34	188.26	153.90
Relatives of Key Managerial Personnel								
Bhanu Packaging	-	-	-	-	-	4.50	6.60	7.36
Dhavaldeep Ind Syndicate	-	-	-	-	15.16	0.76	18.73	6.75
B.K.Enterprise	-	-	-	-	7.57	2.79	38.92	12.19
Kush Shipping Agency	-	-	-	-	1.34	0.44	1.77	2.14
Bhanu Barrel Suppliers	-	-	-	-	0.90	1.55	2.06	4.26
Freightbridge Logistics Pvt. Ltd.	-	-	-	-	111.67	30.77	102.03	63.90

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES TO RESTATED CONSOLIDATED

Material Transactions with Related Parties Post Elimination of Intra Group Transaction

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Particulars-Note-no.38(III)	**Remuneration/Salary**				**Interest paid/(received)**				**Rent Paid**				**Professional/Commission**				**Total**			
Name of Related Parties	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**
Key Managerial Personnel																				
Mohan Dama	30.00	22.00	52.00	36.00	3.39	2.39	4.75	4.80	0.87	0.79	1.58	1.43	-	-	-	-	34.26	25.18	58.32	42.23
Minal Dama	9.00	7.00	16.00	12.00	2.87	1.23	1.23	5.25	0.87	0.79	1.58	1.43	-	-	-	-	12.74	9.02	18.81	18.68
Jayesh Dama	18.00	14.00	32.00	24.00	0.54	0.45	0.56	2.33	0.87	0.79	1.58	1.43	-	-	-	-	19.41	15.24	34.14	27.76
Nitin Dama	0.66	0.64	1.30	1.21	-	-	-	-	-	-	-	-	-	-	-	-	0.66	0.64	1.30	1.21
D N Rai	2.68	2.22	4.63	3.75	-	-	-	-	-	-	-	-	-	-	-	-	2.68	2.22	4.63	3.75
Bhaskara Sai Chander Yarrapotu	22.09	17.01	29.95	12.20	-	-	-	-	-	-	-	-	-	-	-	-	22.09	17.01	29.95	12.20
Chang-Kun-Shin	3.77	1.88	4.06	3.75	-	-	-	-	-	-	-	-	-	-	-	-	3.77	1.88	4.06	3.75
Mahesh Tanna	0.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.25	-	-	-
Relatives of Key Managerial Personnel																				
Manali Dama	2.10	-	3.53	3.05	-	-	-	-	-	-	-	-	-	-	-	-	2.10	-	3.53	3.05
Meyuri Shethia	8.24	4.12	8.24	-	-	-	-	-	-	-	-	-	-	7.72	6.78	29.88	8.24	11.84	15.02	29.88

Material Transactions with Related Parties Prior Elimination of Intra Group Transaction

Particulars-Note-no.38(III)	**Remuneration/Salary**				**Interest paid/(received)**				**Rent Paid**				**Professional/Commission**				**Total**			
Name of Related Parties	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**	**30th September 2021**	**30th September 2020**	**31st March 2021**	**31st March 2020**
Subsidiary																				
Hemani Crop Care Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hemani Australia Pty Ltd	-	-	-	-	(1.94)	(1.62)	(3.86)	(0.87)	-	-	-	-	-	-	-	-	(1.94)	(1.62)	(3.86)	(0.87)
Hemani Korea Ltd	-	-	-	-	(0.19)	(0.14)	(0.33)	-	-	-	-	-	-	-	-	-	(0.19)	(0.14)	(0.33)	-
Key Managerial Personnel																				
Mohan Dama	30.00	22.00	52.00	36.00	3.39	2.39	4.75	4.80	0.87	0.79	1.58	1.43	-	-	-	-	34.26	25.18	58.32	42.23
Minal Dama	9.00	7.00	16.00	12.00	2.87	1.23	1.23	5.25	0.87	0.79	1.58	1.43	-	-	-	-	12.74	9.02	18.81	18.68
Jayesh Dama	18.00	14.00	32.00	24.00	0.54	0.45	0.56	2.33	0.87	0.79	1.58	1.43	-	-	-	-	19.41	15.24	34.14	27.76
Nitin Dama	0.66	0.64	1.30	1.21	-	-	-	-	-	-	-	-	-	-	-	-	0.66	0.64	1.30	1.21
D N Rai	2.68	2.22	4.63	3.75	-	-	-	-	-	-	-	-	-	-	-	-	2.68	2.22	4.63	3.75
Bhaskara Sai Chander Yarrapotu	22.09	17.01	29.95	12.20	-	-	-	-	-	-	-	-	-	-	-	-	22.09	17.01	29.95	12.20
Chang-Kun-Shin	3.77	1.88	4.06	3.75	-	-	-	-	-	-	-	-	-	-	-	-	3.77	1.88	4.06	3.75
Mahesh Tanna	0.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.25	-	-	-
Relatives of Key Managerial Personnel																				
Manali Dama	2.10	-	3.53	3.05	-	-	-	-	-	-	-	-	-	-	-	-	2.10	-	3.53	3.05
Meyuri Shethia	8.24	4.12	8.24	-	-	-	-	-	-	-	-	-	-	7.72	6.78	29.88	8.24	7.72	15.02	29.88

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

38(IV) Related Party Disclosure Under Ind AS 24 Outstanding Balance post Elimination of Intra-Group Transaction

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

PARTICULARS	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Payable				
Meyuri Shethia	16.73	26.35	19.27	23.75
Bhanu Packaging	0.01	2.16	0.05	1.07
Dhavaldeep Industrial Syndicate	11.22	0.23	4.14	2.35
Bhanu Barrel Supplier Sales	1.65	1.70	0.81	0.93
B.K.Enterprise	5.26	1.13	7.49	2.50
Hemani International	6.96	6.96	6.96	6.96
Veera International Eximp	-	-	7.40	8.29
Kush Shipping Agency	0.94	0.13	0.79	0.59
Mohan Dama (rent)	0.78	1.44	2.40	0.65
Minal Dama(Rent)	0.78	1.44	2.40	0.65
Jayesh Dama(Rent)	0.78	1.44	2.40	0.65
Freightbridge Logistics Pvt. Ltd.	-	-	-	-
Receivables				
Premonit International Eximp	3.57	3.57	3.57	3.57
Veera International Eximp	102.17	140.86	78.53	-
Minal Dama	-	-	-	0.26
Manali Dama	-	0.31	0.35	0.31
Hemani Korea Ltd.	-	-	-	-
Hemani Australia Pty Ltd	-	-	-	-
Hemani Crop Care Pvt. Ltd.	-	-	-	-
Hemani Australia Pty Ltd	-	-	-	-
Bhanu Barrel Supplier Sales				0.06
Loan payable				
Mohan Dama	80.31	41.57	87.25	83.36
Minal Dama	111.93	10.94	114.61	47.78
Jayesh Dama	19.26	3.56	20.47	20.60
Loan Given				
Hemani Australia Pty Ltd	-	-	-	-
Hemani Korea Ltd	-	-	-	-
Remuneration payable				
Mahesh Tanna	0.24	-	-	-
Mohan Dama	11.25	-	-	0.03
Minal Dama	3.90	0.98	0.98	-
Jayesh Dama	3.59	2.34	1.79	0.36
Nitin Dama	0.10	0.10	0.10	0.09
Meyuri Sethia	0.96	-	0.28	-
Manali Dama	0.25	-	0.20	-
D N Rai	0.37	0.40	0.19	-

Related Party Disclosure Under Ind AS 24 Outstanding Balance prior Elimination of Intra-Group Transaction

PARTICULARS	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Payable				
Meyuri Shethia	16.73	26.35	19.27	23.75
Bhanu Packaging	0.01	2.16	0.05	1.07
Dhavaldeep Industrial Syndicate	11.22	0.23	4.14	2.35
Bhanu Barrel Supplier Sales	1.65	1.70	0.81	0.93
B.K.Enterprise	5.26	1.13	7.49	2.50
Hemani International	6.96	6.96	6.96	6.96
Veera International Eximp	-	-	7.40	8.29
Kush Shipping Agency	0.94	0.13	0.79	0.59
Mohan Dama (rent)	0.78	1.44	2.40	0.65
Minal Dama(Rent)	0.78	1.44	2.40	0.65
Jayesh Dama(Rent)	0.78	1.44	2.40	0.65
Freightbridge Logistics Pvt. Ltd.	-	-	-	-
Receivables				
Premonit International Eximp	3.57	3.57	3.57	3.57
Veera International Eximp	102.17	140.86	78.53	-
Ideal Dyechem Industries	-	-	-	-
Minal Dama	-	-	-	0.26
Manali Dama	-	0.31	0.35	0.31
Hemani Korea Ltd.	53.46	-	25.14	-
Hemani Australia Pty Ltd	88.36	61.68	147.35	27.83
Hemani Crop Care Pvt. Ltd.	182.33	23.13	46.25	-
Bhanu Barrel Supplier Sales				0.06
Loan payable				
Mohan Dama	80.31	41.57	87.25	83.36
Minal Dama	111.93	10.94	114.61	47.78
Jayesh Dama	19.26	3.56	20.47	20.60
Loan Given				
Hemani Australia Pty Ltd	72.11	72.63	73.19	70.96
Hemani Korea Ltd	8.06	7.68	7.87	0.00
Investment in Equity Shares				
Hemani Australia Pty Ltd	0.00	0.00	0.00	0.00
Hemani Korea Ltd	6.21	6.21	6.21	6.21
Hemani Crop care Pvt Ltd	0.08	0.08	0.08	0.07
Investment in Preference Shares				
Hemani Crop care Pvt Ltd	300.00	-	-	-
Remuneration payable				
Mahesh Tanna	0.24	-	-	-
Mohan Dama	11.25	-	-	0.03
Minal Dama	3.90	0.98	0.98	-
Jayesh Dama	3.59	2.34	1.79	0.36
Nitin Dama	0.10	0.10	0.10	0.09
Meyuri Sethia	0.96	-	0.28	-
Manali Dama	0.25	-	0.20	-
D N Rai	0.37	0.40	0.19	-

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

39 FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT

Accounting Classification and Fair Values

The following table shows the carrying amounts and Fair Value of Financial Assets and Financial Liabilities, including their levels in the fair value hierachy. It does not included fair value information for Financial Assets and Financial Liabilities not Measured at Fair Value if the Carrying amount is a resonable approximation of Fair Value.

	Carrying Amount				Fair Value			
September 30,2021	**Fair Value Through Profit And Loss**	**Fair Value Through Other Comprehensive Income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets measured at Amortised Cost								
Non-Current Investments	1.83	-	-	1.83	0.06	1.77	-	1.83
Other Financial Assets :-								
Non-Current	-	-	127.51	127.51	-	127.51	-	127.51
Current	-	-	170.52	170.52	-	170.52	-	170.52
Trade and Other Receivables	-	-	5077.95	5077.95	-	5077.95	-	5077.95
Cash and Cash Equivalents	-	-	191.90	191.90	-	191.90	-	191.90
Bank Balances (Other than above)	-	-	250.51	250.51	-	250.51	-	250.51
Loans	-	-	-	-	-	0.00	-	0.00
Total Financial Assets	**1.83**	**-**	**5818.39**	**5820.22**	**0.06**	**5820.16**	**-**	**5820.22**
Financial Libilities measured at Amortised Cost								
Borrowings:-								
Non-Current	-	-	1279.45	1279.45	-	1279.45	-	1279.45
Current	-	-	835.00	835.00	-	835.00	-	835.00
trade and Other Payables	-	-	3279.13	3279.13	-	3279.13	-	3279.13
Other Financial Liabilities	-	-	991.94	991.94	-	991.94	-	991.94
Total Financial Liabilities	**-**	**-**	**6385.52**	**6385.52**	**-**	**6385.52**	**-**	**6385.52**

	Carrying Amount				Fair Value			
September 30,2020	**Fair Value Through Profit And Loss**	**Fair Value Through Other Comprehensive Income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets measured at Amortised Cost								
Non-Current Investments	1.77	-	-	1.77	-	1.77	-	1.77
Other Financial Assets :-								
Non-Current	-	-	82.77	82.77	-	82.77	-	82.77
Current	-	-	40.73	40.73	-	40.73	-	40.73
Trade and Other Receivables	-	-	3545.17	3545.17	-	3545.17	-	3545.17
Cash and Cash Equivalents	-	-	410.91	410.91	-	410.91	-	410.91
Bank Balances (Other than above)	-	-	2.50	2.50	-	2.50	-	2.50
Loans	-	-	0.00	0.00	-	0.00	-	0.00
Total Financial Assets	**1.77**	**-**	**4082.08**	**4083.85**	**-**	**4083.85**	**-**	**4083.85**
Financial Libilities measured at Amortised Cost								
Borrowings:-								
Non-Current	-	-	1279.45	1279.45	-	1279.45	-	1279.45
Current	-	-	835.00	835.00	-	835.00	-	835.00
trade and Other Payables	-	-	3279.13	3279.13	-	3279.13	-	3279.13
Other Financial Liabilities	-	-	323.56	323.56	-	323.56	-	323.56
Total Financial Liabilities	**-**	**-**	**5717.14**	**5717.14**	**-**	5717.14	**-**	5717.14

The following table shows the carrying amounts and Fair Value of Financial Assets and Financial Liabilities, including their levels in the fair value hierachy. It does not included fair value information for Financial Assets and Financial Liabilities not Measured at Fair Value if the Carrying amount is a resonable approximation of Fair Value.

Carrying Amount					Fair Value			
March 31,2021	**Fair Value Through Profit And Loss**	**Fair Value Through Other Comprehensive Income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets measured at Amortised Cost								
Non-Current Investments	1.77	-	0.00	1.77	-	58.97	-	58.97
Other Financial Assets :-		-			-		-	
Non-Current	-	-	102.72	102.72	-	88.70	-	88.70
Current	-	-	67.76	67.76	-	67.64	-	67.64
Trade and Other Receivables	-	-	4553.99	4553.99	-	4717.40	-	4717.40
Cash and Cash Equivalents	-	-	347.86	347.86	-	217.87	-	217.87
Bank Balances (Other than above)	-	-	200.95	200.95	-	200.95	-	200.95
Loans	-	-	-	-	-	81.06	-	81.06
Total Financial Assets	**1.77**	**-**	**5273.27**	**5275.04**	**-**	**5432.59**	**-**	**5432.59**
Financial Libilities measured at Amortised Cost								
Borrowings:-								
Non-Current	-	-	1118.13	1118.13	-	1118.13	-	1118.13
Current	-	-	722.35	722.35	-	722.35	-	722.35
trade and Other Payables	-	-	2672.71	2672.71	-	2672.71	-	2672.71
Other Financial Liabilities	-	-	537.53	537.53	-	537.53	-	537.53
Total Financial Liabilities	**-**	**-**	**5050.72**	**5050.72**	**-**	**5050.72**	**-**	**5050.72**

The following table shows the carrying amounts and Fair Value of Financial Assets and Financial Liabilities, including their levels in the fair value hierachy. It does not included fair value information for Financial Assets and Financial Liabilities not Measured at Fair Value if the Carrying amount is a resonable approximation of Fair Value.

Carrying Amount					Fair Value			
March 31,2020	**Fair Value Through Profit And Loss**	**Fair Value Through Other Comprehensive Income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets measured at Amortised Cost								
Non-Current Investments	1.77	-	-	1.77	-	8.05	-	8.05
Other Financial Assets :-								
Non-Current	-	-	66.09	66.09	-	65.04	-	65.04
Current	-	-	13.90	13.90	-	13.90	-	13.90
Trade and Other Receivables	-	-	4350.39	4350.39	-	4349.93	-	4349.93
Cash and Cash Equivalents	-	-	108.04	108.04	-	37.71	-	37.71
Bank Balances (Other than above)	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	70.96	-	70.96
Total Financial Assets	**1.77**	**-**	**4538.42**	**4540.19**	**-**	**4545.59**	**-**	**4545.59**
Financial Libilities measured at Amortised Cost								
Borrowings:-								
Non-Current	-	-	412.65	412.65	-	412.65	-	412.65
Current	-	-	1036.72	1036.72	-	1036.72	-	1036.72
trade and Other Payables	-	-	2322.92	2322.92	-	2322.92	-	2322.92
Other Financial Liabilities	-	-	289.87	289.87	-	289.87	-	289.87
Total Financial Liabilities	**-**	**-**	**4062.16**	**4062.16**	**-**	**4062.16**	**-**	**4062.16**

(1) Investment in Subsidiary carried at amortised cost. Fair Value of financial Assets and Liabilities are measured at Amortized cost is not materially different from the Amortized cost Furthers impact of time value of money is not Significant for the financial instrument classified as current. Accordingly fair value has not been disclosed seperately.

Types of inputs are as under:

Input Level I	(Directly Observable) which includes quoted prices in active markets for identical assets such as quoted price for an Equity Security on Security Exchanges
Input Level II	(Indirectly Observable) which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses etc.
Input Level III	(Unobservable) which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.

40 Financial Risk Management:-'

The Company has exposure to the following risks arising from financial instruments:

• Credit Risk ;
• Liquidity Risk ; and
• Market Risk

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Risk Management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash Resources, hedging of Foreign currency Exposure,Credit Control and ensuring compliance with market risk limits and policies.

The Group's Risk Management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, 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 obligations.

The Audit Committee oversees how management monitors compliance with the Group's Risk Management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

40(i). **Credit Risk**

Credit Risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.The carrying amount of following Financial Assets represents the maximum credit exposure:

Other Financial Assets

The Group maintains its Cash and Cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.The derivatives are entered into with bank and financial institution counter parties, which are rated AA- toAA+, based on ratings

Trade Receivables

The Sales Department has established a Credit Policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references. The Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Board of Directors.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Company may have a secured claim. The Group does not otherwise require collateral in respect of trade and other receivables.

Trade Receivables of the Group are typically unsecured ,except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collect ability of accounts receivables. The Group has no concentration of Credit Risk as the customer base is geographically distributed in India.

The Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, as per management perceptions, loss on collection of receivable is not material hence no additional provision considered

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows: .

Particulars	**30' September, 2021**	**30' September, 2020**	**31' March, 2021**	**31' March, 2020**
Domestic	1308.27	1370.89	1506.03	1411.41
Other Region	3769.69	2174.28	3047.95	2938.97
Total	**5077.95**	**3545.17**	**4553.99**	**4350.39**

HEMANI INDUSTRIES LIMITED
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NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Age of Receivables

Particulars	30-Sep-21	30-Sep-20	31-Mar-21	31-Mar-20
Neither due nor impaired	3277.15	2719.47	2903.33	2878.86
Past due 1-90 days	1147.03	507.01	975.69	990.41
Past due 91-180 days	387.73	249.41	541.77	401.64
More than 180 days	266.04	69.28	133.20	79.47

Group Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer Credit Risk, including underlying customers' Credit Ratings if they are available.

Group Management estimates that there are no instances of past due or impaired trade and other receivables.

40(ii). Liquidity Risk

Liquidity Risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

30-Sep-21	Contractual Cash Flows Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities	-	-	-	-	-	-
Rupee Term Loans from banks						
HDFC Bank Limited	629.26	629.26	481.38	147.88	0.00	0.00
Citi Bank	445.57	445.57	33.70	93.37	318.50	0.00
DBS Bank	508.20	508.20	0.00	124.55	383.65	0.00
Working Capital Loans from Banks	835.00	835.00	835.00	0.00	0.00	0.00
Trade and Other Payables	3279.13	3279.13	3279.13	0.00	0.00	0.00

30-Sep-20	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities	-	-	-	-	-	-
Rupee Term Loans from banks						
HDFC Bank Limited	309.72	309.72	81.38	81.38	146.96	-
Citi Bank	270.00	270.00	-	31.31	238.69	-
Working Capital Loans from Banks	103.68	103.68	103.68	-	-	-
Trade and Other Payables	2155.15	2155.15	2155.15	-	-	-

31-Mar-21	Contractual Cash Flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities	-	-	-	-	-	-
Rupee Term Loans from banks						
HDFC Bank Limited	266.11	266.11	81.38	184.73	-	-
Citi Bank	219.19	219.19	50.63	135.00	33.56	-
DBS Bank	492.48	492.48	-	243.76	248.72	-
Working Capital Loans from Banks	722.35	722.35	722.35	-	-	-
Trade and Other Payables	2672.71	2672.71	2672.71	-	-	-

31-Mar-20	Contractual Cash Flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-Derivative Financial Liabilities	-	-	-	-	-	-
Rupee Term Loans from banks						
HDFC Bank Limited	343.24	343.24	81.38	99.10	162.76	-
Working Capital Loans from Banks	1036.72	1036.72	1036.72	-	-	-
Trade and Other Payables	2322.85	2322.85	2322.85	-	-	-

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Derivative Financial Liabilities				
Forward exchange contracts used for hedging	**30.09.2021**	**30.09.2020**	**31.03.2021**	**31.03.2020**
- Outflow - USD in Lakhs	NIL	NIL	NIL	NIL
- Inflow	NIL	NIL	NIL	NIL

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted Cash Flows relating **to** derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels

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 Company's long-term debt obligations with floating interest rates

Exposure to Interest Rate Risk

The Company's Interest Rate Risk arises from borrowings obligations. Borrowings issued exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:-

Variable-Rate Instruments	**30" September, 2021**	**30" September, 2020**	**31" March, 2021**	**31" March, 2020**
Non Current - Borrowings	1279.45	792.47	1118.13	412.65
Current portion of Long Term Borrowings	515.08	81.38	132.00	81.38
Total	1794.53	873.85	1250.13	494.03

Cash Flow Sensitivity Analysis For Variable-Rate Instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant

Particulars	**Profit or Loss**		**Equity, Net of Tax**	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
30th September, 2021				
Non Current - Borrowings	(127.94)	127.94	(95.74)	95.74
Current portion of Long Term Borrowings	(51.51)	51.51	(38.54)	38.54
Total	**(179.45)**	**179.45**	**(134.29)**	**134.29**
30th September, 2020				
Non Current - Borrowings	(79.25)	79.25	(59.30)	59.30
Current portion of Long Term Borrowings	(8.14)	8.14	(6.09)	6.09
Total	**(87.39)**	**87.39**	**(65.39)**	**65.39**
31st March, 2021				
Non Current - Borrowings	(111.81)	111.81	(83.67)	83.67
Current portion of Long Term Borrowings	(13.20)	13.20	(9.88)	9.88
Total	**(125.01)**	**125.01**	**(93.55)**	**93.55**
31st March, 2020				
Non Current - Borrowings	(41.27)	41.27	(30.88)	30.88
Current portion of Long Term Borrowings	(8.14)	8.14	(6.09)	6.09
Total	**(49.40)**	**49.40**	**(36.97)**	**36.97**

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Financial instruments—Fair Values and Risk Management
40(iii). Market Risk

Market Risk is the risk that changes in market prices — such as foreign exchange **rates, interest rates and equity prices —** will affect the Group's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs

Currency Risk

The Group is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Category	Instrument	Currency	Cross Currency in INR	Amounts INR	Buy/Sell
Hedges of highly probable forecasted transactions	Forward contract	USD	**0**	**3576.12**	Sell

Exposure to Currency Risk

The currency profile of Financial Assets and Financial Liabilities with exposure to foreign currency risk at the end of the reporting period expressed in rupees, are as follows

Particular	30-Sep-21	30-Sep-21	30-Sep-21
	USD	**AUD**	**EURO**
Financial Assets			
Non-Current Investments	-	-	-
Trade and Other Receivables	3769.69	-	-
Less - Forward Contract For Selling Foreign Currency	(3576.12)	-	-
Total	**193.57**	**-**	**-**
Financial Liabilities			
Short Term Borrowings	798.62	-	-
Trade and Other Payables	310.86	-	-
Less - Forward Contract For Buying Foreign Currency	-	-	-
Total	**1109.48**	**-**	**-**

Particular	30-Sep-20	30-Sep-20	30-Sep-20
	USD	**AUD**	**EURO**
Financial Assets			
Non-Current Investments	-	-	-
Trade and Other Receivables	2174.28	-	-
Less - Forward Contract For Selling Foreign Currency	(1209.93)	-	-
Total	**964.35**	**-**	**-**
Financial Liabilities			
Short Term Borrowings	158.35	-	-
Trade and Other Payables	320.42	-	-
Less - Forward Contract For Buying Foreign Currency	-	-	-
Total	**478.76**	**-**	**-**

Particular	31-Mar-21	31-Mar-21	31-Mar-21
	USD	**AUD**	**EURO**
Financial Assets			
Non-Current Investments	-	-	-
Trade and Other Receivables	3047.95	-	-
Less - Forward Contract For Selling	(2602.72)	-	-
Total	**445.23**	**-**	**-**
Financial Liabilities			
Short Term Borrowings	697.52	-	-
Trade and Other Payables	668.50	-	-
Less - Forward Contract For Buying Foreign Currency	-	-	-
Total	**1366.02**	**-**	**-**

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Particular	31-Mar-20	31-Mar-20	31-Mar-20
	USD	AUD	EURO
Financial Assets			
Non-Current Investments			
Trade and Other Receivables	2922.25	-	100.79
Less - Forward Contract For Selling	(1274.40)	-	(117.93)
Total	**1647.84**	**-**	**(17.14)**
Financial Liabilities			
Short Term Borrowings	787.31	-	-
Trade and Other Payables	267.10	-	-
Less - Forward Contract For Buying	(4.51)	-	-
Total	**1049.90**	**-**	**-**

Sensitivity analysis

A reasonably possible strengthening I (weakening) of the Indian Rupee against US dollars at September 30,2021,September 30,2020,March 31,2021 and March 31,2020 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in Rs	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
30th September, 2021				
3% movement				
USD	(27.48)	27.48	(20.56)	20.56
EUR	-	-	-	-
AUD	-	-	-	-

Effect in Rs	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
30th September, 2020				
3% movement				
USD	14.57	(14.57)	10.90	(10.90)
EUR	-	-	-	-
AUD	-	-	-	-

Effect in Rs	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2021				
3% movement				
USD	(27.62)	27.62	(20.67)	20.67
EUR	-	-	-	-
AUD	-	-	-	-

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Effect in	Profit or (Loss)		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2020				
3% movement				
USD	(17.94)	17.94	(13.42)	13.42
EUR	0.51	(0.51)	0.38	(0.38)
AED	-	-	-	-

41 Capital Management

The Group policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders

The Board of Directors of Group seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

PARTICULARS	As at 30th September, 2021	As at 30th September, 2020	As at 31st March, 2021	As at March 31, 2020
Total Interest bearing liabilities	2629.53	185.06	1972.48	1471.22
Less : Cash and Cash Equivalent	191.90	410.91	347.86	108.04
Adjusted Net Debt	**2437.63**	**(225.86)**	**1624.62**	**1363.17**
Total Equity	7111.70	4976.84	5978.31	4271.31
Adjusted Equity	**7111.70**	**4976.84**	**5978.31**	**4271.31**
Adjusted Net Debt to adjusted Equity ratio	0.34	-0.05	0.27	0.32

42 Corporate Social responsibility expenditure

The Group has spent required under section 135 of the companies act,2013 in the areas of education

Particulars	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Contribution to school in towards education	40.00	9.50	28.64	22.55
Gross amount required to be spent as per Section 135 of the act	14.14	13.37	19.62	17.02
Short fall	-	(3.87)	-	-

*For September 30,2020, excess/Short spent determined at the end of the financial year

43 Leases:

1) The Group has elected not to apply the requirements of IND as 116 to short term leases of all the assets they have a lease term of twelve months or less and leases for which underying assets is low value.The lease payment associated with these leases are recognised as an expenses on directly profit and loss account

2) During the year(F.Y.2020-21) Hemani Australia has discountinued the Lease contract and entered into new short term lease of new premises. Therefore,Group has writeoff the Lease liablity,Right to use of assets and Accumulated depreciation of discountinued premises

3) During the year(F.Y.2020-21) Hemani Korea has entered into Short Lease contract for New premises.

4) The borrowing rate applied to lease liabiities as at 1st April 2019 is (9.75%) (i.e. Incremental Borrowing rate of the compay)

The Group has lease contracts for Head office Premises. Leases of HO Premises is having lease terms of 5 years.The Company's obligations under its leases are secured by the lessors title to the leased assets. The Company is restricted from assigning and subleasing the leased assets and some contrcats require the compnay to maintain premises in good state.

Terms of Cancellation and Escalation

The leases are cancellable by giving 3 months notice by either parties

A) Leases as lessee

i) The Movement in lease liabilities during the year:

Particulars	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Opening Balance	14.90	20.01	20.01	-
Additions during the year	-	-	-	23.70
Finance Cost incurred during the year	0.67	0.83	1.73	2.02
Payments of Lease Liabilities	(2.60)	(2.36)	(4.73)	(5.71)
Deletion during the year	-	(2.10)	(2.10)	-
Closing Balance	**12.97**	**16.37**	**14.90**	**20.01**

ii) The Carrying Value of Rights-of-Use and Depreciation charged during the year

Particulars	30th September 2021	30th September 2020.	31st March 2021	31st March 2020
Opening Balance	12.30	18.27	18.27	-
Additions during the year	-	-	-	23.70
Depreciation Charged During the year	(2.05)	(2.05)	(4.10)	(5.43)
Deletion during the year	-	(1.88)	(1.88)	-
Closing Balance	**10.25**	**14.35**	**12.30**	**18.27**

iii) Amount Recognised in Statement of Profit & Loss account during the year

Particulars	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Depreciation Expenses of Right-of-Use assets	2.05	2.05	4.10	4.15
Interest expense on lease liablities	0.67	0.83	1.73	1.72
Closing balance	**2.72**	**2.88**	**5.83**	**5.87**

iv) Amount Recognised in statement of Cash flows

Particulars	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Total Cash outflow for Leases	(2.60)	(2.36)	(4.73)	(5.71)

v) Maturity analysis of lease liablities

Particulars	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Less than one year	4.50	3.52	3.93	3.15
One to Five years	8.47	12.85	10.97	16.86
Total undisclosed Lease Liablity	**12.97**	**16.37**	**14.90**	**20.01**

Balances of Lease Liablities

Particulars	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Non Current lease Liablity	8.47	12.85	10.97	16.86
Current Lease Liablity	4.50	3.52	3.93	3.15
Total Lease liablity	**12.97**	**16.37**	**14.90**	**20.01**

The Group had entered into Lease rent agreement for HO Office pemises.The leasing agreement was cancellable,and renewable on a periodic basis by mutually accepted terms including escalation of lease rent

B) Appendix C to IND AS 12 Uncertainty over Income Tax treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IND AS 12 income taxes.

It doesn't apply to taxes or levies outside the scope of IND AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The appendix specificaaly addresses the following:-

i) Whether an entity considers uncertain tax treatments separately
ii) The assumptions an entity makes about the examination of tax treatments by taxation authoroties
iii) How an entity determines taxable profits(tax loss),tax bases,unused tax losses,unused tax credits and tax rates
iv) How an entity considers changes in facts and circumtances

The Group determines whether to consider each uncertain tax treatment separately or together with one ormore other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group does not operate in a complex environment and accordingly does not have significant judgments identified over uncertainties in income tax treatments

Upon adoption of the Appendix C Ind AS 12,the Group considered whether it has any uncertain tax positions including positions relating to transfer pricing.The Group determined,based on is tax compliances and tranfer pricing study, that it is probable that its tax treatments wil be accepted by the taxation authoroties.The Appendix did not have any material impact on the financial statements of the Group.

44 Geographical Segment

Particulars	India	USA and CANADA	Europe	South East Asia	Others	Total
Revenue April 2021 to September 2021	2723.21	936.33	1523.15	1352.70	488.03	7023.41
Revenue (1st April 2020 to September 2020)	2191.04	565.36	872.31	606.17	658.42	4893.30
Revenue (F.Y.2020-21)	4392.42	395.62	1599.89	1069.42	4119.62	11576.97
Revenue (F.Y.2019-20)	3320.95	450.65	2030.68	680.65	3340.10	9823.03
Total Assets April 2021 to September 2021	13890.46	-	-	-	345.82	14236.28
Total Assets (1st April 2020 to September 2020)	8629.47	-	-	-	171.79	8801.26
Total Assets (F.Y.2020-21)	11172.59	-	-	-	296.07	11468.67
Total Assets (F.Y.2019-20)	8607.89	-	-	-	111.24	8719.13
Capital Expenditure during April 2021 to September 2021	634.00	-	-	-	-	634.00
Capital Expenditure during (1st April 2020 to September 2020)	465.86	-	-	-	-	465.86
Capital Expenditure during F.Y.2020-21	1273.37	-	-	-	-	1273.37
Capital Expenditure during F.Y.2019-20	903.78	-	-	-	0.08	903.87

45

Research and Development expenditure	For the Six Months period ended	For the Six Months period ended	For the year ended	For the year ended
	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Amount in Respect to Revenue Expenditure	34.90	0.59	44.74	25.00

(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

46 Other Expenses of Note no-35 for the year ended 31st March 2021 includes loss on account of fire on 9th June 2020 at a manufacturing facility of the company in Ankleshwar,Gujrat location. Loss on fire included Inventory,Property plant and equipment and other anciliary expenses amounting to Rs.60.13 Millions as assed by management and was charged to statement of profit and loss for the year ended 31st March 2021 in the line with requirements of Ind AS 16.The Group has all Risk insurance policy and its fully covered for insurance claim.Management has submitted requisite information to surveyor and insurance company, however preliminary/claim report is awaited from insurance company.

47 The Novel Coronavirus (COVID-19) is a global pandemic and has rapidly spread throughout the world.This event has significantly affected economic activity worldwide and countinue to do so with measures taken by local authoroties and governments. The Group has taken into consideration the impact of known internal and external events arising from COVID 19 pandemic while preparing the financial statements.As a part of such assessment,the Group has considered the recoverability of outstanding trade receivables and future cash flow position upto the date of approval of these financial statements.The Group is confident of recoverability of assets as on 30th September 2021. However, the impact assessment of COVID-19 is an ongoing process and its impact remains uncertain,given the uncertainities associated with its nature and duration. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results and the Group will coutinue to closely monitor any significant impact on the Group's financial position.

48 The code on Social Security,2020 ('Code'), pertaining to employee benefits during employment and post employment,received presidential assent is Septemebr 2020.The ministry of Labour and employment ahs released draft rules for the code on Social security,2020 on November 13,2020.The new code may impact the existing employee benefit obligations of the group. The Group will assess the impact and recognise it in its financial statements in the period in which the code becomes effective and related rules are notified.

49 Preference share issued by Subsidary(M/s Hemani Crop care Pvt ltd) is accounted and reflected as financial liablity as per IND AS 32, as these are redeemble on maturity for fixed determinable amount and carry fixed rate of dividend.However, as per the Companies act 2013,the preference shares countinues to be part of share capital and the provisions of the act relating to declaration of Preference Dividend would be applicable.

50 Earnings Per share

In the board meeting held on 18th December 2021 it was decided to split 1 Equity shares of Rs.10 each fully paid up into 2 equity shares of Rs.5 each fully paid up. Thereafter it was decided to issue Bonus shares in the ratio of 4 shares of Rs. 5each fully paid up for 1 equity shares of Rs.5 each fully paid to the shareholders who held shares on 18th December 2021.The basic EPS and diluted EPS are computed after considering split of shares and Bonus issue of shares,eventhough the said events happen after reporting date but before the approval of accounts for the half year ended 30th September 2021.Accordingly in compliance with IND AS 33 "Earning per share' and read with IND AS 10 "Events after Reporting period", the disclosure of earning per share for six months period ended 30th September 2021 has been arrived at after giving effect to the above sub-divison as well as bonus.

Basic and Dilluted EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders
by the wieghted average number of Equity Shares outstanding during the year.
The following reflects the income and share used in the basic and dilluted EPS Computation:

Particulars (Earning per share Prior to Spilt and Bonus)		Six Month ended September 30,2021	Six Month ended September 30,2020	Year ended March 31,2021	Year ended March 31,2020
Numerator for basic and diluted EPS					
Profit after tax attributable to equity holders(Without Considering Other Comprehensive Income)	(A)	1127.08	683.34	1693.76	1334.71
Denominator for basic EPS					
Weighted average number of equity shares for basic EPS	(B)	9,005,750	9,005,750	9,005,750	9,005,750
Denominator for diluted EPS					
Weighted average number of equity shares for diluted EPS	(C)	9,005,750	9,005,750	9,005,750	9,005,750
Basic earnings per share of face value of Rs. 10 each (in Rs.)	(A/B)	125.15	75.88	188.08	148.21
Diluted earnings per share of face value of Rs. 10 each (in Rs.)	(A/C)	125.15	75.88	188.08	148.21

(Earning per share for six months period ended 30th September 2021 ans 30th September 2020 are not annualised)

Particulars (Earning per share Post to Spilt and Bonus)		Six Month ended September 30,2021	Six Month ended September 30,2020	Year ended March 31,2021	Year ended March 31,2020
Numerator for basic and diluted EPS					
Profit after tax attributable to equity holders(Without Considering Other Comprehensive Income)	(A)	1127.08	683.34	1693.76	1334.71
Denominator for basic EPS					
Weighted average number of equity shares for basic EPS	(B)	90,057,500	90,057,500	90,057,500	90,057,500
Denominator for diluted EPS					
Weighted average number of equity shares for diluted EPS	(C)	90,057,500	90,057,500	90,057,500	90,057,500
Basic earnings per share of face value of Rs. 5 each (in Rs.)	(A/B)	12.52	7.59	18.81	14.82
Diluted earnings per share of face value of Rs. 5 each (in Rs.)	(A/C)	12.52	7.59	18.81	14.82

(Earning per share for six months period ended 30th September 2021 ans 30th September 2020 are not annualised)

51 Segment Information

In the opinion of Board of Directors,the Group operates in a single business segment viz. ‘chemicals’ and therefore disclosure of segment wise information is not applicable

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

52 **Key Ratio and its elements** ***(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)***

Particulars	Elements of Ratio		30th September 2021 (Not annualised)	30th September 2020 (Not annualised)	31st March 2021	31st March 2020	Percentage change from 30th September 2020 to 30th September 2021	Percentage change from 31st March 2020 to 31st March 2021	Remarks
	Numerator	**Denominator**							
(a) Current Ratio	Current assets	Current Liablities	1.75	1.90	1.76	1.48	(7.89)	(19.06)	No Change mote than 25%
(b) Debt-Equity Ratio	Total Debt	Total Equity	0.37	0.20	0.33	0.36	85.00	7.94	Refer Note no-1
(c) Debt Service Coverage Ratio	Profit before Interest,Depreciation and Tax	Non-Current borrowings+Current maturity of long term loans	0.95	1.22	2.08	4.35	(22.13)	52.26	Refer Note no-2
(d) Return on equity ratio	Total Income for the period	Average Total Equity	0.17	0.15	0.33	0.37	13.33	10.63	No Change mote than 25%
(e)Inventory Turnover ratio	Cost of goods sold(Cost of Goods sold=Cost of material consumed+Purchase of stock in trade+Changes in Inventories of finsihed goods,Stock In trade and Work in Progress	Average Inventory	2.12	2.39	5.51	6.23	(11.30)	11.52	No Change mote than 25%
(f) Trade Receivable turnover ratio	Revenue from operations-Exports incentives	Average trade receivables	1.46	1.24	2.60	2.66	17.74	2.13	No Change mote than 25%
(g) Trade payables turnover ratio	Total Purchase	Average trade payables	1.52	1.15	2.74	2.65	32.17	(3.52)	Refer Note no-3
(h) Net capital turnover ratio	Revenue from operations	Average Working capital (Working Capital=Current assets-Current liablities)	1.72	1.88	4.58	3.51	(8.51)	(30.66)	Refer Note no-4
(i) Net profit ratio	Net profit after tax	Revenue from operations	0.16	0.14	0.14	0.13	14.29	(8.31)	No Change mote than 25%
(j) Return on Capital Employed	Profit before tax+Finance cost	Capital Employed(Capital Employed=Total assets-Current liablities)	0.18	0.16	0.33	0.41	12.50	18.91	No Change mote than 25%
(k) return on Investment	Net profit after tax	Average Total assets	0.09	0.08	0.17	0.17	12.50	3.78	No Change mote than 25%

Particulars	Elements of Ratio		30th September 2021 (Not annualised)		30th September 2020 (Not annualised)		31st March 2021		31st March 2020	
	Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	Numerator	Denominator
(a) Current Ratio	Current assets	Current Liablities	9688.30	5539.54	5546.10	2911.36	7466.03	4234.80	5807.51	3921.88
(b) Debt-Equity Ratio	Total Debt	Total Equity	2629.53	7111.70	977.53	4976.84	1972.48	5978.31	1530.81	4271.31
(c) Debt Service Coverage Ratio	Profit before Interest,Depreciation and Tax	Non-Current borrowings+Current maturity of long term loans	1708.29	1794.53	1065.38	873.85	2594.43	1250.13	2147.75	494.10
(d) Return on equity ratio	Total Income for the period	Average Total Equity	1127.64	6545.84	683.44	4624.23	1694.14	5124.81	1334.69	3608.17
(e)Inventory Turnover ratio	Cost of goods sold(Cost of Goods sold=Cost of material consumed+Purchase of stock in trade+Changes in Inventories of finsihed goods,Stock In trade and Work in Progress	Average Inventory	3771.62	1778.22	2496.27	1042.91	6548.30	1188.49	5600.65	899.43
(f) Trade Receivable turnover ratio	Revenue from operations-Exports incentives	Average trade receivables	7023.52	4815.97	4893.30	3947.78	11577.21	4452.19	9823.56	3697.34
(g) Trade payables turnover ratio	Total Purchase	Average trade payables	4534.58	2975.92	2574.33	2239.00	6856.15	2497.78	5799.61	2187.19
(h) Net capital turnover ratio	Revenue from operations	Average Working capital (Working Capital=Current assets-Current liablities)	7143.99	4148.76	4950.36	2634.75	11719.23	2558.43	10000.19	2852.50
(i) Net profit ratio	Net profit after tax	Revenue from operations	1127.64	7143.99	683.44	4950.36	1694.14	11719.23	1334.69	10000.19
(j) Return on Capital Employed	Profit before tax+Finance cost	Capital Employed(Capital Employed=Total assets-Current liablities)	1582.13	8696.74	965.03	5889.90	2397.01	7233.86	1960.25	4797.25
(k) return on Investment	Net profit after tax	Average Total assets	1127.64	12852.47	683.44	8760.19	1694.14	10093.90	1334.69	7651.90

Note no-1 In the opinion of Management,The Ratio has changed mainly due to Unsecuread loans from Directors Increased and loans from bank increased

Note no-2 In the opinion of Management,Variance in Debt Service Coverage ratio is due to Increase in debt in Hemani Crop Care Pvt Ltd (Subsidiary) and decrease in Consolidated Profits due to Loss in Subsidiaries.

Note no-3 In the opinion of Management,The Ratio has changed mainly due to increase in trade payable due to higher purchases

Note no-4 In the opinion of Management,The Ratio has changed mainly due to Improved Revenue from Operations.

53 Subsequent Events

i) Subsequent to Balancesheet Date:-

a) The board of director in its meeting dated 20th November 2021 has approved for increase in the authorised share capital of the company from existing Rs.150 Millions divided into 1,50,00,000 equity shares of Rs.10 each to Rs.550 Millions divided into 5,50,00,000 Millions Equity shares of Rs.10 each.

b) The board of directors at the meeting held on 18th December 2021 has approved to split 1 Equity shares of Rs.10 each fully paid up into 2 equity shares of Rs.5 each fully paid up.Therefore the authorised share capital has been changed from Rs.550 Millions divided into 5,50,00,000 equity shares of Rs.10 each to Rs.550 Millions divided into 11,00,00,000 Equity shares of Rs.5 each.

c) Thereafter it was decided to issue Bonus shares in the ratio of 4 shares of Rs. 5 each fully paid up for 1 equity shares of Rs.5 each fully paid to the shareholders who held shares on dated 18th December 2021.

ii) The Company has appointed Company Secretary Mrs Dipti Samant on 20th November 2021 and Three Independent Director on 20th November 2021 namely Mr.Ravi Sunderarajan,Mr. Sameer Paigankar and Dr. Avani Umatt

iii) Two Directors, Mrs Minal Dama and Nitin Dama and two Independent Directors,Mr Navin Bhanushali and Mr Vasant Bhanushali has resigned on 20th November 2021.

iv) The Subsidary company Hemani Crop Care Pvt Ltd. become wholly owned subsidary of Hemani Industries limited w.e.f. from 24th January 2022.

v) The Bank has released the Personal Guarantee of Directors i.e. Mr. Mohan Dama,Jayesh Dama and Minal Dama with respect to Working capital and Term loan taken by Hemani Industries Limited from HDFC Bank,Citi Bank and DBS Bank

HEMANI INDUSTRIES LIMITED
ANNEXURE-VI
NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENT
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

54 Group Information

The Groups Subsidiaries are set our below:-		% of Voting power held			
Companies	**Country of Incorporation**	**As at 30 September 2021**	**As at 30 September 2020**	**As at 31 March 2021**	**As at 31 March 2020**
a. Information about subsidiaries					
Hemani Cropcare Pvt Ltd	India	51.59%	51.59%	51.59%	45.00%
Hemani Australia pty Ltd	Australia	100.00%	100.00%	100.00%	100.00%
Hemani Korea Ltd	Korea	100.00%	100.00%	100.00%	100.00%

55 Disclosure of additional information required by Schedule III year ended 30th September 2021

Name of the entity in group	Net Assets(Total assets Minus Total liabitilies)		Share in Profit or (Loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net assets	**Amount**	**As % of Consolidated Profit or Loss**	**Amount**	**As % of Consolidated Profit or loss**	**Amount**	**As % of Consolidated profit or loss**	**Amount**
A Parent								
Hemani Industries Limited								
30th September 2021	100.42	7141.93	101.38	1143.25	4.89	(0.71)	102.64	1142.54
B Subsidiaries								
(i) Indian								
Hemani Crop Care Pvt. Ltd.								
30th September 2021	1.34	95.28	0.10	1.15	-	-	0.10	1.15
(ii) Foreign								
Hemani Australia Pty Ltd								
30th September 2021	0.22	15.70	1.40	15.76	-	-	1.42	15.76
Hemani Korea Ltd.								
30th September 2021	(0.05)	(3.60)	(0.21)	(2.38)	-	-	(0.21)	(2.38)
Non controlling Interest in all Subsidiaries								
30th September 2021	0.02	1.15	0.05	0.56	-	-	0.05	0.56
CONSOLIDATED ADJUSTMENTS	(1.95)	(138.75)	(2.72)	(30.70)	95.11	(13.81)	(4.00)	(44.50)
TOTAL								
30th September 2021	100.000	7111.70	100.000	1127.64	100.000	(14.52)	100.000	1113.13

Disclosure of additional information required by Schedule III year ended 30th September 2020

Name of the entity in group	Net Assets(Total assets Minus Total liabitilies)		Share in Profit or (Loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net assets	**Amount**	**As % of Consolidated Profit or Loss**	**Amount**	**As % of Consolidated Profit or loss**	**Amount**	**As % of Consolidated profit or loss**	**Amount**
A Parent								
Hemani Industries Limited								
30th September 2020	100.47	5000.24	103.13	704.87	8.34	1.10	101.34	705.97

B Subsidiaries **(i) Indian** **Hemani Crop Care Pvt. Ltd.** **30th September 2020**	0.31	15.44	0.09	0.59	-	-	0.08	0.59
(ii) Foreign **Hemani Australia Pty Ltd** **30th September 2020**	(0.33)	(16.64)	(0.80)	(5.47)	-	-	(0.78)	(5.47)
Hemani Korea Ltd. **30th September 2020**	(0.04)	(1.88)	(0.49)	(3.35)	-	-	(0.48)	(3.35)
Non controlling Interest in all Subsidiaries **30th September 2020**	0.00	0.25	0.02	0.10	-	-	0.01	0.10
CONSOLIDATED ADJUSTMENTS	(0.41)	(20.57)	(1.95)	(13.30)	91.66	12.11	(0.17)	(1.19)
TOTAL								
30th September 2020	100.000	4976.84	100.000	683.44	100.000	13.21	100.000	696.65

Disclosure of additional information required by Schedule III year ended 31st March 2021

Name of the entity in group	Net Assets(Total assets Minus Total liabitilies)		Share in Profit or (Loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or loss	Amount	As % of Consolidated profit or loss	Amount
A Parent **Hemani Industries Limited** **31st March 2021**	100.34	5998.68	100.52	1703.01	100.00	1.38	100.52	1704.38
B Subsidiaries **(i) Indian** **Hemani Crop Care Pvt. Ltd.** **31st March 2021**	0.86	51.29	0.02	0.40	-	-	0.02	0.40
(ii) Foreign **Hemani Australia Pty Ltd** **31st March 2021**	(0.13)	(7.60)	0.42	7.13	-	-	0.42	7.13
Hemani Korea Ltd. **31st March 2021**	(0.19)	(11.13)	(0.39)	(6.60)	-	-	(0.39)	(6.60)
Non controlling Interest in all Subsidiaries **31st March 2021**	0.01	0.52	0.02	0.38	-	-	0.02	0.38
CONSOLIDATED ADJUSTMENTS	(0.89)	(53.45)	(0.60)	(10.18)	-	-	(0.60)	(10.18)
TOTAL								
31st March 2021	100.000	5978.31	100.000	1694.14	100.000	1.38	100.000	1695.51

Disclosure of additional information required by Schedule III year ended 31st March 2020

Name of the entity in group	Net Assets(Total assets Minus Total liabitilies)		Share in Profit or (Loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or loss	Amount	As % of Consolidated profit or loss	Amount
A Parent								
Hemani Industries Limited								
31st March 2020	98.04	4187.78	99.47	1327.62	100.00	(7.08)	99.47	1320.54
B Subsidiaries								
(i) Indian								
Hemani Crop Care Pvt. Ltd.								
31st March 2020	0.00	0.13	(0.00)	(0.02)	-	-	(0.00)	(0.02)
(ii) Foreign								
Hemani Australia Pty Ltd								
31st March 2020	(0.24)	(10.32)	(0.77)	(10.32)	-	-	(0.78)	(10.32)
Hemani Korea Ltd.								
31st March 2020	0.03	1.47	(0.34)	(4.53)	-	-	(0.34)	(4.53)
Non controlling Interest in all Subsidiaries								
31st March 2020	0.00	0.07	(0.00)	(0.01)	-	-	(0.00)	(0.01)
CONSOLIDATED ADJUSTMENTS	2.16	92.19	1.65	21.96	-	-	1.65	21.96
TOTAL								
31st March 2020	100.000	4271.31	100.000	1334.69	100.000	(7.08)	100.000	1327.62

56 GST

In the opinion of the board and to the best of their knowledge & belief,the GST provisions were properly compiled, to the extent applicable to the Group for the year under audit. Difference, if any, between the figures as per Books of account and GST Returns, are reconciled and would be corrected in next period GST Returns and in Annual returns. The said differences do not have any material impact on the financial statements regarding classifications,tax liablity and other requirement of the GST Provisions.

57 Previous years figure

Previous year's figures have been regoruped /reclasified wherever necessary to correspond with the current years classification/disclosure

The accompanying notes are an integral part of the Consolidated financial information
In terms of our attached report of even date.

For **KPB & ASSOCIATES**
Chartered Accountants
ICAI Firm Regn. No. - 114841W

For **Hemani Industries Ltd**

Ketan Gada
PARTNER
Membership No. - 106451

Mohan Dama
Managing Director
(DIN No. : 01803334)

Jayesh Dama
Joint Managing Director
(DIN No. :00934721)

Mahesh Tanna
Chief Financial Officer

Dipti Samant
Company Secreatry

Place : Mumbai
Date : March 28, 2022

Place : Mumbai
Date : March 28, 2022

HEMANI INDUSTRIES LIMITED
ANNEXURE-VII

PART-A Statement of Adjustment to Restated Consolidated Financial Information, Interim Audited Consolidated Financial Statement,Consolidated Audited Financial Statement,Special Purpose Consolidated Audited Financial Statement
(All amounts are in Rs. In Millions,except per share data or unless otherwise stated)

Reconciliation of Equity	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Equity as per Audited Interim Consolidated Financial Statement,Consolidated Audited Financial Statement,Special Purpose Consolidated Audited Financial Statement	**7111.70**	**4976.84**	**5978.31**	**4271.31**
Adjustment:NIL				
Equity as per Restated Consolidated Financial Information	**7111.70**	**4976.84**	**5978.31**	**4271.31**

Reconciliation of Profit and loss	30th September 2021	30th September 2020	31st March 2021	31st March 2020
Profit/(Loss) as per Audited Interim Consolidated Financial Statement,Consolidated Audited Financial Statement,Special Purpose Consolidated Audited Financial Statement	**1113.13**	**696.65**	**1695.51**	**1327.62**
Adjustment:NIL				
Profit/(Loss) as per Restated Consolidated Financial Information	**1113.13**	**696.65**	**1695.51**	**1327.62**

PART-B Non Adjusting event:

1 **Audit qualifications for the respective years,which do not require any adjustments in the Restated Consolidated information statement are as follows:**

There are no audit qualification in Auditors reports on the Audited Interim Consolidated Financial statements for six months period ended 30th September,2021,30th September 2020 and Audited Consolidated financial statement financial year ended 31st March 2021 and Special purpose Consolidated financial statement 31st March 2020.

2 **Emphasis of Matters for the respective years, which do not require any adjustments in the Restated Consolidated Summary Statements are as follows**

Emphasis of matter of Special purpose Iterim Consolidated Financial Information for six months period ended September 30, 2021 and September 30,2020:
We draw attention to Note 47 to the Special Purpose Interim Consolidated Financial Statements which states that the management has made an assessment of the impact of COVID 19 on Group's operations, financial performance and position as at and for the end of six months period ended September 30,2021 and September 30,2020 and has concluded that there is no material Impact which Is required to be recognised in the Special Purpose Interim Consolidated Financial Statements. Accordingly, no adjustments have been made to the Special Purpose Interim Consolidated Financial Statements. Our opinion is not modified In respect of this matter.

Emphasis of matter of Audited Consolidated Financial Statement for the year ended March 31 , 2021:
We draw attention to note 41 to the Audited Consolidated financial statements which states that the management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the end of year ended March 31 , 2021 and has concluded that there is no material impact which is required to be recognised in the consolidated financial statements. Accordingly, no adjustments have been made to the consolidated financial statements. Our opinion is not modified In respect of this matter.

Emphasis of matter of Special purpose Audited Consolidated Financial Statement for the year ended March 31 ,2020:
We draw attention to Note 43 to the Special Purpose Audited Consolidated Financial statements which states that the management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the end of year ended March 31 , 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements. Our opinion is not modified in respect of this matter.

PART-C Material Regrouping:None
Appropriate regroupings have been made in the Restated Consolidated Financial Information of Assets and Liabilities, Restated Consolidated Financial Information of Profit & Loss, Restated Consolidated Financial Information of Changes In Equity and Restated Consoldiated Financial Information of Cash Flows, wherever required, by reclassification of the corresponding items of Income, expenses, assets, Liabilities, reserves and cashflows, In order to bring them In line with the accounting policies, cIassificatJon and presentation as per Restated Consolidated Financial Information of the Group for the period ended 30th September 2021 prepared in accordance with revised Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of lndfa (Issue of Capital 6 Disclosure Requirements) Regulations 2018, as amended.

Note:-In the Special Purpose Consolidated balancesheet as at 31st March 2020, Unsecured loan of Rs.0.06 Millions/- from Tata Capital Financial Service Ltd was inadvertently included in Trade payable. Unsecured loan are presented under Note no.18 i.e. Borrowings and Trade payable are presented under the heading Current liablity Note no.23.In the Restates financial statements its is correctly shown as Unsecured loan under the heading Borrowing(Non Current liablities) Note no.18.This change does not have material effect on overall Balancesheet presentation and has no effect on statement of Profit and loss

OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company for the financial year ended March 31, 2021, March 31, 2020, and March 31, 2019 respectively ("**Audited Financial Statements**") are available at http://hemanigroup.com/financials/. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any Book Running Lead Manager or the Promoter Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Accounting Ratios

A. Set forth below are the details of accounting ratios required under the SEBI ICDR Regulations, calculated on the basis of the Restated Consolidated Financial Information:

Particulars	As at and for the six month period ended September 30, 2021	As at and for the six month period ended September 30, 2020	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2020
Total equity (attributable to the owners) (in ₹ million)	90.06	90.06	90.06	90.06
Profit attributable to owners of the Company (in ₹ million)	1,127.08	683.34	1,693.76	1,334.71
Weighted average no. of equity shares outstanding during the period/ year				
- For basic earnings per equity share	9,00,57,500	9,00,57,500	9,00,57,500	9,00,57,500
- For diluted earnings per equity share	9,00,57,500	9,00,57,500	9,00,57,500	9,00,57,500
Basic and diluted earnings per share (₹/ share)				
- Restated basic earnings per share (in ₹)	12.52*	7.59*	18.81	14.82
- Restated diluted earnings per share (in ₹)	12.52*	7.59*	18.81	14.82
Return on net worth	15.86%*	13.73%*	28.33%	31.25%
Net asset value per equity share (basic) (in ₹)	78.97	55.26	66.38	47.43
Operating EBITDA (in ₹ million)	1,547.81	1,048.40	2,477.58	1,887.96
Operating EBITDA Margin	21.67%	21.17%	21.14%	18.88%

** Not annualised*

Notes:

The ratios have been computed as under:

1. *Pursuant to a resolution passed by our Board on December 18, 2021 and a resolution passed by our Shareholders in the EGM held on December 23, 2021, our Company has sub-divided its authorised share capital, such that 55,000,000 equity shares of ₹10 each were sub-divided and reclassified as 110,000,000 Equity Shares of ₹5 each. Therefore, the cumulative number of issued, subscribed and paid up Equity Shares, pursuant to sub-division was increased from 9,005,750 equity shares of ₹10 each to 18,011,500 Equity Shares of ₹5 each. Further, the Board of Directors pursuant to a resolution dated December 18, 2021 and the shareholders pursuant to special resolution dated December 23, 2021 have approved the issuance of 4 bonus shares of face value ₹5 each for every one existing fully paid up equity share of face value ₹5 each and accordingly bonus shares were issued and allotted. The above sub-division and Bonus shares are retrospectively considered for the computation of weighted average number of equity shares outstanding during the period, in accordance with Ind AS 33.*
2. *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
3. *Return on Net Worth ratio: Profit/ (loss) for the period attributable to owners of the Company divided by Net worth as attributable to owners of the Company at the end of the period/year.*
4. *Net assets value per equity share (₹): Net worth as attributable to owners of the Company at the end of the year divided by weighted average number of equity shares outstanding during the year/period.*
5. *Operating EBITDA is calculated as the sum of (i) Profit before tax for the year, (ii) finance costs and (iii) depreciation and amortization expenses reduced by (i) other income. Operating EBITDA does not have a standardized meaning and is not recognized measures under Ind AS or IFRS.*
6. *Operating EBITDA Margin is calculated as Operating EBITDA divided by Revenue from Operations.*
7. *Net worth is derived as below:*

(₹ in million)

Particulars	As at and for the six month period ended September 30, 2021	As at and for the six month period ended September 30, 2020	As at March 31, 2021	As at March 31, 2020
Equity share capital	90.06	90.06	90.06	90.06
Retained earnings	7,013.08	4,875.58	5,885.99	4,192.24
Exchange difference of translation of foreign operations	17.51	19.50	10.27	(1.35)
Remeasurement gains / (losses) on Defined Benefits Plan	(8.95)	(8.53)	(8.24)	(9.63)
Lease contract write off	0.00	0.23	0.23	0.00
Restated net worth attributable to the owners (Total)	**7,111.70**	**4,976.84**	**5,978.31**	**4,271.31**

8. *Accounting and other ratios are based on or derived from the Restated Consolidated Financial Information.*

B. Set forth below are the details of accounting ratios required under the SEBI ICDR Regulations, calculated on the basis of the Restated Standalone Financial Information:

Particulars	**As at and for the six month period ended September 30, 2021**	**As at and for the six month period ended September 30, 2020**	**As at and for the Financial Year ended March 31, 2021**	**As at and for the Financial Year ended March 31, 2020**	**As at and for the Financial Year ended March 31, 2019**
Total equity (attributable to the owners) (in ₹ million)	90.06	90.06	90.06	90.06	90.06
Profit (loss) from the period from continuing operations (in ₹ million)	1,143.96	704.87	1,703.01	1,356.32	759.77
Weighted average no. of equity shares outstanding during the period/ year					
- For basic earnings per equity share	9,00,57,500	9,00,57,500	9,00,57,500	9,00,57,500	9,00,57,500
- For diluted earnings per equity share	9,00,57,500	9,00,57,500	9,00,57,500	9,00,57,500	9,00,57,500
Basic and diluted earnings per share (₹/ share)					
- Restated basic earnings per share (in ₹)	12.70*	7.83*	18.91	15.06	8.44
- Restated diluted earnings per share (in ₹)	12.70*	7.83*	18.91	15.06	8.44
Return on net worth	16.02%*	14.10%*	28.39%	31.58%	25.80%
Net asset value per equity share (basic) (in ₹)	79.30	55.52	66.61	47.68	32.70
Operating EBITDA (in ₹ million)	1,547.81	1,048.40	2,477.58	1,887.96	1,404.58
Operating EBITDA Margin	21.67%	21.17%	21.14%	18.88%	15.92%

**not annualized*

Notes:

The ratios have been computed as under:

1. *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
2. *Return on Net Worth ratio: Profit/ (loss) for the period attributable to owners of the Company divided by Net worth as attributable to owners of the Company at the end of the year.*
3. *Net assets value per equity share (₹): Net worth as attributable to owners of the Company at the end of the year divided by weighted average number of equity shares outstanding during the period/year.*
4. *Operating EBITDA is calculated as the sum of (i) Profit before tax for the year, (ii) finance costs and (iii) depreciation and amortization expenses reduced by (i) other income. Operating EBITDA does not have a standardized meaning and is not recognized measures under Ind AS or IFRS.*
5. *Operating EBITDA Margin is calculated as Operating EBITDA divided by Revenue from Operations.*
6. *Net worth is derived as below:*

(₹ in million)

Particulars	**As at and for the six month period ended September 30, 2021**	**As at and for the six month period ended September 30, 2020**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Equity share capital	90.06	90.06	90.06	90.06	90.06
Retained earnings	7,060.81	4,918.72	5,916.86	4,213.85	2,857.53
Remeasurement gains / (losses) on Defined Benefits Plan	-8.95	-8.53	-8.24	-9.63	-2.55
Restated net worth attributable to the owners (Total)	**7,141.93**	**5,000.24**	**5,998.68**	**4,294.28**	**2,945.03**

7. *Accounting and other ratios are based on or derived from the Restated Standalone Financial Information.*

RELATED PARTY TRANSACTIONS

For further details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Transactions' read with SEBI ICDR Regulations for the six month period ended September 30, 2021 and the financial years ended March 31, 2021, March 31, 2020, and March 31, 2019 as reported in the Restated Consolidated Financial Statements, see "*Restated Consolidated Financial Statements- Note 38: Related party disclosures*" beginning on page 345.

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

The following discussion of our financial condition and results of operations is based on, and should be read in conjunction with, our Restated Financial Information (including the schedules, notes and significant accounting policies thereto), included in the section titled "Restated Financial Information" beginning on page 224 of this Draft Red Herring Prospectus.

Our Restated Financial Information have been derived from our audited consolidated financial statements for the six-month periods ended September 30, 2021 and September 30, 2020, and for Fiscal 2021 and Fiscal 2020. The Company has two wholly-owned foreign subsidiaries, namely Hemani Australia PTY Limited (incorporated on June 24, 2019) and Hemani Korea Limited (incorporated on November 11, 2019). The Company acquired a majority interest in Hemani Crop Care Private Limited on January 24, 2022. Prior to the establishment of the foreign subsidiaries in Fiscal 2020, our Company did not own any subsidiaries. Accordingly, our Restated Financial Information for Fiscal 2019 were based on our audited standalone financial statements for such Fiscal and, thereafter, were based on our audited consolidated financial statements.

Our financial statements are prepared in accordance with Ind AS, notified under the Companies (Indian Accounting Standards) Rules, 2015, and read with Section 133 of the Companies Act, 2013 to the extent applicable. Ind AS differs in certain material respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which the financial statements prepared in accordance with Ind AS included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS accounting policies. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to IFRS or U.S. GAAP. Any reliance by persons not familiar with Ind AS accounting policies on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless otherwise indicated or the context requires otherwise, (i) the financial information for the six-month periods ended September 30, 2021 and September 30, 2020, and for Fiscal 2021 and Fiscal 2020 included herein have been derived from our Restated Consolidated Financial Information, and (ii) the financial information for Fiscal 2019 included herein has been derived from our Restated Standalone Financial Information.

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. All references to a year are to that Fiscal Year, unless otherwise noted. References to a six-month period or "Half Year" are to the six months ended September 30 of a particular fiscal year.

Some of the information contained in this section, including information with respect to our strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward-Looking Statements" beginning on page 17 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" and "Our Business" beginning on pages 27 and 163, respectively, of this Draft Red Herring Prospectus for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of the Company may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise stated, a reference to "the Company", or "our Company" is a reference to Hemani Industries Limited on a standalone basis, while any reference to "we", "us", "our" and the "Group" refers to Hemani Industries Limited and its Subsidiaries on a consolidated basis.

Overview

We are an Indian chemical company focused on the manufacturing and marketing of a range of agrochemicals and specialty chemicals. The end uses of our products include crop protection (insecticides, herbicides and fungicides), as well as products used for wood protection, veterinary, household and public health applications. We are highly backward integrated with most of our raw materials being produced in-house. (*Source: F&S Report*). In addition to manufacture and sale of our products (as Intermediates, Technicals and Formulations), we also engage in contract research and manufacturing services ("CRAMS") and contract manufacturing for multi-national and domestic companies in the agrochemical and specialty chemicals areas.

We have a presence across the entire value chain, Technicals, Formulations and Intermediates. According to Frost & Sullivan, we are a leading player in the Indian pyrethroid market in Fiscal 2021. (*Source: F&S Report*). In Intermediates, in CY 2020, we were the largest global producer by volume of Meta Phenoxy Benzaldehyde ("MPBD") and the second largest producer by volume of Cypermethrin Acid Chloride ("CMAC"). (*Source: F&S Report*). In Technicals, in CY 2020, we were the largest global producer by volume of Cypermethrin Technical, the second largest global producer by volume of Alpha Cypermethrin and the third largest global producer by volume of Permethrin Technical. (*Source: F&S Report*).

The table below sets forth information about each of our top five products by revenue including the product's industry application, the product launch year, the volume of the product produced in Fiscal 2021, the CAGR of our volumes of the product from Fiscal 2019 to Fiscal 2021 and the revenue from sales of the product in Fiscal 2021.

Product	Category	Industry Application	Launch Year	Volume Produced in Fiscal 2021 (MT)	Volume CAGR (Fiscal 2019 to Fiscal 2021)	Contribution to total revenue in Fiscal 2021 (₹ million)
Meta Phenoxy Benzaldehyde ("MPBD")	Intermediate	Crop Protection – Raw material use for production of Cypermethrin	1994	7,035.75	2.79%	2,201.98
Cypermethrin	Technical	Crop Protection - synthetic pyrethroid insecticide	2011	5,150.55	15.24%	2,465.50
Alpha Cypermethrin	Technical	Crop Protection-synthetic pyrethroid insecticide	2010	970.50	55.88%	1,206.86
Metamitron	Technical	Crop Protection - synthetic compound used as herbicide	2011	720.20	(3.85%)	822.09
Deltamethrin	Technical	Crop Protection - non-systemic synthetic pyrethroid insecticide	2018	133.87	75.43%	622.27

We are predominantly focused on exports. In Fiscal 2021, we exported our products to 60 countries covering major geographies in Asia, Europe, North America, South America and Australia. During the six-month period ended September 30, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our revenues from exports were ₹4,086.38 million, ₹7,140.82 million, ₹6,445.39 million and ₹6,137.07 million, respectively, and our revenues from exports as a percentage of revenues from operations were 58.18%, 61.68%, 65.62% and 70.74%, respectively. As of December 31, 2021, our largest export countries by value include China, the United Kingdom and the United States. We are a certified "Three Star Export House" as certified by the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India, and we have an international sales and marketing team that is dedicated to generating business orders and understanding the requirements of our customers.

Principal Factors Affecting our Results of Operations

Our financial performance and results of operations are influenced by a variety of factors, some of which are beyond our control, including without limitation, global and domestic competition, general economic conditions, changes in conditions in the end-user markets for our products, changes in costs of raw materials, COVID-19-related effects on global and domestic economic conditions, and evolving government regulations and policies. Some of the more important factors are discussed below, as well as in the section titled "*Risk Factors*" beginning on page 27 of this Draft Red Herring Prospectus.

Raw material price fluctuations and availability

Our Cost of Goods Sold, which is the aggregate of our costs of materials consumed, purchase of trading goods and changes in inventories of finished goods, work-in-progress and stock-in-trade, makes up a large portion of our operating expenses. In the six-month periods ended September 30, 2021 and September 30, 2020, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our Cost of Goods Sold amounted to ₹3,771.62 million, ₹2,496.27 million, ₹6,548.30 million, ₹5,600.65 million and ₹5,008.89 million, respectively, or 52.79%, 50.43%, 55.88%, 56.01% and 56.77% of our revenue from operations, respectively.

We primarily source the key raw materials used in manufacturing process from our own backward-integrated production of Technicals and from third-party suppliers in India and globally. Similarly, we manufacture our Formulations (which are sold under white labels and under our own brands) using our own manufactured Technicals made from our Intermediates. We believe that this backward integration greatly reduces our production costs for our Technicals and Formulations, enhances our security of raw material supply, ensures the consistency of quality and reduces our dependence on sourcing raw materials from China and other countries.

We usually do not enter into long-term supply contracts with our raw material suppliers, and typically source raw materials on a quarterly or monthly purchase orders basis. The absence of long-term supply contracts at fixed prices exposes us to volatility in the prices of raw materials that we require. We typically purchase raw materials based on the projected levels of sales, actual sales orders on hand, and the anticipated production requirements, taking into consideration any expected fluctuation in raw material prices and lead time.

The supply and pricing of our raw materials can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation, competition, import duties and tariffs. For instance, the COVID-19 pandemic created some logistics challenges, which continue to exist to some extent. We try to minimize the impact of potential volatility through better planning and coordination.

We face the risk that suppliers may be unable to provide raw materials in the quantities we ordered or at all or that the market price of raw materials may increase without warning. Where certain raw materials may not be available at all or at commercially acceptable prices, we may be unable to manufacture the products in which such raw materials are components at all until such raw materials become available again. While we endeavor to pass on all raw material price increases to our customers, we may not be able to compensate for or pass on our increased costs to end-consumers in all cases. Increases in prices of raw materials, or the unavailability thereof, could have a material adverse effect on our business, financial condition and results of operations.

Capital expenditure

In the six-month periods ended September 30, 2021 and September 30, 2020, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, we incurred capital expenditure of ₹634.00 million, ₹417.85 million, ₹1,279.50 million, ₹896.87 million and ₹546.46 million, respectively. We require substantial capital to maintain, expand and upgrade our existing facilities and for our business operations generally. A significant amount of our capital expenditure was aimed at constructing manufacturing and other facilities, strengthening our research and development capabilities, increasing our manufacturing capacities and diversifying/expanding our product base. We rely primarily on internal cash generated from our operations and third-party debt to fund our working capital and capital expenditure requirements. In the six-month period ended September 30, 2021 and September 30, 2020, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our financial costs represented 0.95%, 0.83%, 0.62%, 1.24% and 0.68%, respectively, of our revenue from operations.

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in expanding manufacturing capacity, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company and could adversely impact our Equity Share price.

COVID-19

The outbreak of COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020, and as of the date of this Draft Red Herring Prospectus, it is still ongoing and rapidly evolving. The GoI initiated a nation-wide lockdown from March 24, 2020, that lasted until May 31, 2020 and has been extended periodically by varying degrees by state governments and local administrations. We were required to shut down our manufacturing operations during the nationwide lockdown. Due to the national lockdown, our Ankelshwar Facility and Dahej Facility were shut down on March 26, 2020 and March 25, 2020, respectively, but both reopened on April 1, 2020 after being deemed engaged in essential services. Since reopening, our manufacturing facilities have been operating at normal capacity while we continue to comply with all government and health agency recommendations and requirements, as well as protecting the safety of our employees and communities. We believe we have sufficient inventory to continue to produce at current levels, however, any government mandated shutdowns could impact our ability to acquire additional raw materials and disrupt our customers' purchases.

Although the nationwide lockdown was lifted on June 1, 2020, restrictions on non-essential activities and travel were imposed until August 31, 2020, in multiple states across specific districts that were witnessing increases in COVID-19 cases. The second wave of COVID-19 infections impacted India in April, May and June 2021 and resulted in a significant strain on the health infrastructure in the country resulting in several states announcing lockdown measures. The second wave also resulted in a large part of the population working from home and implementing social distancing measures. In June 2021, the reported cases of COVID-19 from the second wave declined and the GoI and state governments started gradually easing some of the strict precautionary measures.

The COVID-19 pandemic has also resulted in economic challenges driven by labour shortages, logistics disruptions and reduced demand. As a result, many industries have been exposed to disruptions in carrying out business operations, resulting in loss of business and reduction in cash flows, which has created stress in different sectors of the economy.

In terms of our business, our operations were not materially affected due to the COVID-19 pandemic. We were affected to a moderate extent by the worldwide logistics issues during the COVID-19 pandemic, as we export a significant amount of our products outside of India. We also rely on many suppliers and contractors. As a result, we experienced increased costs for and/or delays in transporting our finished products to customers, as well as for deliveries of raw materials from suppliers. We have faced several challenges and continue to face challenges to obtain materials from our suppliers and materials we do obtain often are at higher prices than in the past. We believe we were able to mitigate some of the impact of such logistics issues on our operations through planning and execution. However, there is no assurance that logistics issues will not further worsen as the pandemic continues or that the prices for our supplies will not increase further.

The scope and nature of the impacts from COVID-19, most of which are beyond our control, continue to evolve, and the outcome is uncertain. While our results of operations for Fiscal 2020, Fiscal 2021 and the six months ended September 30, 2021 were not significantly impacted by the pandemic, we cannot assure you that the pandemic will not impose any adverse impact on our business operations or financial condition in the future. The ultimate extent of the effects of the COVID-19 pandemic on us, and the end markets we serve, is highly uncertain and will depend on future developments and such effects could exist for an extended period even after the pandemic ends. To the extent the COVID-19 pandemic does adversely affect our business, financial condition or results of operations, it may also have the effect of heightening many of the factors listed in the section "*Risk Factors*" beginning on page 27.

Operating costs and efficiencies

Given the nature of our business, operating costs and efficiencies are critical to maintaining our competitiveness and profitability. We operate three modern manufacturing facilities in Gujarat, our Dahej Facility, Ankleshwar Facility and Saykha Facility. We also have a pilot plant, including four reactors (two of 100L capacity and two of 250L capacity) and downstream equipment across a range of scale-up volumes and process parameters. As a result, certain expenses for operating such facilities represent a large portion of our operating expenses. In the six-month periods ended September 30, 2021 and September 30, 2020, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, (i) consumption of stores & spares & packing charges amounted to ₹400.05 million, ₹355.41 million, ₹158.72 million, ₹472.18 million and ₹611.85 million, respectively, which represented 5.60%, 7.18%, 1.35%, 4.72% and 6.93%, respectively, of our revenue from operations for the respective periods, (ii) our power and fuel costs (comprised of electricity expenses, steam charges and coal and gas expenses) amounted to ₹269.60 million, ₹208.41 million, ₹446.25 million, ₹381.91 million and ₹337.15 million, respectively, which represented 3.77%, 4.21%, 3.81%, 3.82% and 3.82% of our total revenue from operations for the respective periods, and (iii) our freight & forwarding charges amounted to ₹260.07 million, ₹107.18 million, ₹364.38 million, ₹256.29 million and ₹208.74 million, respectively, which represented 3.64%, 1.83%, 3.11%, 2.56% and 2.37% of our total revenue from operations for the respective periods. Accordingly, our profitability is partially dependent on our ability to spread fixed production costs over higher production volumes.

We continually undertake efforts to reduce our environmental footprint from electricity and coal usage, and optimize our freight & forwarding costs. Our consumption of stores & spares & packing charges, as a percentage of revenue from operations, decreased from 6.93% in Fiscal 2019 to 1.35% in Fiscal 2021, which was primarily due to a reduction in prices coupled with increases in closing stock. During the six months ended September 30, 2021, our consumption of stores & spares & packing charges, as a percentage of revenue from operations, increased to 5.60% due to increases in prices and a decrease in closing stock. Despite the volatility in global coal and electricity prices, our power and fuel costs, as a percentage of revenue from operations, remained stable in the six months ended September 30, 2021, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, which was primarily due to our efforts to reduce our carbon footprint and use of alternative energy sources, such as our windmill. We consume a substantial amount of fuel and power for our operations at our manufacturing facilities. In the event that coal, electricity and/or crude oil prices further increase, our power and fuel costs would increase, which could have an adverse effect our financial condition and results of operations. Our freight & forwarding charges, as a percentage of revenue from operations, were higher in the six months ended September 30, 2021 and in Fiscal 2021, as compared to Fiscal 2020 and Fiscal 2019, which was primarily due to logistics challenges caused by the COVID-19 pandemic. Our ability to reduce our operating costs in line with customer demand is subject to risks and uncertainties, as our costs depend, in large part, on external factors beyond our control.

Customer concentration

Our product portfolio was sold to over 1,700 customers over the last ten years, which consist of multinational, regional and local companies. However, our top five, ten and 20 customers represent a significant portion of our revenue. Our ability to manage and sustain customer relationships is critical to our business. Select examples of our major customers include Alchemie Overseas Ltd., Arysta LifeScience Benelux SRPL, Bayer Vapi Private Limited, Dhanuka Agritech Limited, Jiangsu Yangnong Chemical Co., Ltd., Shandong Rainbow Agrosciences Co., Ltd, Sharda Cropchem Limited, Tagros Chemicals India Pvt. Ltd. and UPL Limited. In the six-month periods ended September 30, 2021 and September 30, 2020, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our top five customers contributed 30.38%, 21.18%, 24.02%, 31.37% and 30.56%, respectively; our top ten customers contributed 39.22%, 30.34%, 32.77%, 42.21% and 41.89%, respectively; and our top 20 customers contributed 49.81%, 41.37%, 42.74%, 53.49% and 53.68%, respectively, of our revenue from operations.

We regularly add new customers; we added 109, 207, 207 and 347 new customers in the six months ended September 30, 2021, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively. We have long-term relationships and ongoing active engagements with many of our customers. Nevertheless, we expect that our major customers will continue to contribute a significant portion of our revenue from operations for the foreseeable future.

We do not have firm commitment supply agreements and instead rely on quarterly and monthly purchase orders to govern the volume and other terms of sales of products (outside of our contract manufacturing business). Accordingly, any decrease in orders from our major customers and/or failure to retain such customers on terms that are commercially viable could adversely affect our business, financial condition and results of operations. In addition, any defaults or delays in payments by a major customer or a significant portion of our major customers may have an adverse effect on business, financial condition and results of operations.

Foreign exchange rate risk

Our financial statements are prepared in Indian Rupees. However, as an export-oriented business, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies, mostly the U.S. Dollar. Accordingly, we have currency exposures relating to buying, selling and financing in currencies other than in Indian Rupees, particularly the U.S. Dollar. For the six-month periods ended September 30, 2021 and September 30, 2020, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, 58.89%, 63.57%, 62.14%, 66.22% and 71.23%, respectively, of our revenue from operations were attributed to export sales. In the six-month periods ended September 30, 2021 and September 30, 2020, and in Fiscal 2021, Fiscal 2020 and

Fiscal 2019, our net foreign currency denominated sales (sales in foreign currency less expenses related to sales in foreign currency) amounted to ₹2,552.61 million, ₹2,501.64 million, ₹5,181.80 million, ₹5,481.79 million and ₹5,501.66 million, respectively. Imports of our raw materials accounted for 33.00%, 24.51%, 28.20%, 14.56% and 10.87% of our total raw materials purchases in the six months ended September 30, 2021, and in Fiscals 2021, 2020 and 2019, respectively. We do not enter into any hedging activities for our foreign currency positions. Accordingly, we are affected by fluctuations in exchange rates among the U.S. Dollar, Indian Rupee and other currencies. In the six-month periods ended September 30, 2021 and September 30, 2020, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, we recorded net gains on foreign currency translation & transaction of ₹75.67 million, ₹(6.15) million, ₹99.58 million, ₹252.90 million and ₹96.04 million, respectively, due to these fluctuations in foreign currency. There can be no assurance that we will continue to record gains from foreign currency fluctuations or any hedging measures we take will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies.

Competition

Our products are used in end-user industries, such as crop protection, wood protection, veterinary, household and public health applications. The broad-spectrum application of our products in the agrochemical and specialty chemicals industry and our leadership position in our key products offers us advantages, such as cost efficiency due to economies of scale, competitive product pricing, ability to scale our business, ensure customer loyalty and expand our product pipeline into new end-uses. Despite such advantages and the significant entry barriers to the specialty chemicals industry, it is inevitable that we face competition for different products that we manufacture primarily from international manufacturers, especially generic producers in China and India, on the basis of price, product quality, delivery and credit terms. Some of our competitors may be able to produce specialty chemicals at competitive costs and, consequently, supply their products at cheaper prices. Such competitors may also have greater financial and technological resources and may also have larger sales and marketing teams. They might be in a better position to identify market trends, adapt to changes in industry, innovate new products, offer competitive prices due to economies of scale and ensure product quality and compliance. We are unable to assure you that we will be able to continue to charge pricing at commercially acceptable levels. Any inability to do so will adversely affect our financial condition and results of operation. Some of our competitors may also have greater financial and technological resources and may also have larger sales and marketing teams. Any inability on our part to remain competitive in our markets will adversely affect our financial condition and results of operation.

Government Regulations and Policies

We are subject to national, regional and state laws and government regulations in India, including regulations related to safety, health, labour, environmental protection and hazardous waste management. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. We incur significant costs to comply with all such laws and regulations. Further, environmental requirements imposed by the Government of India and state governments will continue to have an effect on our operations, including environmental clearance approvals required from the Central Government and factory-related pollution control and approval from the Gujarat Pollution Control Board. We are unable to assure you that such laws or regulations will not change in the future or that new compliance requirements will be imposed on our operations. Any such changes could increase our operational costs, which could have a material and adverse effect on our financial condition and results of operations.

We import a portion of our raw materials for our manufacturing operations, and we export our products to more than 60 countries globally. Therefore, government regulations and policies, of India and of the countries from which we import supplies or to which we export our products, can affect the price and availability of our raw materials, as well as the demand for our products. These regulations and policies are extensive and cover a broad range of industries to which we cater, some of which are politically sensitive. These regulations and policies and the tax regimes to which we are subject could change at any time, with little or no warning or time for us to prepare. For further details, see "*Risk Factors- Our operations are subject to environmental, safety, health and labour laws and other applicable regulations. We have received notices from regulatory authorities in the past; and in particular from the environmental authorities, which may result in litigation, penalties, fines or cancellation or suspension of our operating licenses. We may incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incident of non-compliance of environmental and other similar laws and regulations which may adversely affect our business, results of operations and financial condition.*" on page 28, "*Risk Factors –Any adverse changes in regulations governing our business, products and the products of our customers, may adversely impact our business, prospects and results of operations*." on page 31, "*Risk Factors- We require certain approvals and licenses in the ordinary course of business, including certain registrations from the Central Insecticides Board and Registration Committee ("CIBRC") for our products manufactured and sold in India as well as for exports to other jurisdictions. Any failure to successfully obtain such registrations or renew or maintain our statutory and regulatory permits and approvals required to operate our business and manufacturing facilities would adversely affect our operations, results of operations and financial condition*." on page 33, "*Risk Factors –We are required to comply with the applicable regulations of the international markets where we export our products as well as obtain registrations from international agencies through our customers to enable exports of our products to other jurisdictions. Further, our international operations are subject to regulatory risks that could adversely affect our business and results of operations*." on page 37, and "*Key Regulations and Policies*" on page 190.

Significant Accounting Policies

The preparation of the Restated Consolidated Financial Information requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Restated Consolidated Financial Information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1. Taxes:

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined benefit plans (gratuity benefits):

A liability in respect of defined benefit plans is recognized in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 34 for details of the key assumptions used in determining the accounting for these plans.

Useful economic lives of Property, plant and equipment:

Property, plant and equipment as disclosed in note 3 are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values.

Intangible assets:

Intangible development costs are capitalized as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable. The costs which can be capitalized include laboratory testing expenses that are directly attributable to development of the asset. Research costs are expensed as incurred. Intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Impairment of non-financial assets:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset.

In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

In view of the nationwide lockdown announced by the Government of India to control the spread of COVID19, the Company's business operations were temporarily disrupted from March 24, 2020. The Company has resumed operations in a phased manner as per government directives. Based on the immediate assessment of impact of COVID-19 on the operations of the Company and ongoing discussions with the Customers, vendors and service providers, the Company is positive of serving customer orders and obtaining regular supply of raw materials and logistics services. The Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of its current and non-current assets, after considering internal and external sources of information as at the date of approval of these financial statements. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Trade Receivables and Inventories. In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available up to the date of issuance of these financial statements. In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that carrying amounts of trade receivables and inventories are expected to be realisable. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements, and the Company will continue to closely monitor the developments.

Current Vs. Non-Current Classification:

The Group presents assets and liabilities in the 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 at least twelve months after the reporting period.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- 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 months after the reporting period.
- All other assets and liabilities are classified as non-current assets and liabilities.
- 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.

Trade receivables

A receivable represents the Group'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). Refer to accounting policies of financial assets in (Financial instruments – initial recognition and subsequent measurement.)

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 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.

Revenue Recognition

Revenue from contract with customer is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

- **Sale of Goods**

  Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods or terms as agreed with the customer. The normal credit term is 180 to 365 days from the date of dispatch. As a consequence, it does not adjust any of the transaction price for the time value of money. The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

- **Variable consideration**

  If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at the time of completion of performance obligation and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with cash discount in accordance with the company policy. The cash discount component gives rise to variable consideration.

- **Volume rebates**

  The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract.

- **Contract assets**

  A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs its obligation by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

- **Interest Income**

  For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

- **Export Incentives**

  An export incentive received under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and is included in revenue in the statement of profit and loss due to its operating nature.

- **Dividend**

  Dividend income is recognized when the right to receive the same is established, which is generally when shareholders approve the dividend.

- **Insurance Claims**

  Claims receivable on account of insurance are accounted for to the extent the Company is virtually certain of their ultimate collection.

LEASES

As per Ind AS 116, the standard sets out the principles for the recognition, measurement, presentation and disclosure of lessee and the lessor. Ind AS 116 introduces single lessee accounting model and requires lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Operating lease expenses are charged to the statement of Profit & Loss. The standard also contains enhanced disclosure requirements for lessees.

Under Ind AS 116, the lease liability is remeasured upon the occurrence of certain events, such as a change in lease term or a change in future lease payments resulting from a change in an index or rate (for example, inflation-linked payments or market rate rent reviews). A corresponding adjustment is made to the right of use asset.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Lease payments associated with following leases are recognized as expense on straight-line basis:

(i) Low value leases; and

(ii) Leases which are short-term.

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognized in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognized over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease. A lease which is not classified as a finance lease is an operating lease.

The Company recognizes lease payments in case of assets given on operating leases as income on a straight-line basis. The Company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

FOREIGN CURRENCIES

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss. On-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or statement of profit or loss are also recognized in OCI or profit or loss, respectively).

FAIR VALUE MEASUREMENT

The Group measures certain financial instruments at fair value at each balance sheet date.

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 Group 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 financial statements are categorized within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements 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.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Board of Directors.

External values are involved for valuation of significant assets. Involvement of external values is decided upon annually by the board of directors after discussion with and approval by the Management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Values are normally rotated every three years. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each financial asset and financial liability with relevant external sources to determine whether the change is reasonable.

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.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions.

- Quantitative disclosures of fair value measurement hierarchy.

- Investment in equity shares.

- Financial instruments (including those carried at amortized cost).

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (PPE) and capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Items of stores and spares that meet the definition of Property, Plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 income statement when the asset is derecognized. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 Depreciation is not provided on freehold land. Leasehold land is amortized over the lease period on a straight line basis. 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.

The residual values are not more than 5% of the original cost of the item of Property, Plant and Equipment. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Asset	Estimated Useful life
Right to use – Leasehold Land	As per Terms of Lease
Building	30 Years
Plant & Machinery	20 Years
Other Plant & Machinery	8 years
Electrical Installation	10 Years
Furniture and Fixtures	10 Years
Vehicles	10 Years
Computers	3 Years
Other equipment's	5 Years

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Cost includes acquisition and other incidental cost related to acquiring the intangible asset. Research costs are expensed as incurred. Intangible development costs are capitalized as and when technical and commercial feasibility of the asset is demonstrated and approved by authorities, future economic benefits are probable. The costs which can be capitalized include laboratory testing expenses that are directly attributable to development of the asset for its intended use. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU (cash-generating unit's) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

FINANCIAL INSTRUMENT

Financial assets and/or financial liabilities are recognized when the company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from, as the case may be, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial Asset

Initial Recognition and Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Debt instruments at amortized cost

A 'debt instrument' is measured at its amortized cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and lessor costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss.

Debt instrument at Fair Value Through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI (solely payments of principal and interest).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at Fair Value Through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTOCI. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investments in Subsidiary

Investment in equity shares in Subsidiary carried at amortised cost.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognizes an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables; and
- Other receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs(Expected Credit loss) 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. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write- off criteria, the company does not reduce impairment allowance from the gross carrying amount.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company’s financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities

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.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Loan and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized 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.

Amortized 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.

Trade and other payables

These amounts represent liability for good and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 12 Month of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Derivatives and hedging activities

The derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

De-recognition

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.

OFF-SETTING FINANCIAL INSTRUMENT

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

INVENTORIES

Stores and spares, packing materials and raw materials are valued at lower of cost or net realizable value and for this purpose, cost is determined on FIFO basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Semi-finished products, finished products and by-products are valued at lower of cost or net realizable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Retirement and other employee benefits

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss in the year when employee rendered related services.

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year.

Re-measurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ACCOUNTING FOR TAXES ON INCOME

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation 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 provisions where appropriate.

Deferred taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss 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.

PROVISIONS

Provisions are recognized 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, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. 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 recognized as a finance cost.

CONTINGENT LIABILITIES

Provisions are not recognized for future operating losses. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non—occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

LEASES

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

Where the Company is the lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re- measurements of the lease liability. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is re- measured 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 Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured 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.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Company has elected not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognizes the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Lease under Ind AS 116:

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

EARNING PER SHARE

- **Basic earnings per share**

  Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period, which includes the impact on account of sub-division and issue of bonus equity shares subsequent to balance sheet data but prior to adoption of financial statements.

- **Diluted earnings per share**

  For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The weighted average number of shares outstanding during the period includes the impact on sub-division and issue of bonus equity shares subsequent to balance sheet data but prior to adoption of financial statements.

CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and Short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

DIVIDEND

The Company recognizes a liability for dividends to equity holders of the Company when the dividend is authorized and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

OPERATING SEGMENTS

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation.

Considering the nature and scope of business of the Group, the Chief Operating Decision Maker could not identify any operating Segment.

Key Performance Indicators and Non-GAAP Financial Measures

In addition to our results determined in accordance with Ind AS, we believe the following non-GAAP measures are useful to our Company and our investors as a means of assessing and evaluating our operating performance in comparison to prior periods: EBITDA, EBITDA Margin, Operating EBITDA, Operating EBITDA Margin, Fixed Asset Turnover Ratio, Free Cash Flow, Debt-Equity Ratio, Return on Equity, PAT Margin, Return on Capital Employed and Net Debt / EBITDA Ratio. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information are not recognized under Ind AS and do not have standardized meanings prescribed by IND AS. In addition, non-GAAP financial measures used by us may differ from similarly titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

(₹ in millions, except for ratios and percentages)

Particulars	As at, or for the six months ended, September 30,		As at, or for the fiscal year ended, March 31,		
	2021	2020	2021	2020	2019
EBITDA(1)	1,708.29	1,065.38	2,594.43	2,147.75	1,531.33
EBITDA Margin(2)	23.39%	21.45%	21.92%	20.93%	17.11%
Operating EBITDA(3)	1,547.81	1,048.40	2,477.58	1,887.96	1,404.58
Operating EBITDA Margin(4)	21.67%	21.17%	21.14%	18.88%	15.92%
Fixed Asset Turnover Ratio(5)	1.92*	1.63*	3.21	3.76	4.22
Free Cash Flow(6)	(251.55)	917.33	171.13	18.78	(397.26)
Debt-Equity Ratio(7)	0.37	0.19	0.33	0.36	0.42
Return on Equity(8)	17.23%*	14.78%*	33.06%	36.99%	28.79%
PAT Margin(9)	15.44%	13.76%	14.31%	13.01%	8.49%
Return on Capital Employed(10)	18.19%*	16.38%*	33.14%	40.86%	43.80%
Net Debt / EBITDA Ratio(11)	1.28*	0.53*	0.55	0.66	0.79

Notes:

* *not annualized*

(1) *EBITDA is calculated as the sum of (i) profit for the period/year from continuing operations, (ii) total tax expenses, (iii) depreciation and amortization expense, and (iv) financial costs.*
(2) *EBITDA Margin is calculated as EBITDA divided by total revenue.*
(3) *Operating EBITDA is calculated as the sum of (i) profit before tax, (ii) financial costs and (iii) depreciation and amortization expense, reduced by other income.*
(4) *Operating EBITDA Margin is calculated as divided by revenue from operations.*
(5) *Fixed Asset Turnover Ratio is calculated as the sum of net block of fixed assets and right of use assets, divided by revenue from operations.*
(6) *Free Cash Flow is calculated as net cash flow from operating activities plus interest expenses less tax shield on interest expenses less capital expenditure.*
(7) *Debt-Equity Ratio is calculated as Total Debt divided by Total Equity.*
(8) *Return on Equity is calculated as profit for the period/year available for equity shareholders divided by average shareholders' equity.*
(9) *PAT Margin is calculated as profit for the period/year from continuing operations divided by total revenue.*
(10) *Return on Capital Employed is calculated as profit before tax and financial costs from continuing operations divided by Capital Employed, i.e., total assets less current liabilities.*
(11) *Net Debt / EBITDA Ratio is calculated as Total Debt less cash and cash equivalents and bank balances divided by EBITDA.*

EBITDA, EBITDA Margin and PAT Margin

The following table sets forth our EBITDA, EBITDA Margin and PAT Margin, including a reconciliation of each such financial measure to our restated profits/(losses), for the six-month periods ended September 30, 2021 and September 30, 2020, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019.

(₹ in millions, except for percentages)

Particulars	As at, or for the six months ended, September 30,		As at, or for the fiscal year ended, March 31,		
	2021	2020	2021	2020	2019
Total Revenue(A)	**7,304.47**	**4,967.34**	**11,836.09**	**10,259.97**	**8,949.78**
Profit for the period/year from continuing operations (B)	**1,127.64**	**683.44**	**1,694.14**	**1,334.69**	**759.77**
Add: Tax expense (C)	386.38	240.37	630.20	501.69	550.14
Add: Financial costs (D)	68.11	41.21	72.67	123.86	89.23
Add: Depreciation and amortization expense (E)	126.16	100.35	197.43	187.50	132.19
EBITDA (F=B+C+D+E)	**1,708.29**	**1,065.38**	**2,594.43**	**2,147.75**	**1,531.33**
EBITDA Margin (G=F/A)	**23.39%**	**21.45%**	**21.92%**	**20.93%**	**17.11%**
PAT Margin (H=B/A)	**15.44%**	**13.76%**	**14.31%**	**13.01%**	**8.49%**

Operating EBITDA and Operating EBITDA Margin

The following table sets forth our Operating EBITDA and Operating EBITDA Margin, including a reconciliation of each such financial measure to our restated profits/(losses), for the six-month periods ended September 30, 2021 and September 30, 2020, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019.

(₹ in millions, except for percentages)

Particulars	As at, or for the six months ended, September 30,		As at, or for the fiscal year ended, March 31,		
	2021	2020	2021	2020	2019
Total Revenue(A)	**7,304.47**	**4,967.34**	**11,836.09**	**10,259.97**	**8,949.78**
Profit before tax (B)	**1,514.02**	**923.81**	**2,324.33**	**1,836.39**	**1,309.91**
Add: Financial costs (C)	68.11	41.21	72.67	123.86	89.23
Add: Depreciation and amortization expense (D)	126.16	100.35	197.43	187.50	132.19
Less: Other income (E)	160.48	16.98	116.86	259.78	126.75
Operating EBITDA (F=B+C+D+E)	**1,547.81**	**1,048.40**	**2,477.58**	**1,887.96**	**1,404.58**
Operating EBITDA Margin (G=F/A)	**21.67%**	**21.17%**	**21.14%**	**18.88%**	**15.92%**

Debt-Equity Ratio, Return on Capital Employed and Net Debt/EBITDA Ratio

The following table sets forth our Debt-Equity Ratio, Return on Capital Employed and Net Debt/EBITDA Ratio for the six-month periods ended September 30, 2021 and September 30, 2020, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019.

(in ₹ millions, except ratios)

Particulars	As at, or for the six months ended, September 30,		As at, or for the fiscal year ended, March 31,		
	2021	2020	2021	2020	2019
Non-current borrowings (1)	1,279.45	792.47	1,118.13	412.72	163.78
Current borrowings (2)	835.00	103.68	722.35	1,036.72	1,060.96
Current maturities of non-current borrowings (3)	515.08	81.38	132.00	81.38	15.00
Total Debt (A=(1)+(2)+(3)+(4))	**2,629.53**	**977.53**	**1,972.48**	**1,530.81**	**1,239.74**
Equity share capital (i)	90.06	90.06	90.06	90.06	90.06
Other equity (ii)	7,021.64	4,886.78	5,888.25	4,181.25	2,854.97
Total Equity (B=(i+ii))	**7,111.70**	**4,976.84**	**5,978.31**	**4,271.31**	**2,945.03**
Debt-Equity Ratio (C=A/B)	**0.37**	**0.20**	**0.33**	**0.36**	**0.42**
Total assets (5)	14,236.28	8,801.26	11,468.67	8,719.13	6,584.68
Current liabilities (6)	5,539.54	2,911.36	4,234.80	3,921.88	3,390.58
Capital Employed (D=(5-6))	**8,696.74**	**5,889.90**	**7,233.87**	**4,797.25**	**3,194.10**
Profit before tax (E)	**1,514.02**	**923.81**	**2,324.33**	**1,836.39**	**1,309.91**
Add: Financial costs (7)	68.11	41.21	72.67	123.86	89.23
Profit before tax and financial costs for the period/year from continuing operations (F=E+7)	**1,582.13**	**965.03**	**2,397.00**	**1,960.25**	**1,399.14**
Return on Capital Employed (G=(F/D)	**18.19%***	**16.38%***	**33.14%**	**40.86%**	**43.80%**
Total Debt (H)	2,629.53	977.53	1,972.48	1,530.81	1,239.74
Less: cash and cash equivalents and bank balances (I)	442.41	413.41	548.81	108.04	23.85

Particulars	As at, or for the six months ended, September 30,		As at, or for the fiscal year ended, March 31,		
	2021	2020	2021	2020	2019
Net Debt (J=H-I)	**2,187.12**	**564.12**	**1,423.67**	**1,422.77**	**1,215.89**
EBITDA (K)	**1,708.29**	**1,065.38**	**2,594.43**	**2,147.75**	**1,531.33**
Net Debt / EBITDA Ratio (L=J/K)	**1.28***	**0.53***	**0.55**	**0.66**	**0.79**

* *not annualized*

Return on Equity

The following table sets forth our Return on Equity for the six-month periods ended September 30, 2021 and September 30, 2020, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019.

(in ₹ millions, except ratios)

Particulars	As at, or for the six months ended, September 30,		As at, or for the fiscal year ended, March 31,		
	2021	2020	2021	2020	2019
Profit for the period/year available for equity shareholders (A)	1,127.64	683.44	1,694.14	1,334.69	759.77
Average shareholders' equity (B)	6,545.84	4,624.23	5,124.81	3,608.17	2,574.49
Return on Equity (C=A/B)	**17.23%***	**14.78%***	**33.06%**	**36.99%**	**28.79%**

* *not annualized*

Fixed Asset Turnover Ratio

The following table sets forth our Fixed Asset Turnover Ratio for the six-month periods ended September 30, 2021 and September 30, 2020, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019.

(in ₹ millions, except ratios)

Particulars	As at, or for the six months ended, September 30,		As at, or for the fiscal year ended, March 31,		
	2021	2020	2021	2020	2019
Revenue from operations (A)	7,143.99	4,950.36	11,719.23	10,000.02	8,823.03
Property, plant & equipment and Right of Use to Assets (B)	3,728.28	3,040.69	3,656.15	2,657.78	2,089.64
Fixed Asset Turnover Ratio (C=A/B)	**1.92***	**1.63***	**3.21**	**3.76**	**4.22**

* *not annualized*

Overview of Revenue and Expenditure

The following descriptions set forth information with respect to key components of our income statement.

Revenue

Revenue from operations

Revenue from operations comprises (i) revenue from sales of products manufactured by us; and (ii) other operating revenues. Such sales of products can be divided into (i) domestic sales and (ii) export sales. Other operating revenues comprises (i) Vatav Kasar, (ii) export incentives (including export incentives provided by the government on export of goods), and (iii) job work income.

Set forth below is a breakdown of our revenue from operations for the six-month periods indicated.

	Six months ended September 30, 2021		Six months ended September 30, 2020	
	Amount	Percentage of total	Amount	Percentage of total
	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*
Revenue from sales of products				
Sales of products				
Domestic sales	2,937.03	41.11	1,803.56	36.43
Export sales	4,086.38	57.20	3,089.74	62.41
Revenue from sales of products	**7,023.41**	**98.31**	**4,893.30**	**98.85**
Other operating revenues				
Vatav Kasar	0.11	0.00	-	0.00
Export incentives	120.47	1.69	57.06	1.15
Job work income	-	-	-	-

	Six months ended September 30, 2021		Six months ended September 30, 2020	
	Amount	Percentage of total	Amount	Percentage of total
	(₹ *million*)	*(%)*	(₹ *million*)	*(%)*
Other operating revenues	**120.58**	**1.69**	**57.06**	**1.15**
Total revenue from operations	**7,143.99**	**100.00**	**4,950.36**	**100.00**

Set forth below is a breakdown of our revenue from operations for the fiscal years indicated.

Particulars	Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
	(₹ *million*)	*(%)*	(₹ *million*)	*(%)*	(₹ *million*)	*(%)*
Revenue from sales of products						
Sales of products						
Domestic sales	4,436.16	37.85	3,377.64	33.78	2,538.60	28.77
Export sales	7,140.82	60.93	6,445.39	64.45	6,137.07	69.56
Revenue from sales of products	**11,576.97**	**96.79**	**9,823.03**	**98.23**	**8,675.68**	**98.33**
Other operating revenues						
Vatav Kasar	-	-	0.04	0.00	(0.04)	(0.00)
Export incentives	142.02	1.21	176.63	0.00	147.39	1.67
Job work income	0.24	0.00	0.49	1.77	-	-
Other operating revenues	**142.26**	**1.21**	**177.16**	**1.77**	**147.35**	**1.67**
Total revenue from operations	**11,719.23**	**100.00**	**10,000.19**	**100.00**	**8,823.03**	**100.00**

Set forth below is a breakdown of our revenue from operations for the six-month periods indicated, broken down by manufactured and traded goods.

	Six months ended September 30, 2021		Six months ended September 30, 2020	
	Amount	Percentage of total	Amount	Percentage of total
	(₹ *million*)	*(%)*	(₹ *million*)	*(%)*
Revenue by offerings				
Manufactured goods				
Chemicals	6,580.83	93.70	4,548.23	92.95
Traded goods				
Chemicals	442.58	6.30	345.06	7.05
Revenue from sales of products	**7,023.41**	**100.00**	**4,893.30**	**100.00**

Set forth below is a breakdown of our revenue from operations for the fiscal years indicated, broken down by manufactured and traded goods.

Particulars	Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
	(₹ *million*)	*(%)*	(₹ *million*)	*(%)*	(₹ *million*)	*(%)*
Revenue by offerings						
Manufactured goods						
Chemicals	11,110.87	95.97	9,716.29	98.91	8,546.03	98.51
Traded goods						
Chemicals	466.10	4.03	106.74	1.09	129.65	1.49
Revenue from sales of products	**11,576.97**	**100.00**	**9,823.03**	**100.00**	**8,675.68**	**100.00**

Set forth below is a breakdown of our revenue from operations for the six-month periods indicated, broken down by product category.

	Six months ended September 30, 2021		Six months ended September 30, 2020	
	Amount	Percentage of total	Amount	Percentage of total
	(₹ *million*)	*(%)*	(₹ *million*)	*(%)*
Revenue from operations by product category				
Technicals	3,958.84	55.42	3,215.80	64.96

	Six months ended September 30, 2021		Six months ended September 30, 2020	
	Amount	**Percentage of total**	**Amount**	**Percentage of total**
	(₹ million)	***(%)***	***(₹ million)***	***(%)***
Formulations	973.01	13.62	625.80	12.64
Intermediates	1,361.11	19.05	706.51	14.27
Contract Manufacturing	590.84	8.27	288.13	5.82
Others	260.19	3.64	114.12	2.31
Revenue from sales of products	**7,143.99**	**100.00**	**4,930.36**	**100.00**

Set forth below is a breakdown of our revenue from operations for the fiscal years indicated, broken down by product category.

Particulars	**Fiscal 2021**		**Fiscal 2020**		**Fiscal 2019**	
	Amount	**Percentage of total**	**Amount**	**Percentage of total**	**Amount**	**Percentage of total**
	(₹ million)	***(%)***	***(₹ million)***	***(%)***	***(₹ million)***	***(%)***
Revenue from operations by product category						
Technicals	7,246.82	61.84	5,739.91	57.40	5,513.49	62.49
Formulations	1,486.94	12.69	841.20	8.41	869.33	9.85
Intermediates	1,804.65	15.40	1,592.96	15.93	1,490.66	16.90
Contract Manufacturing	802.05	6.84	934.56	9.35	715.64	8.11
Others	378.76	3.23	891.57	8.92	233.90	2.65
Revenue from sales of products	**11,719.23**	**100.00**	**10,000.19**	**100.00**	**8,823.03**	**100.00**

Set forth below is a breakdown of our revenue from operations for the six-month periods indicated, broken down by application.

	Six months ended September 30, 2021		Six months ended September 30, 2020	
	Amount	**Percentage of total**	**Amount**	**Percentage of total**
	(₹ million)	***(%)***	***(₹ million)***	***(%)***
Revenue from operations by application				
Insecticide	3,761.74	52.66	3,454.31	69.78
Herbicide	1,113.50	15.59	382.50	7.73
Fungicide	26.25	0.37	4.79	0.10
Others	2,242.49	31.39	1,108.75	22.40
Revenue from sales of products	**7,143.99**	**100.00**	**4,950.36**	**100.00**

Set forth below is a breakdown of our revenue from operations for the fiscal years indicated, broken down by application.

Particulars	**Fiscal 2021**		**Fiscal 2020**		**Fiscal 2019**	
	Amount	**Percentage of total**	**Amount**	**Percentage of total**	**Amount**	**Percentage of total**
	(₹ million)	***(%)***	***(₹ million)***	***(%)***	***(₹ million)***	***(%)***
Revenue from operations by application						
Insecticide	6,750.10	57.60	5,246.13	52.46	4,807.33	54.49
Herbicide	1,790.41	15.28	1,217.14	12.17	1,421.85	16.12
Fungicide	12.62	0.11	0.00	0.00	0.00	0.00
Others	3,166.10	27.02	3,536.92	35.37	2,593.85	29.40
Revenue from sales of products	**11,719.23**	**100.00**	**10,000.19**	**100.00**	**8,823.03**	**100.00**

Other income

Other income primarily comprises interest income, net gain on foreign currency translation & transaction, marked to market income and discount received, amongst others.

Expenses

Our expenses comprise the following:

a) Cost of materials consumed: Cost of materials consumed comprises (i) the cost of raw materials used in the manufacture of our products; (ii) the cost of packing materials; and (iii) the cost of other materials.

b) Purchase of trading goods: Purchase of trading goods comprises the purchase cost of chemical goods from our vendors.

c) Changes in inventories of finished goods, work-in-progress and stock-in-trade: Changes in inventories of finished goods, work-in-progress and stock-in-trade denotes increase/decrease in inventories of finished goods, work-in-progress and stock-in-trade between opening and closing dates of a reporting period.

d) Employee benefit expense: Employee benefit expense comprises salaries, wages and bonus, contribution to provident & gratuity and leave encashment, and welfare expenses.

e) Financial costs: Financial costs comprises interest expenses on term loans, working capital borrowings, and bank charges.

f) Depreciation and amortization expense: Depreciation and amortization expense comprises depreciation of tangible assets including our plant and machinery, building, factory equipment, R&D equipment, computer equipment, office and other equipment, furniture and fixture, amongst others; and amortization of intangible assets, including computer software and right of use of leased and rented assets.

g) Other expenses: Other expenses comprise primarily of (a) the cost of stores & spares consumed and packing charges, which includes engineering stores, engineering spares and packing material for sales, amongst others; (b) power and fuel expenses, which includes coal and electricity expenses; (c) freight & forwarding loading charges, which includes transportation cost to ports, ocean freight, air fare and clearance charges, amongst others; (d) labour charges, which includes payment to labour contracts and contracted labourers, (e) pollution treatment expenses, which includes ETP and GPCB expenses, and (f) other expenses, such as commission charges, water charges, R & D expense, insurance, legal and professional charges, repairs and maintenance, contributions for CSR, and export charges, amongst others.

Set forth below is a breakdown of our total expenses as a percentage of our revenue from operations for the six-month periods indicated.

	Six months ended September 30, 2021		**Six months ended September 30, 2020**	
	Amount	**Percentage of revenue from operations**	**Amount**	**Percentage of revenue from operations**
	(*₹ million*)	***(%)***	**(*₹ million*)**	***(%)***
Cost of materials consumed	4,206.19	58.88	2,239.05	45.23
Purchases of trading goods	186.20	2.61	360.63	7.29
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(620.78)	(8.69)	(103.42)	(2.09)
Employee benefits expense	304.01	4.26	250.38	5.06
Financial costs	68.11	0.95	41.21	0.83
Depreciation and amortization expense	126.16	1.77	100.35	2.03
Other expenses	1,520.55	21.28	1,155.31	23.34
Total expenses	**5,790.45**	**81.05**	**4,043.52**	**81.68**

Set forth below is a breakdown of our total expenses as a percentage of our revenue from operations for the fiscal years indicated.

Particulars	**Fiscal 2021**		**Fiscal 2020**		**Fiscal 2019**	
	Amount	**Percentage of revenue from operations**	**Amount**	**Percentage of revenue from operations**	**Amount**	**Percentage of revenue from operations**
	(*₹ million*)	***(%)***	**(*₹ million*)**	***(%)***	**(*₹ million*)**	***(%)***
Cost of materials consumed	6,174.61	52.69	5,608.59	56.08	5,205.15	59.00
Purchases of trading goods	485.49	4.14	164.24	1.64	117.11	1.33
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(111.79)	(0.95)	(172.18)	(1.72)	(313.36)	(3.55)
Employee benefits expense	541.55	4.62	399.34	3.99	341.66	3.87
Financial costs	72.67	0.62	123.86	1.24	89.23	1.01
Depreciation and amortization expense	197.43	1.68	187.50	1.87	132.19	1.50
Other expenses	2,151.80	18.36	2,112.24	21.12	2,067.89	23.44
Total expenses	**9,511.75**	**81.16**	**8,423.59**	**84.23**	**7,639.87**	**86.59**

Tax Expense

Our tax expense represents the tax payable on the current period’s taxable income based on the applicable income tax rate adjusted by income tax payable for earlier years and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Tax expense for the six-month periods ended September 30, 2021 and September 30, 2020, and in Fiscals 2021, 2020 and 2019, amounted to ₹386.38 million, ₹240.37 million, ₹630.20 million, ₹501.69 million and ₹550.14 million, respectively.

Deferred tax charges or credits and the corresponding deferred tax liabilities or assets are recognized using the 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 or the asset realized. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax is reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain, as the case may be, to be realized.

Operating Segment

Our Company is exclusively engaged in the business of manufacturing of chemicals. As such, in accordance with Ind AS, our Company's business is considered to constitute one single business segment.

Geographic information

The geographic information analyses our revenues by our country of domicile and other countries for the periods/years indicated, including as a percentage of revenue from operations. In presenting geographic information, revenue has been based on the location of the customers.

Revenue by Geography	Six months ended September 30, 2021		Six months ended September 30, 2020		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount (*₹ million*)	% of revenue from operations	Amount (*₹ million*)	% of revenue from operations	Amount (*₹ million*)	% of revenue from operations	Amount (*₹ million*)	% of revenue from operations	Amount (*₹ million*)	% of revenue from operations
India	2,937.14	41.11	2,055.02	41.51	4,669.36	39.84	3,554.80	35.55	2,685.96	30.44
China	458.85	6.42	442.15	8.93	942.53	8.04	1,300.72	13.01	1,405.97	15.94
Rest of Asia	785.19	10.99	606.17	12.24	1,268.94	10.83	1,007.09	10.07	913.36	10.35
European Union (incl. CIS countries)	1,516.60	21.23	880.73	17.79	2,339.29	19.96	2,543.26	25.43	1,979.49	22.44
North America(1)	268.56	3.76	251.55	5.08	690.49	5.89	508.69	5.09	198.08	2.24
South America	660.41	9.24	310.94	6.28	645.86	5.51	432.03	4.32	1,074.41	12.18
Central America	7.36	0.10	47.17	0.95	107.03	0.91	16.33	0.16	72.30	0.82
Rest of the world	509.88	7.14	356.63	7.20	1,055.731	9.02	637.27	6.37	493.46	5.59
Total	**7,143.99**	**100.00%**	**4,950.36**	**100.00%**	**11,719.23**	**100.00%**	**10,000.19**	**100.00%**	**8,823.03**	**100.00%**

(1) North America includes the United States, Mexico, Costa Rica, Honduras, Nicaragua and Cuba.

The following table sets out the total carrying amount of our non-current assets as at September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, broken down by location of the assets. All of our manufacturing facilities are located in India.

(₹ in millions)

Non-current assets	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
India	4,547.99	4,002.63	2,911.62	2,353.79
Rest of the world	-	-	-	-
Total	**4,547.99**	**4,002.63**	**2,911.62**	**2,353.79**

Results of operations based on our Restated Financial Information

Set forth below is certain select financial information based on our Restated Consolidated Financial Information for the six-month periods ended September 30, 2021 and September 30, 2020, the components of which are also expressed as a percentage of our total revenue, for the periods indicated.

	Six months ended September 30, 2021		Six months ended September 30, 2020	
	Amount	Percentage of total revenue	Amount	Percentage of total revenue
	(₹ *million*)	*(%)*	(₹ *million*)	*(%)*
Income				
Revenue from operations	7,143.99	97.80	4,950.36	99.66
Other income	160.48	2.20	16.98	0.34
Total Revenue	**7,304.47**	**100.00**	**4,967.34**	**100.00**
Expenses				
Cost of materials consumed	4,206.19	57.58	2,239.05	45.08
Purchases of trading goods	186.20	2.55	360.63	7.26
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(620.78)	(8.50)	(103.42)	(2.08)
Employee benefits expense	304.01	4.16	250.38	5.04
Financial costs	68.11	0.93	41.21	0.83
Depreciation and amortization expense	126.16	1.73	100.35	2.02
Other expenses	1,520.55	20.82	1,155.31	23.26
Total expenses	**5,790.45**	**79.27**	4,043.53	81.40
Profit before tax	**1,514.02**	**20.73**	**923.81**	**18.60**
Tax expense				
Current tax	365.00	5.00	230.00	4.63
Deferred tax	21.38	0.29	10.37	0.21
Earlier year tax	-	-	-	
Total tax expense	**386.38**	**5.29**	**240.37**	**4.84**
Profit for the period from continuing operations	**1,127.64**	**15.43**	**683.44**	**13.76**
Remeasurements gain/(losses) on defined benefit plan	(0.57)	(0.01)	0.88	0.02
Income tax related to items that will not be reclassified to profit and loss	(0.14)	0.00	0.22	0.00
Foreign currency translation reserve	(13.81)	(0.19)	11.88	0.24
Cancelled lease contract write-off	-	-	0.23	0.00
Total comprehensive income	**(14.52)**	**(0.20)**	**13.21**	**0.26**
Profit for the period	**1,113.13**	**15.23**	**696.65**	**14.02**

Set forth below is certain select financial information based on our Restated Consolidated Financial Information for Fiscal 2021 and Fiscal 2020 and our Restated Standalone Financial Information for Fiscal 2019, the components of which are also expressed as a percentage of our total revenue, for the fiscal years indicated.

Particulars	Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
	(₹ *million*)	*(%)*	(₹ *million*)	*(%)*	(₹ *million*)	*(%)*
Income						
Revenue from operations	11,719.23	99.01	10,000.19	97.47	8,823.03	98.58
Other income	116.86	0.99	259.78	2.53	126.75	1.42
Total Revenue	**11,836.09**	**100.00**	**10,259.97**	**100.00**	**8,949.78**	**100.00**
Expenses						
Cost of materials consumed	6,174.61	52.17	5,608.59	54.66	5,205.15	58.16
Purchases of trading goods	485.49	4.10	164.24	1.60	117.11	1.31
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(111.79)	(0.94)	(172.18)	(1.68)	(313.36)	(3.50)
Employee benefits expense	541.55	4.58	399.34	3.89	341.66	3.82
Financial costs	72.67	0.61	123.86	1.21	89.23	0.99
Depreciation and amortization expense	197.43	1.67	187.50	1.83	132.19	1.48
Other expenses	2,151.80	18.18	2,112.24	20.59	2,067.89	23.11
Total expenses	**9,511.75**	**80.36**	**8,423.59**	**82.10**	**7,639.87**	**85.36**
Profit before tax	**2,324.33**	**19.64**	**1,836.39**	**17.90**	**1,309.91**	**14.64**
Tax expense						
Current tax	605.00	5.11	463.58	4.52	464.34	5.19
Deferred tax	25.20	0.21	(4.67)	(0.05)	5.99	0.07
Earlier year tax	-	-	42.79	0.42	79.81	0.89
Total tax expense	**630.20**	**5.32**	**501.70**	**4.89**	**550.14**	**6.15**

Particulars	Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
	(₹ million)	*(%)*	*(₹ million)*	*(%)*	*(₹ million)*	*(%)*
Profit for the year from continuing operations	**1,694.14**	**14.31**	**1,334.69**	**13.01**	**759.77**	**8.49**
Remeasurements gain/(losses) on defined benefit plan	1.11	0.01	(5.65)	(0.06)	(1.89)	(0.02)
Income tax related to items that will not be reclassified to profit and loss	0.28	0.00	(1.42)	(0.01)	(0.66)	(0.01)
Foreign currency translation reserve	(0.25)	(0.00)	-	-	-	-
Cancelled lease contract write-off	0.23	0.00	-	-	-	-
Total comprehensive income	**1.38**	**0.01**	**(7.08)**	**(0.07)**	**(2.55)**	**(0.03)**
Profit for the year	**1,695.51**	**14.32**	**1,327.62**	**12.94**	**757.22**	**8.46**

Results of operations for the Half Year 2022 compared to the Half Year 2021

(₹ in millions)

Particulars	For the six months ended September 30,		Change (%) (Y-O-Y)
	2021	2020	
Income			
Revenue from operations	7,143.99	4,950.36	44.31
Other income	160.48	16.98	845.11
Total Revenue	**7,304.47**	**4,967.34**	**47.05**
Expenses			
Cost of materials consumed	4,206.19	2,239.05	87.86
Purchases of trading goods	186.20	360.63	(48.37)
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(620.78)	(103.42)	500.25
Employee benefits expense	304.01	250.38	21.42
Financial costs	68.11	41.21	65.27
Depreciation and amortization expense	126.16	100.35	25.72
Other expenses	1,520.55	1,155.31	31.61
Total expenses	**5,790.45**	**4,043.53**	**43.20**
Profit before tax	**1,514.02**	**923.81**	**63.89**
Tax expense:			
Current tax	365.00	230.00	58.70
Deferred tax	21.38	10.37	106.17
Earlier year tax	-	-	-
Total tax expense	**386.38**	**240.37**	**60.74**
Profit for the period from continuing operations	**1,127.64**	**683.44**	**64.99**
Other comprehensive income:			
Remeasurements gain/(losses) on defined benefit plan	(0.57)	0.88	(164.77)
Income tax related to items that will not be reclassified to profit and loss	(0.14)	0.22	(163.64)
Foreign currency translation reserve	(13.81)	11.88	(216.25)
Cancelled lease contract write-off	-	0.23	(100.00)
Total comprehensive income	**(14.52)**	**13.21**	**(209.92)**
Profit for the period	**1,113.13**	**696.65**	**59.78**

Our results of operations for the six months ended September 30, 2021 were affected by the following key factors:

- We added 109 new customers in the six months ended September 30, 2021, which collectively contributed to 22.97% of our revenue from operations in such period; and

- Revenue from sales of products to customers in South America and Europe in the six months ended September 30, 2021 has grown 112.39% and 72.20%, respectively, as compared to the six months ended September 30, 2020.

Total Revenue

Our total revenue increased by 47.05% to ₹7,304.47 million for the Half Year 2022 from ₹4,967.34 million for the Half Year 2021. In the Half Year 2022 and Half Year 2021, our revenue from operations constituted 97.80% and 99.66% of our total revenue, respectively.

Revenue from Operations

Our revenue from operations increased by 44.31% to ₹7,143.99 million in the Half Year 2022 from ₹4,950.36 million for the Half Year 2021. This increase can be primarily attributed to (i) a 23.11% increase in revenue from sales of Technicals to ₹3,958.84 million in the Half Year 2022 from ₹3,215.80 million in the Half Year 2021, (ii) a 92.65% increase in revenue from sales of Intermediates to ₹1,361.11 million in the Half Year 2022 from ₹706.51 million in the Half Year 2021, (iii) a 55.48% increase in revenue from sales of Formulations to ₹973.01 million in the Half Year 2022 from ₹625.80 million in the Half Year 2021, and (iv) a 105.06% increase in revenue from sales of contract manufacturing to ₹590.84 million in the Half Year 2022 from ₹288.13 million in the Half Year 2021. We experienced an increase in sales volume for our top 5 products in the Half Year 2022. Our revenue from export sales increased by 32.26% to ₹4,086.38 million in the Half Year 2022 from ₹3,089.74 million for the Half Year 2021, while our revenue from domestic sales increased by 62.85% to ₹2,937.03 million in the Half Year 2022 from ₹1,803.56 million for the Half Year 2021.

Our other operating revenue increased by 111.32% to ₹120.58 million for the Half Year 2022 from ₹57.06 million for the Half Year 2021. Our other operating revenue for the Half Year 2022 consisted primarily of export incentives in the amount of ₹120.47 million received in connection with various benefits offered by the Government of India under the Duty Drawback, MEIS and RoDTEP Schemes. In the Half Year 2021, we received export incentives in the amount of ₹57.06 million.

Other Income

Our other income increased by 845.11% to ₹160.48 million in the Half Year 2022 from ₹16.98 million for the Half Year 2021. Our other income for the Half Year 2022 principally comprised a net gain on foreign currency translation & transaction of ₹75.67 million, marked-to-market income of ₹56.97 million from forward contracts entered into by us in foreign currency to hedge our exports and outstanding receivables as of the relevant time, and discount received of ₹21.51 million as a result of discounts offered by vendors in exchange for early settlement of payables. For the Half Year 2021, our other income comprised marked-to-market income of ₹14.82 million, miscellaneous income of ₹6.54 million and a net loss on foreign currency translation & transaction of ₹(6.15) million.

Expenses

Cost of materials consumed

Our cost of materials consumed increased by 87.86% to ₹4,206.19 million in the Half Year 2022 from ₹2,239.05 million for the Half Year 2021. This increase was primarily due to an increase in purchases to achieve incremental sales.

Purchases of trading goods

Our purchases of trading goods decreased by 48.37% to ₹186.20 million in the Half Year 2022 from ₹360.63 million for the Half Year 2021. This decrease was primarily due to a decrease in purchases of trading goods.

Change in inventories of finished goods, work-in-progress and stock-in-trade

Our change in inventories of finished goods, work-in-progress and stock-in-trade went from a decrease in stocks of ₹(103.42) million in the Half Year 2021 to a decrease in stocks of ₹(620.78) million in the Half Year 2022.

Our opening stock of (i) finished goods was ₹397.67 million as at April 1, 2021, while it was ₹329.09 million as at April 1, 2020, (ii) work-in-progress was ₹150.75 million as at April 1, 2021, while it was ₹242.06 million as at April 1, 2020, (iii) stock-in-transit was ₹146.11 million as at April 1, 2021, while it was ₹Nil as at April 1, 2020, and (iv) stock-in-trade was ₹Nil as at April 1, 2021, while it was ₹11.59 million as at April 1, 2020.

Our closing stock of (i) finished goods was ₹536.49 million as at September 30, 2021, while it was ₹185.08 million as at September 30, 2020, (ii) work-in-progress was ₹598.12 million as at September 30, 2021, while it was ₹345.25 million as at September 30, 2020, (iii) stock-in-trade was ₹Nil as at September 30, 2021, while it was ₹26.96 million as at September 30, 2020, and (iv) stock-in-transit was ₹180.70 million as at September 30, 2021, while it was ₹128.87 million as at September 30, 2020.

Cost of Goods Sold

When considered together, our Cost of Goods Sold (which is the aggregate of our cost of materials consumed, purchases of trading goods and changes in inventories of finished goods, work-in-progress and stock-in-trade) increased by 51.09% to ₹3,771.61 million for the Half Year 2022 from ₹2,496.27 million for the Half Year 2021. The principal reasons for such increase include (i) an increase in purchases due to higher sales, (ii) a reduction in trading goods, and (iii) an increase in closing stock of finished goods and stock of work-in-progress. As a percentage of total revenue, our Cost of Goods Sold increased from 50.25% for the Half Year 2021 to 51.63% for the Half Year 2022.

Employee benefits expense

Our employee benefits expense increased by 21.42% to ₹304.01 million in the Half Year 2022 from ₹250.38 million for the Half Year 2021. This increase can be primarily attributed to a 26.94% increase in salaries, wages & bonus from ₹227.09 million in the Half Year 2021 to ₹288.27 million in the Half Year 2022 due to the annual increments paid to existing employees and recruitment of new employees.

Financial costs

Our financial costs increased by 65.28% to ₹68.11 million in the Half Year 2022 from ₹41.21 million for the Half Year 2021. This increase can be primary attributed to a 138.10% increase in interest paid on account of additional utilization of working capital and further drawdown of a term loan already sanctioned by our banks.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 25.71% to ₹126.16 million in the Half Year 2022 from ₹100.35 million for the Half Year 2021. This increase can be primarily attributed to an increase in our property, plant & equipment.

Other expenses

Our other expenses increased by 31.61% to ₹1,520.55 million in the Half Year 2022 from ₹1,155.31 million for the Half Year 2021. This increase can be primarily attributed to (i) a 142.65% increase in freight & forwarding to ₹260.07 million in the Half Year 2022 from ₹107.18 million for the Half Year 2021, (ii) a 29.36% increase in power & fuel to ₹269.60 million in the Half Year 2022 from ₹208.41 million for the Half Year 2021, and (iii) a 12.56% increase in consumption of stores & spares & packing charges to ₹400.05 million in the Half Year 2022 from ₹355.41 million for the Half Year 2021, all of which was due to increases in our sales, production and manufacturing activities. The overall increase in other expenses is in line with our revenue growth over the period.

Profit before tax

As a result of the foregoing, our profit before tax increased by 63.89% to ₹1,514.02 million in the Half Year 2022 from ₹923.81 million for the Half Year 2021.

Tax expense

Our tax expense increased by 60.74% to ₹386.38 million in the Half Year 2022 from ₹240.37 million for the Half Year 2021. This increase can be primarily attributed to a 58.70% increase in current tax to ₹365.00 million in the Half Year 2022 from ₹230.00 million for the Half Year 2021 due to increases in our sales revenue.

Profit for the period from continuing operations

As a result of the foregoing, our profit for the period from continuing operations increased by 64.99% to ₹1,127.64 million for the Half Year 2022 from ₹683.44 million for the Half Year 2021.

Results of operations for the Fiscal 2021 compared with Fiscal 2020

(₹ in millions)

Particulars	**For the year ended March 31,**		**Change (%)**
	2021	**2020**	
Income			
Revenue from operations	11,719.23	10,000.19	17.19
Other income	116.86	259.78	(55.02)
Total Revenue	**11,836.09**	**10,259.97**	**15.36**
Expenses			
Cost of materials consumed	6,174.61	5,608.59	10.09
Purchases of trading goods	485.49	164.24	195.60
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(111.79)	(172.18)	(35.07)
Employee benefits expense	541.55	399.34	35.61
Financial costs	72.67	123.86	(41.33)
Depreciation and amortization expense	197.43	187.50	5.30
Other expenses	2,151.80	2,112.24	1.87
Total expenses	**9,511.75**	**8,423.59**	**12.92**
Profit before tax	**2,324.33**	**1,836.38**	**26.57**
Tax expense:			
Current tax	605.00	463.58	30.51
Deferred tax	(25.20)	4.67	(639.71)
Earlier year tax	-	42.79	(100.00)
Total tax expense	**630.20**	**501.70**	**25.61**

Particulars	For the year ended March 31,		Change (%)
	2021	**2020**	
Profit for the year from continuing operations	**1,694.13**	**1,334.69**	**26.93**
Other comprehensive income:			
Remeasurements gain/(losses) on defined benefit plan	1.11	(5.65)	(164.45)
Income tax related to items that will not be reclassified to profit and loss	0.28	(1.42)	(164.45)
Foreign currency translation reserve	(0.25)	-	N/A
Cancelled lease contract write-off	0.23	-	N/A
Total comprehensive income	**1.38**	**(7.07)**	**N/A**
Profit for the year	**1,695.50**	**1,327.61**	**27.71**

Our results of operations for Fiscal 2021 were affected by the following key factors:

- We added 207 new customers in Fiscal 2021, which collectively contributed to 18.10% of our revenue from operations in such fiscal year; and
- Revenue from sales of products to customers in North, Central and South America (collectively) and Rest of the world in Fiscal 2021 has grown 50.77% and 65.66%, respectively, as compared to Fiscal 2020.

Total Revenue

Our total revenue increased by 15.36% to ₹11,836.09 million for Fiscal 2021 from ₹10,259.97 million for Fiscal 2020. In Fiscal 2021 and Fiscal 2020, our revenue from operations constituted 99.01% and 97.47% of our total revenue, respectively.

Revenue from Operations

Our revenue from operations increased by 17.19% to ₹11,719.23 million for Fiscal 2021 from ₹10,000.19 million for Fiscal 2020. This increase can be primarily attributed to (i) a 26.25% increase in revenue from sales of Technicals to ₹7,246.82 million in Fiscal 2021 from ₹5,739.91 million in Fiscal 2020, (ii) a 76.76% increase in revenue from sales of Formulations to ₹1,486.94 million in Fiscal 2021 from ₹841.20 million in Fiscal 2020, and (iii) a 13.29% increase in revenue from sales of Intermediates to ₹1,804.65 million in Fiscal 2021 from ₹1,592.96 million in Fiscal 2020, which were partially offset by (1) a 57.50% decrease in revenue from sale of others to ₹378.77 million in Fiscal 2021 from ₹891.56 million in Fiscal 2020, and (2) a 14.18% decrease in revenue from contract manufacturing to ₹802.05 million in Fiscal 2021 from ₹934.56 million in Fiscal 2020. Our revenue from export sales increased by 10.79% to ₹7,140.82 million for Fiscal 2021 from ₹6,445.39 million for Fiscal 2020, while our revenue from domestic sales increased by 31.34% to ₹4,436.16 million for Fiscal 2021 from ₹3,377.64 million for Fiscal 2020.

Our other operating revenues decreased by 19.70% to ₹142.26 million for Fiscal 2021 from ₹177.16 million for Fiscal 2020. Such decrease was primarily due to a decrease in export incentives from ₹176.63 million in Fiscal 2020 to ₹142.02 million in Fiscal 2021 due to the reduction and elimination of certain government schemes.

Other Income

Our other income decreased by 55.02% to ₹116.86 million in Fiscal 2021 from ₹259.78 million in Fiscal 2020, which was primarily due to decrease in the net gain on foreign currency translation & transaction to ₹99.58 million in Fiscal 2021 from ₹252.90 million in Fiscal 2020 on account of fluctuations in foreign currency exchange rates. Such decrease was partially offset by the receipt in Fiscal 2021 of government stimulus in the amount of ₹5.33 million for our Australian Subsidiary, and a sales tax refund in the amount of ₹4.29 million following the completion of a sales tax assessment.

Expenses

Cost of materials consumed

Our cost of materials consumed increased by 10.09% to ₹6,174.61 million in Fiscal 2021 from ₹5,608.51 million in Fiscal 2020. This increase was primarily due to an increase in purchases of raw materials and purchases of trading goods.

Purchases of trading goods

Our purchases of trading goods increased by 195.60% to ₹485.49 million in Fiscal 2021 from ₹164.24 million in Fiscal 2020. This increase was primarily due to an increases in sales of traded goods.

Change in inventories of finished goods, work-in-progress and stock-in-trade

Our change in inventories of finished goods, work-in-progress and stock-in-trade went from a decrease in stocks of ₹(172.18) million in Fiscal 2020 to a decrease in stocks of ₹(111.79) million in Fiscal 2021.

Our opening stock of (i) finished goods was ₹329.09 million as at April 1, 2020, while it was ₹238.19 million as at April 1, 2019, (ii) work-in-progress was ₹242.06 million as at April 1, 2020, while it was ₹118.46 million as at April 1, 2019, and (iii) stock-in-trade was ₹11.59 million as at April 1, 2020, while it was ₹53.91 million as at April 1, 2019.

Our closing stock of (i) finished goods was ₹397.67 million as at March 31, 2021, while it was ₹329.09 million as at March 31, 2020, (ii) work-in-progress was ₹150.75 million as at March 31, 2021, while it was ₹242.06 million as at March 31, 2020, (iii) stock-in-trade was ₹Nil as at March 31, 2021, while it was ₹11.59 million as at March 31, 2020, and (iv) stock-in-transit was ₹146.11 million as at March 31, 2021, while it was nil as at March 31, 2020.

Cost of Goods Sold

Our Cost of Goods Sold (which is the aggregate of our cost of materials consumed, purchases of trading goods and changes in inventories of finished goods, work-in-progress and stock-in-trade) increased by 16.92% to ₹6,548.31 million in Fiscal 2021 from ₹5,600.65 million in Fiscal 2020. The principal reasons for such increase include (i) an increase in purchases due to higher sales, and (ii) an increase in purchases of trading goods. As a percentage of total revenue, our Cost of Goods Sold increased from 54.59% for Fiscal 2020 to 55.32% for Fiscal 2021.

Employee benefits expense

Our employee benefits expense increased by 35.61% to ₹541.55 million in Fiscal 2021 from ₹399.34 million in Fiscal 2020. This increase was primarily due to an increase in salaries, wages and bonus and recruitment of new employees. As a percentage of total revenue, our employee benefits expense increased from 3.89% for Fiscal 2020 to 4.58% for Fiscal 2021, which was primarily due to annual increases in salaries, bonus and wages to existing employees and recruitment of new employees.

Financial costs

Our financial costs decreased by 41.33% to ₹72.67 million in Fiscal 2021 from ₹123.86 million in Fiscal 2020. This decrease was primarily due to a decrease in utilization of working capital limits with banks.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 5.30% to ₹197.43 million in Fiscal 2021 from ₹187.50 million in Fiscal 2020. This increase was primarily due to an increase in property, plant and equipment.

Other expenses

Our other expenses increased by 1.87% to ₹2,151.80 million in Fiscal 2021 from ₹2,112.24 million in Fiscal 2020. The increase was mainly driven by (i) an increase of ₹108.08 million, or 42.17%, in freight & forwarding charges as a result of increase in sales and purchases, (ii) an increase of ₹87.84 million, or 60.22%, in pollution treatment expenses as a result of higher production and voluntary initiatives towards green and sustainable chemistry, and (iii) an increase of ₹64.34 million, or 16.85%, in power and fuel charges, which was a result of higher production and a marginal increase in crude oil prices. We also suffered a loss due to fire of ₹60.14 million from an accident that took place in June 2020. Such increases were partially offset by a decrease of ₹313.46 million, or 66.39%, in consumption of stores & spares & packing charges, which was a result of reduction in prices.

Profit before tax

As a result of the foregoing, our profit before tax increased by 26.57% to ₹2,324.33 million in Fiscal 2021 from ₹1,836.38 million in Fiscal 2020.

Tax expense

Our tax expense increased by 25.61% to ₹630.20 million in Fiscal 2021 from ₹501.70 million in Fiscal 2020, which was primarily due to an increase in our current tax to ₹605.00 million in Fiscal 2021 from ₹463.58 million in Fiscal 2020 on account of our increase in profit before tax.

Profit for the year from continuing operations

As a result of the foregoing, our profit for the year from continuing operations increased by 26.93% to ₹1,694.13 million in Fiscal 2021 from ₹1,334.68 million in Fiscal 2020.

Results of operations for the Fiscal 2020 compared with Fiscal 2019

(₹ in millions)

Particulars	For the year ended March 31,		Change (%)
	2020	2019	
Income			

Particulars	For the year ended March 31,		Change (%)
	2020	2019	
Revenue from operations	10,000.19	8,823.03	13.34
Other income	259.78	126.75	104.95
Total Revenue	**10,259.97**	**8,949.78**	**14.64**
Expenses			
Cost of materials consumed	5,608.59	5,205.15	7.75
Purchases of stock-in-trade	164.24	117.11	40.42
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(172.18)	(313.36)	(45.05)
Employee benefits expense	399.34	341.66	16.88
Financial costs	123.86	89.23	38.81
Depreciation and amortization expense	187.50	132.19	41.84
Other expenses	2,112.24	2,067.89	2.14
Total expenses	**8,423.59**	**7,639.87**	**10.26**
Profit before tax	**1,836.38**	**1,309.91**	**40.19**
Tax expense:			
Current tax	463.58	464.34	(0.16)
Deferred tax	4.67	5.99	N/A
Earlier year tax	42.79	79.81	(46.39)
Total tax expense	**501.70**	**550.14**	**(8.81)**
Profit for the year from continuing operations	**1,334.69**	**759.77**	**75.67**
Other comprehensive income:			
Remeasurements gain/(losses) on defined benefit plan	(5.65)	(1.89)	N/A
Income tax related to items that will not be reclassified to profit and loss	(1.42)	(0.66)	N/A
Foreign currency translation reserve	-	-	-
Cancelled lease contract write-off	-	-	-
Total comprehensive income / (loss)	**(7.07)**	**(2.55)**	**N/A**
Profit/(loss) from discontinuing operations	-	(12.60)	N/A
Tax expense of discontinuing operations	-	3.50	(100.0)
Profit / (loss) from discontinuing operations	**-**	**(16.10)**	**N/A**
Profit for the year	**1,327.62**	**741.11**	**79.14**

Our results of operations for Fiscal 2020 were affected by the following key factors:

- We added 207 new customers in Fiscal 2020, which collectively contributed to 20.98% of our revenue from operations in such fiscal year; and

- Revenue from sales of products to customers in North America, Rest of the world and Europe in Fiscal 2020 has grown 156.81%, 29.14% and 28.48%, respectively, as compared to Fiscal 2019.

Total Revenue

Our total revenue increased by 14.64% to ₹10,259.97 million in Fiscal 2020 from ₹8,949.78 million in Fiscal 2019. In Fiscal 2020 and Fiscal 2019, our revenue from operations constituted 97.47% and 98.58% of our total revenue, respectively.

Revenue from Operations

Our revenue from operations increased by 13.34% to ₹10,000.19 million in Fiscal 2020 from ₹8,823.03 million in Fiscal 2019. This increase can be primarily attributed to (i) a 281.15% increase in revenue from sales of others to ₹891.56 million in Fiscal 2020 from ₹233.91 million in Fiscal 2019, (ii) a 30.59% increase in revenue from contract manufacturing to ₹934.56 million in Fiscal 2020 from ₹715.64 million in Fiscal 2019, (iii) a 4.11% increase in revenue from sales of Technicals to ₹5,739.91 million in Fiscal 2020 from ₹5,513.49 million in Fiscal 2019, and (iv) a 6.86% increase in revenue from sales of Intermediates to ₹1,592.96 million in Fiscal 2020 from ₹1,490.66 million in Fiscal 2019. Our revenue from export sales increased by 5.02% to ₹6,445.39 million for Fiscal 2020 from ₹6,137.07 million for Fiscal 2019, while our revenue from domestic sales increased by 33.05% to ₹3,377.64 million for Fiscal 2020 from ₹2,538.60 million for Fiscal 2019.

Our other operating revenues increased by 20.23% to ₹177.16 million for Fiscal 2020 from ₹147.35 million for Fiscal 2019. Such increase was primarily due to an increase in export incentives to ₹176.63 million in Fiscal 2020 from ₹147.39 million in Fiscal 2019 as a result of an increase in export sales.

Other Income

Our other income increased by 104.95% to ₹259.78 million in Fiscal 2020 from ₹126.75 million in Fiscal 2019. Such increase was primarily attributable to an increase in the net gain on foreign currency translation & transaction to ₹252.90 million in Fiscal 2020 from ₹96.04 million in Fiscal 2019 on account of fluctuations in foreign currency exchange rates. In Fiscal 2019, we received proceeds from insurance claims in the amount of ₹15.21 million in connection with an accident that took place in

2018.

Expenses

Cost of materials consumed

Our cost of materials consumed increased by 7.75% to ₹5,608.59 million in Fiscal 2020 from ₹5,205.15 million in Fiscal 2019. This increase was primarily due to an increase in purchases of raw materials.

Purchases of trading goods

Our purchases of trading goods increased by 40.24% to ₹164.24 million in Fiscal 2020 from ₹117.11 million in Fiscal 2019. This increase was primarily due to an increase in purchases of trading goods.

Change in inventories of finished goods, work-in-progress and stock-in-trade

Our change in inventories of finished goods, work-in-progress and stock-in-trade went from a decrease in stocks of ₹(313.36) million in Fiscal 2019 to an increase in stocks of ₹(172.18) million in Fiscal 2020.

Our opening stock of (i) finished goods was ₹238.19 million as at April 1, 2019, while it was ₹52.97 million as at April 1, 2018, (ii) work-in-progress was ₹118.46 million as at April 1, 2019, while it was ₹37.26 million as at April 1, 2018, and (iii) stock-in-trade was ₹53.91 million as at April 1, 2019, while it was ₹6.97 million as at April 1, 2018.

Our closing stock of (i) finished goods was ₹329.09 million as at March 31, 2020, while it was ₹238.19 million as at March 31, 2019, (ii) work-in-progress was ₹242.06 million as at March 31, 2020, while it was ₹118.46 million as at March 31, 2019, and (iii) stock-in-trade was ₹11.59 million as at March 31, 2020, while it was ₹53.91 million as at March 31, 2019.

Cost of Goods Sold

Our Cost of Goods Sold (which is the aggregate of our cost of materials consumed, purchases of trading goods and changes in inventories of finished goods, work-in-progress and stock-in-trade) increased by 11.81% to ₹5,600.65 million in Fiscal 2020 from ₹5,008.90 million in Fiscal 2019. The principal reasons for such increase include (i) an increase in purchases of raw materials, and (ii) an increase in purchases of trading goods. As a percentage of total revenue, our Cost of Goods Sold decreased from 55.97% for Fiscal 2019 to 54.59% for Fiscal 2020.

Employee benefits expense

Our employee benefits expense increased by 16.88% to ₹399.34 million in Fiscal 2020 from ₹341.66 million in Fiscal 2019. This increase was primarily due to an increase in salaries, wages and bonuses for existing employees and in connection with the recruitment of new employees.

Financial costs

Our financial costs increased by 38.81% to ₹123.86 million in Fiscal 2020 from ₹89.23 million in Fiscal 2019. This increase was primarily due to higher utilization of working capital limits and draw down of term loan from sanctioned limit. Such increase was partially offset by a decrease in other borrowing costs from ₹32.82 million in Fiscal 2019 to ₹7.10 million in Fiscal 2020.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 41.84% to ₹187.50 million in Fiscal 2020 from ₹132.19 million in Fiscal 2019, primarily due to an increase in an increase in property, plant and equipment.

Other expenses

Our other expenses increased by 2.14% to ₹2,112.24 million in Fiscal 2020 from ₹2,067.89 million in Fiscal 2019. The increase was mainly driven by (i) an increase of ₹54.13 million, or 59.01%, in pollution treatment expenses as a result of higher production and voluntary initiatives towards green and sustainable chemistry, (ii) an increase of ₹44.76 million, or 13.28%, in power and fuel charges, which was a result of higher production and marginal increases in electricity and crude oil prices, (iii) an increase of ₹47.55 million, or 22.78%, in freight & forwarding charges as a result of higher volume of sale and purchase and marginal increase in transportation cost, (iv) an increase of ₹43.24 million, or 86.45%, in commission charges – overseas as a result of an increase in export sales, and (v) an increase of ₹36.83 million, or 21.87%, in labour charges as a result of an increase in labour headcount and an increase in labour cost. Such increases were partially offset by (1) a decrease of ₹139.67 million, or 22.83%, in consumption of stores & spares & packing charges, which was a result of a decrease in prices and higher inventory of stores and spares, and (2) a decrease of ₹118.06 million, or 78.94%, in commission charges – local as a result of a reduction in commissions paid to agents.

Profit before tax

As a result of the foregoing, our profit before tax increased by 40.19% to ₹1,836.38 million in Fiscal 2020 from ₹1,309.91 million in Fiscal 2019.

Tax expense

Our tax expense decreased by 8.81% to ₹501.70 million in Fiscal 2020 from ₹550.14 million in Fiscal 2019, which was primarily due to a decrease in earlier year tax from ₹79.81 million in Fiscal 2019 to ₹42.79 million in Fiscal 2020.

Profit for the year from continuing operations

As a result of the foregoing, our profit for the year from continuing operations increased by 75.67% to ₹1,334.69 million in Fiscal 2020 from ₹759.77 million in Fiscal 2019.

Comprehensive income / (loss)

Our comprehensive loss increased from ₹(2.55) million in Fiscal 2010 to ₹(7.07) million in Fiscal 2020, which was primarily due to an increase in remeasurement loss on defined benefit plan from ₹(1.89) million in Fiscal 2019 to ₹(5.65) million in Fiscal 2020.

Profit / (loss) from discontinuing operations

In Fiscal 2019, we sold our entire interest in Vapi Unit. In Fiscal 2019, we recorded a loss after tax from such discontinued business of ₹(16.10) million.

Profit for the year

As a result of the foregoing, our profit for the year increased by 75.33% to ₹1,327.62 million in Fiscal 2020 from ₹757.22 million in Fiscal 2019.

Liquidity and Capital Resources

Capital Requirements

Our principal capital requirements are for capital expenditure, working capital expenditure and payment of principal and interest on our borrowings. Our principal source of funding has been, and is expected to continue to be, cash generated from our operations, supplemented by borrowings from banks and financial institutions and optimization of operating working capital. For the six months ended September 30, 2021, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, we met our funding requirements, including satisfaction of debt obligations, capital expenditure, investments, other working capital requirements, and other cash outlays, principally with funds generated from operations, optimization of operating working capital with the balance met from external borrowings and borrowings from Promoters.

Liquidity

Our liquidity requirements arise principally from our operating activities, capital expenditures for construction of new facilities, upgrading of existing facilities and undertaking of new projects, the repayment of borrowings and debt service obligations. Historically, our principal sources of funding have included cash generated from operations, borrowings by way of short-term and long-term borrowings from banks, credit granted by suppliers, cash and cash equivalents and equity and financing provided by our Promoters and shareholders.

We had cash and cash equivalents of ₹191.90 million, ₹410.91 million, ₹347.86 million, ₹108.04 million and ₹23.85 million as of September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

Cash Flows

The following table summarizes our cash flows for the six months ended September 30, 2021, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019:

(₹ in millions)

Particulars	For the six months ended September 30, 2021	For the year ended March 31,		
		2021	2020	2019
Net cash generated from operating activities	331.72	1,397.66	847.13	108.29
Net cash (used in) investing activities	(679.74)	(1,475.97)	(892.01)	(496.59)
Net cash generated from / (used in) financing activities	205.86	318.37	130.42	405.58

Particulars	For the six months ended September 30, 2021	For the year ended March 31,		
		2021	2020	2019
Net (decrease) / increase in cash and cash Equivalents	**(142.15)**	**240.06**	**85.54**	**17.28**
Cash and cash equivalents at the beginning of the period/year	347.86	108.04	23.85	6.57
Cash and cash equivalents at the end of the period/year	**191.90**	**347.86**	**108.04**	**23.85**

Cash flows generated from operating activities

We generated net cash from operating activities of ₹331.72 million during the six months ended September 30, 2021. While our restated profit before exceptional items and tax was ₹1,514.02 million, we had an operating profit before working capital changes of ₹1,720.36 million, primarily due to adjustments for depreciation of ₹126.16 million, finance cost of ₹68.11 million and provision for doubtful debt of ₹21.03 million. Our adjustments for working capital changes for the six months ended September 30, 2021 primarily consisted of an increase in inventories of ₹866.09 million, an increase in other current assets of ₹835.84 million and an increase in trade and other receivables of ₹523.97 million, which were partially offset by a decrease in other current financial assets of ₹102.75 million, an increase in trade payables of ₹606.42 million and an increase in other current financial liability of ₹304.00 million. Our cash generated from operating activities was ₹585.17 million, adjusted by taxes paid of ₹253.45 million.

We generated net cash from operating activities of ₹1,397.66 million during Fiscal 2021. While our restated profit before tax and extraordinary items was ₹2,324.33 million, we had an operating profit before working capital changes of ₹2,647.87 million, primarily due to adjustments for depreciation of ₹197.43 million and finance cost of ₹72.67 million. Our adjustments for working capital changes for Fiscal 2021 primarily consisted of increases in other non-current assets of ₹646.95 million, in inventories of ₹313.35 million and in trade and other receivables of ₹203.60 million, which were partially offset by increases in trade payables of ₹349.86 million and in other current financial liability of ₹249.34 million. Our cash generated from operating activities was ₹1,960.33 million, adjusted by taxes paid of ₹562.66 million.

We generated net cash from operating activities of ₹847.13 million during Fiscal 2020. While our restated profit before tax and extraordinary items was ₹1,836.39 million, we had an operating profit before working capital changes of ₹2,122.91 million, primarily due to adjustments for depreciation of ₹187.69 million and finance cost of ₹94.28 million. Our adjustments for working capital changes for Fiscal 2020 primarily consisted of increases in trade and other receivables of ₹1,306.09 million and in inventories of ₹264.78 million, which were partially offset by increases in trade payables of ₹271.39 million and in other current financial liability of ₹159.65 million and a decrease in other current financial assets of ₹159.48 million. Our cash generated from operating activities was ₹1,278.84 million, adjusted by taxes paid of ₹431.71 million.

We generated net cash from operating activities of ₹108.29 million during Fiscal 2019. While our restated profit before tax and extraordinary items was ₹1,297.30 million, we had an operating profit before working capital changes of ₹1,421.10 million, primarily due to adjustments for depreciation of ₹134.06 million and interest paid/finance cost of ₹70.52 million, which were partially offset by profit on sale of fixed assets of ₹(43.33) million and loss of plant, property and equipment due to fire of ₹(39.69) million. Our adjustments for working capital changes for Fiscal 2019 primarily consisted of an increase in trade and other receivables of ₹532.86 million and an increase in inventories of ₹522.00 million, which were partially offset by a decrease in other current assets of ₹360.22 million and an increase in other current liabilities of ₹136.79 million. Our cash generated from operating activities was ₹649.32 million, adjusted by taxes paid of ₹541.03 million.

Cash flows used in investing activities

Net cash used in investing activities was ₹679.74 million in the six months ended September 30, 2021, primarily on account of ₹634.00 million in payments for purchase of fixed assets and ₹540.00 million in payments for purchase of investments, which were partially offset by the net proceeds from the sale of investments of ₹540.45 million.

Net cash used in investing activities was ₹1,475.97 million in Fiscal 2021, primarily on account of ₹1,279.50 million in payments for purchase of investments and ₹200.95 million used for investment in fixed deposit.

Net cash used in investing activities was ₹892.01 million in Fiscal 2020, primarily on account of ₹896.87 million in payments for purchase of fixed assets.

Net cash used in investing activities was ₹496.59 million in Fiscal 2019, primarily on account of ₹546.46 million in payments for purchases of fixed assets.

Cash flows generated from / (used in) financing activities

Net cash generated from financing activities in the six months ended September 30, 2021 amounted to ₹205.86 million, which primarily consisted of proceeds from bank borrowings of ₹161.32 million and proceeds from short-term borrowings of ₹112.65 million, which were partially offset by interest paid – others and financial charges in the amount of ₹(68.11) million.

Net cash generated from financing activities in Fiscal 2021 amounted to ₹318.37 million, which primarily consisted of proceeds from bank borrowings of ₹634.53 million and proceeds from other borrowings of ₹70.88 million, which were partially offset by repayment of short-term borrowings in the amount of ₹(314.37) million and interest paid – others and financial charges in the amount of ₹(72.67) million.

Net cash generated from financing activities in Fiscal 2020 amounted to ₹130.42 million, which primarily consisted of proceeds from bank borrowings of ₹250.61 million, which was partially offset by interest paid – others and financial charges in the amount of ₹(94.28) million and repayment of short-term borrowings in the amount of ₹(24.24) million.

Net cash generated from financing activities in Fiscal 2019 amounted to ₹405.58 million, which primarily consisted of proceeds from short-term borrowings of ₹393.22 million and proceeds from other borrowings of ₹97.88 million, which was partially offset by interest paid – others and financial charges in the amount of ₹(70.52) million.

Capital and Other Commitments

As of September 30, 2021 and March 31, 2021, the estimated amount of contracts for property, plant and equipment remaining to be executed and not provided for (net of capital advances) was ₹202.18 million and ₹239.24 million, respectively.

Lease Liabilities

We enter into lease contracts for certain assets that have a lease term of 12 months or less and for which the underlying assets have low value. We have elected not to apply the requirements of Ind AS 116 to such short-term leases. The payments for such leases are recognized as expenses directly on our profit and loss account. We have entered into lease contracts for our head office premises. Leases of our head office premises have lease terms of five years. The Company's obligations under such leases are secured by the lessor's title to the leased assets. Such leases are terminable by either party upon three months' written notice.

The following table sets forth a summary of our lease liabilities as of September 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, broken down by current and non-current:

(₹ in millions)

Particulars	Non-Current			
	As at September 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Non-current lease liabilities (one to five years)	8.47	10.97	16.86	-
Current lease liabilities (less than one year)	4.50	3.93	3.15	-
Total	**12.97**	**14.90**	**20.01**	-

Capital Expenditure

Capital expenditures consist primarily of investments in manufacturing facilities and factory buildings, purchases of plant, machineries and equipment, furniture and fixtures, office equipment, laboratory and research and development equipment, computers and motor vehicles. We also make investments upgrade and modernize the facilities. Capital expenditure will vary from year to year depending upon a number of factors, including the need to expand capacity for new and existing products, replace or upgrade equipment with new technology and the timing of certain projects.

For the six months ended September 30, 2021, we added fixed assets of property, plant and equipment of ₹157.53 million, primarily for purchasing of machineries and equipment to expand and upgrade our manufacturing facility. For Fiscal 2021, we added intangible assets of ₹1.20 million, primarily for installing ERP software, and fixed assets of property, plant and equipment of ₹656.48 million, primarily for purchasing of machineries and equipment for expansion and upgradation of our manufacturing facilities. For Fiscal 2020, we added fixed assets of property, plant and equipment of ₹322.48 million, primarily for purchasing of machineries and equipment for expansion and upgradation of our manufacturing facilities. For Fiscal 2019, we added fixed assets of property, plant and equipment of ₹342.08 million, primarily for Purchasing of machineries and equipment for expansion and upgradation of our manufacturing facilities.

The following table summarizes our capital expenditure for the six months ended September 30, 2021, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019:

(₹ in millions)

Particulars	For the six months ended September 30, 2021	For the year ended March 31,		
		2021	2020	2019
Capital Work-in-Progress	435.78	35.67	148.22	Nil
Right of Use	3.00	35.90	224.42	3.35

Particulars	For the six months ended September 30, 2021	For the year ended March 31,		
		2021	2020	2019
Electrical Installations	2.31	118.56	65.68	5.21
Plant and Equipment	157.53	656.48	322.48	342.08
Computers	0.13	0.73	0.38	2.75
Furniture and Fixtures	0.15	9.34	1.89	1.96
Office Equipment	0.09	1.14	0.38	1.15
Vehicles	Nil	0.96	0.58	9.27
Laboratory Equipment	Nil	0.08	2.98	30.38
R & D Equipment	Nil	1.19	0.84	Nil
Factory Buildings	35.01	412.02	136.01	151.11
Intangible Assets (Software)	Nil	1.29	Nil	Nil
Total Capital Expenditure	**634.00**	**1,273.36**	**903.86**	**547.26**

The above capital expenditures were primarily financed by internally generated resources and long-term borrowings through banks and Promoters.

Contingent Liabilities and Commitments

Contingent liabilities and commitments, to the extent not provided for, as of September 30, 2021, March 31, 2021, 2020 and 2019, as determined in accordance with Ind AS 37, are described below.

(₹ in millions)

Contingent liabilities	As at September 30, 2021	As at March 31,		
		2021	2020	2019
In respect of guarantee given to GPCB	7.23	7.23	6.73	3.73
In respect of letter of credit outstanding	16.58	66.07	93.63	10.87
In respect of guarantee given by the holding company on behalf of subsidiaries	1,870.00	1,057.52	-	-
In respect of Guarantee given to GSPC Gas	-	-	-	0.01
In respect of guarantee given to Central Excise Department	0.10	0.10	0.10	0.10
Capital commitments	202.18	**239.24**	**271.91**	**157.86**
Total	**2,096.09**	**1,370.16**	**372.37**	**172.57**

For details, see "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 36:Contingent liabilities and commitments – not provided for in the accounts*" on page 341.

Financial Indebtedness

The following table sets forth our secured and unsecured debt position as of September 30, 2021 and March 31, 2021.

(₹ in millions)

Indebtedness	As of September 30, 2021	As of March 31, 2021
Non-Current		
-Secured Borrowings, comprising of:		
-Term loans	1,067.96	896.39
-Unsecured Borrowings, comprising of:		
-Loan from Promoters	211.49	221.73
Current		
-Secured Borrowings, comprising of:		
-Current maturities of non-current borrowings	515.08	132.00
-Loans repayable on demand from banks	835.00	722.35
Total Indebtedness	**2,629.53**	**1,972.48**

For information about our current liquidity and borrowings, see "*Financial Indebtedness* beginning on page 416.

Quantitative and Qualitative Disclosures about Market Risk

Our business activities expose us primarily to the following risks arising from financial instruments: (i) credit risk; (ii) liquidity risk; and (iii) market risk.

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, hedging of foreign currency exposure, credit control and ensuring compliance with market risk limits and policies.

The Group's Risk Management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, 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 obligations.

The Audit Committee oversees how management monitors compliance with the Group's Risk Management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit Risk

Credit Risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The carrying amount of following Financial Assets represents the maximum credit exposure:

Other Financial Assets

The Group maintains its cash and cash equivalents and bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Trade Receivables

The Sales Department has established a Credit Policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, coverage under credit insurance policy and in some cases bank references. The Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Board of Directors.

Goods are sold subject to retention of title clauses, so that in the event of non-payment by the customer, the Company may have a secured claim. The Group does not otherwise require collateral in respect of trade and other receivables.

Trade receivables of the Group are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The allowance for impairment of trade receivables is created to the extent and as and when required, based upon the expected collect ability of accounts receivables. The Group has no concentration of credit risk as the customer base is geographically distributed in India.

The Group measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, as per management perceptions, loss on collection of receivables is not material hence no additional provision considered.

The maximum exposure to credit risk for trade receivables by geographic region was as follows:

(₹ in millions)

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
India	1,308.27	1,370.89	1,506.03	1,411.41	111.32
Rest of the world	3,769.69	2,174.28	3,047.95	2,938.97	2,932.98
Total	**5,077.95**	**3,545.17**	**4,553.99**	**4,350.39**	**3,044.30**

The following tables sets out the aging of our receivables as at the end of the reporting period:

(₹ in millions)

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Neither due nor impaired	3,277.15	2,719.47	2,903.33	2,878.86	1,967.10
Past due 1-90 days	1,147.03	507.01	975.69	990.41	662.61
Past due 90-180 days	387.73	249.41	541.77	401.64	366.36
More than 180 days	266.04	69.28	133.20	79.47	48.22

Group management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk, including identifying customers' credit ratings if they are available.

Group management estimates that there are no instances of past due or impaired trade and other receivables.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

<u>Exposure to Liquidity Risk</u>

The following sets out details regarding the remaining contractual maturities of financial liabilities as at the September 30, 2021. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

(₹ in millions)

As at September 30, 2021	Contractual Cash Flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Rupee term loans from banks						
HDFC Bank Limited	629.26	629.26	481.38	147.88	-	0.00
Citi Bank	445.57	445.57	33.70	93.37	318.50	-
DBS Bank	508.20	508.20	0.00	124.55	383.65	-
Working capital loans from banks	835.00	835.00	835.00	-	-	-
Trade and other payables	3,279.13	3,279.13	3,279.13	-	-	0.00

The following sets out details regarding the remaining contractual maturities of financial liabilities as at the September 30, 2020. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

(₹ in millions)

As at September 30, 2020	Contractual Cash Flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Rupee term loans from banks						
HDFC Bank Limited	309.72	309.72	81.38	81.38	146.96	0.00
Citi Bank	270.00	270.00	0.00	31.31	238.69	-
Working capital loans from banks	103.68	103.68	103.68	-	-	-
Trade and other payables	2,155.15	2,155.15	2,155.15	-	-	0.00

The following sets out details regarding the remaining contractual maturities of financial liabilities as at the March 31, 2021. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

(₹ in millions)

As at March 31, 2021	Contractual Cash Flows					
	Carrying amount	**Total**	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Rupee term loans from banks						
HDFC Bank Limited	266.11	266.11	81.38	184.73	-	0.00
Citi Bank	219.19	219.19	50.63	135.00	33.56	-
DBS Bank	492.48	492.48	0.00	243.76	248.72	-
Working capital loans from banks	722.35	722.35	722.35	-	-	-
Trade and other payables	2,672.71	2,672.71	2,672.71	-	-	0.00

The following sets out details regarding the remaining contractual maturities of financial liabilities as at the March 31, 2020. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

(₹ in millions)

As at March 31, 2020	Contractual Cash Flows					
	Carrying amount	**Total**	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Rupee term loans from banks						
HDFC Bank Limited	343.24	325.52	81.38	99.10	162.76	-
Working capital loans from banks	1,036.72	1,036.72	1,036.72	-	-	-
Trade and other payables	2,322.85	2,322.85	2,322.85	-	-	-

The following sets out details regarding the remaining contractual maturities of financial liabilities as at the March 31, 2019. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

(₹ in millions)

As at March 31, 2019	Contractual Cash Flows					
	Carrying amount	**Total**	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Rupee term loans from banks						
HDFC Bank Limited	26.25	26.25	26.25	-	-	-
Working capital loans from banks	1,060.96	1,060.96	1,060.96	-	-	-
Trade and other payables	2,051.53	2,051.53	2,051.53	-	-	-

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

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 Company's long-term debt obligations with floating interest rates.

Exposure to Interest Rate Risk

The Company's interest rate risk arises from borrowings obligations. Borrowings issued exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

(₹ in millions)

Variable rate instruments	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Non-current borrowings	1,279.45	792.47	1,118.13	412.72	163.78
Current maturity of long-term borrowings	515.08	81.38	132.00	81.38	15.00
Total	**1,794.53**	**873.85**	**1,250.13**	**494.10**	**178.78**

Cash Flow Sensitivity Analysis for Variable-Rate Instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in millions)

Particulars	Profit or (Loss)		Equity, net of tax	
	100 basis point increase	100 basis point decrease	100 basis point increase	100 basis point decrease
September 30, 2021				
Non-current borrowings	(127.94)	127.94	(95.74)	95.74
Current maturity of long-term borrowings	(51.51)	51.51	(38.54)	38.54
Total	**(179.45)**	**179.45**	**(134.29)**	**134.29**
September 30, 2020				
Non-current borrowings	(79.25)	79.25	(59.30)	(59.30)
Current maturity of long-term borrowings	(8.14)	8.14	(6.09)	6.09
Total	**(87.39)**	**87.39**	**(65.39)**	**65.39**
March 31, 2021				
Non-current borrowings	(111.81)	111.81	(83.67)	83.67
Current maturity of long-term borrowings	(13.20)	13.20	(9.88)	9.88
Total	**(125.01)**	**125.01**	**(93.55)**	**93.55**
March 31, 2020				
Non-current borrowings	(41.27)	41.27	(30.88)	30.88
Current maturity of long-term borrowings	(8.14)	8.14	(6.09)	6.09
Total	**(49.40)**	**49.40**	**(36.97)**	**36.97**
March 31, 2019				
Non-current borrowings	(14.88)	14.88	(11.13)	11.13
Current maturity of long-term borrowings	(1.50)	1.50	(1.12)	1.12
Total	**(16.38)**	**16.38**	**(12.26)**	**12.26**

Market Risk

Market risk is the risk that changes in market prices — such as foreign exchange rates, interest rates and equity prices — will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments, including foreign currency receivables and payables and long-term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency Risk

The Group is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Category	Instrument	Currency	Cross Currency in Lakhs	Amounts INR	Buy/Sell
Hedges of highly probably forecasted transactions	Forward contract	USD	0	3,576.12	Sell

Exposure to Currency Risk

The table below sets out the currency profile of our financial assets and financial liabilities with exposure to foreign currency risk as at September 30, 2021:

Particulars	As at September 30, 2021		
	USD	AUD	EURO
Financial Assets			
Non-current investments	0.00	0.00	0.00
Trade and other receivables	3,769.69	0.00	-
Less: Forward contract for selling	(3,576.12)	0.00	-
Foreign currency	-	-	-
Total	**193.57**	**0.00**	**0.00**
Financial Liabilities			
Short-term borrowings	798.62	0.00	0.00
Trade and other payables	310.86	0.00	0.00
Less: Forward contract for buying	-	0.00	0.00
Foreign currency	0.00	0.00	0.00
Total	**1,109.48**	**0.00**	**0.00**

The table below sets out the currency profile of our financial assets and financial liabilities with exposure to foreign currency risk as at September 30, 2020:

Particulars	As at September 30, 2020		
	USD	AUD	EURO
Financial Assets			
Non-current investments	0.00	0.00	0.00
Trade and other receivables	2,174.28	0.00	-
Less: Forward contract for selling	(1,209.93)	0.00	-
Foreign currency	-	-	-
Total	**964.35**	**0.00**	**0.00**
Financial Liabilities			
Short-term borrowings	158.35	0.00	0.00
Trade and other payables	320.42	0.00	0.00
Less: Forward contract for buying	-	0.00	0.00
Foreign currency	-	-	-
Total	**478.76**	**0.00**	**0.00**

The table below sets out the currency profile of our financial assets and financial liabilities with exposure to foreign currency risk as at March 31, 2021:

(₹ in millions)

Particulars	As at March 31, 2021		
	USD	AUD	EURO
Financial Assets			
Non-current investments	0.00	0.00	0.00
Trade and other receivables	3,047.95	0.00	-
Less: Forward contract for selling	(2,602.72)	0.00	-
Total	**445.23**	**0.00**	**0.00**
Financial Liabilities			
Short-term borrowings	697.52	0.00	0.00
Trade and other payables	668.50	0.00	0.00
Less: Forward contract for buying	-	0.00	0.00

Particulars	As at March 31, 2021		
	USD	AUD	EURO
Total	**1,366.02**	**0.00**	**0.00**

The table below sets out the currency profile of our financial assets and financial liabilities with exposure to foreign currency risk as at March 31, 2020:

(₹ in millions)

Particulars	As at March 31, 2020		
	USD	AUD	EURO
Financial Assets			
Non-current investments	-	-	0.00
Trade and other receivables	2,922.25	0.00	100.79
Less: Forward contract for selling	(1,274.40)	0.00	(117.93)
Total	**1,647.84**	**0.00**	**(17.14)**
Financial Liabilities			
Short-term borrowings	787.31	-	-
Trade and other payables	267.10	-	-
Less: Forward contract for buying	(4.51)	-	-
Total	**1,049.90**	**-**	**-**

The table below sets out the currency profile of our financial assets and financial liabilities with exposure to foreign currency risk as at March 31, 2019:

(₹ in millions)

Particulars	As at March 31, 2019		
	USD	AUD	EURO
Financial Assets			
Non-current investments	-	-	-
Trade and other receivables	2,932.98	-	-
Less: Forward contract for selling	(387.03)	-	-
Total	**2,545.94**	**-**	**-**
Financial Liabilities			
Short-term borrowings	266.75	-	-
Trade and other payables	81.24	-	-
Less: Forward contract for buying	0.00	-	-
Total	**347.99**	**-**	**-**

Sensitivity Analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars at the relevant reporting date would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in millions)

Effect in	Profit or (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
September 30, 2021				
3% movement				
USD	(27.48)	27.48	(20.56)	20.56
EUR	0.00	0.00	0.00	0.00
AUD	0.00	0.00	0.00	0.00
September 30, 2020				
3% movement				
USD	14.57	(14.57)	10.90	(10.90)
EUR	0.00	0.00	0.00	0.00
AUD	0.00	0.00	0.00	0.00
March 31, 2021				
3% movement				
USD	(27.62)	27.62	(20.67)	20.67
EUR	0.00	0.00	0.00	0.00
AUD	0.00	0.00	0.00	0.00
March 31, 2020				

Effect in	Profit or (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
3% movement				
USD	(17.94)	17.94	(13.42)	13.42
EUR	0.51	(0.51)	0.38	(0.38)
AUD	(0.00)	0.00	(0.00)	0.00
March 31, 2019				
3% movement				
USD	73.94	(73.94)	55.33	(55.33)
EUR	-	-	-	-
AUD	-	-	-	-

Reservations, Qualifications and Adverse Remarks Included in Financial Statements

There have been no reservations or qualifications or adverse remarks of our Statutory Auditors in the Half Year 2022 and Fiscals 2021, 2020 and 2019.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. For further information see "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 38: Related party disclosures*" on page 345 of this Draft Red Herring Prospectus.

Significant Economic Changes

Other than as described above, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Unusual or Infrequent Events of Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*Principal Factors Affecting Our Results of Operations*" and the uncertainties described in the section titled "*Risk Factors*" beginning on pages 373 and 27, respectively, of this Draft Red Herring Prospectus. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship Between Cost and Income

Other than as described elsewhere in this Draft Red Herring Prospectus, including disclosure regarding the impact of COVID-19 on our operations, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

Competitive Conditions

We operate in a competitive environment and expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in the sections titled "*Risk Factors*", "*Our Business*" and "*Industry Overview*" on pages 27, 163 and 114, respectively, of this Draft Red Herring Prospectus.

Seasonality/Cyclicality of Business

Our business is affected by seasonal variations and adverse weather conditions. For further details, see "*Risk Factors –Our agrochemicals business is subject to climatic conditions, the overall area under cultivation, and the cropping pattern adopted by the farming community. Seasonal variations and unfavourable local and global weather patterns may have an adverse effect on our business, results of operations and financial condition.*" on page 36 of this Draft Red Herring Prospectus.

New Products or Business Segments

Except as disclosed in "*Our Business*" on page 163 of this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Developments after September 30, 2021 that may affect our future results of operations

Split of face value of equity shares from ₹10 to ₹5:

Pursuant to a resolution passed by our Board on December 18, 2021 and a resolution passed by our Shareholders in the EGM held on December 23, 2021, our Company has sub-divided its authorised share capital, such that 55,000,000 equity shares of ₹10 each aggregating to ₹550,000,000 were sub-divided and reclassified as 110,000,000 Equity Shares of ₹5 each aggregating to ₹550,000,000.

Increase in authorized share capital

The Board of Directors pursuant to a resolution dated November 20, 2021, and a resolution passed by the Shareholders dated November 29, 2021, the authorised share capital of the Company was increased from existing ₹ 150,000,000 divided into 15,000,000 equity shares of ₹ 10 each to ₹ 550,000,000 divided into 55,000,000 Equity shares of ₹ 10 each.

Bonus Issue of Shares:

The Board of Directors pursuant to a resolution dated December 18, 2021 and the shareholders pursuant to special resolution dated December 23, 2021 have approved the issuance of 4 bonus shares of face value ₹5 each for every one existing fully paid up equity share of face value ₹5 each and accordingly bonus shares were issued and allotted.

HCCPL Becoming a Wholly-Owned Subsidiary of the Company

In January 2022, the Company acquired balance 49% shareholding of HCCPL from our Promoters. As such shares represented all of the remaining shares of HCCPL that our Company did not previously own, HCCPL became a wholly-owned subsidiary of the Company upon completion of such purchase.

Except for the foregoing and as otherwise stated in this Draft Red Herring Prospectus, no circumstances have arisen since the date of the Restated Financial Information as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect our operations or profitability, the value of our assets or our ability to pay our material liabilities within the next twelve months.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for purposes such as working capital and to meet other business requirements and for general corporate purposes. Our Company has obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer. For details regarding the borrowing powers of our Board, see "*Our Management –Borrowing Powers of our Board*" beginning on page 206.

As of December 31, 2021, our outstanding borrowings on a consolidated basis aggregated to 3,331.95 million.

Set forth below is a brief summary of our aggregate borrowings as of December 31, 2021:

Category of borrowing	Sanctioned amount* (in ₹million)	Outstanding amount (in ₹million)
Company		
Term Loans	1,770.00	1,142.21
Working Capital Loans	2,730.00	2,189.73
Unsecured loan from Promoters	243.09	243.09
Total	**4,743.09**	**3,575.04**

As certified by Statutory Auditors by way of certificate dated March 28, 2022.
**In case of unsecured loan from Promoters, the sanctioned amount refers to the amount obtained from the Promoters.*

Principal terms of the facilities sanctioned to our Company:

1. ***Interest:*** In terms of the loans availed by us, the interest rate typically ranges from 7% per annum to 9% per annum. For certain loans, the interest rate is the base rate of a specified lender and spread per annum. The spread varies among different loans for different banks.

2. ***Tenor:*** The tenor of the facilities availed by our Company typically ranges from 6 months to 5 years.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to, *inter alia*:

   a) Create security by way of a first *pari passu* charge on (i) movable fixed assets (including plant and machinery, office equipment, furniture and fixture, etc); and (ii) entire current assets of our Company both present and future; and

   b) Create first *pari passu* charge in the form of equitable mortgage over some of our immovable properties.

   This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us. Further, under the loan documents in relation to facilities availed by our wholly owned subsidiary, HCCPL, our Company and Promoters are required to issue guarantee in favour of the lenders which are valid until the repayment of loan by HCCPL.

4. ***Re-payment:*** The term loan facilities are typically repayable within 5 years (excluding moratorium period), as per the repayment schedule mutually agreed upon between the lender and us, forming part of the loan documentation entered into between the lenders and us, or on demand.

5. ***Events of Default:*** Borrowing arrangements entered into by us contain certain standard events of default, including, *inter alia:*

   a) If our Company or its subsidiaries commits any breach or default in performance or observance any of the terms or provisions of any other agreement between the lender and Company or its subsidiaries in respect of the loan;

   b) If our Company commits any default in the payment of principal or interest of any obligation of our Company to the lenders when due and payable;

   c) If there is any deterioration or impairment of the securities / the property or any part thereof or any decline or depreciation in the value or market price thereof (whether actual or reasonably anticipated), which causes the securities in the judgment of the lender to become unsatisfactory as to character or value;

   d) If any attachment, distress, execution or other process against our Company/our assets/bank accounts or any of the securities is threatened, enforced or levied upon by any person;

   e) If our Company goes into liquidation for the purpose of amalgamation or reconstruction, except with prior written approval of the lenders;

   f) If our Company, without prior written consent of the lender, attempt or purport to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over our Company's property or any part thereof (other than the already existing charges in favour of other financial institutions and banks which has been disclosed to the lenders), which is or shall be the security for the repayment of the dues, except for securing the existing facilities availed by the Company.

The details above are indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

Additionally, our Company is required to ensure that the aforementioned events of default and other events of default, as specified under the various binding documents and agreements entered into by our Company for the purpose of availing of loans are not triggered.

6. ***Consequences of Events of Defaults:*** Borrowing arrangements entered into by us contain certain standard consequences of events of default, including, *inter alia:*

a) The lender may declare that the dues and all of the obligations of our Company to the lender shall immediately become due and payable irrespective of any agreed maturity;

b) The Lender shall be entitled to enforce its security; and

c) Convert at the option of the lender, the whole or part of the outstanding due amounts under the loan (whether due and payable or not) into equity shares of our Company at face value and / or formulate a mechanism for resolution of the stressed asset.

The details above are indicative and there may be additional terms that may amount to a consequence of an event of default under the various borrowing arrangements entered into by us.

7. ***Restrictive Covenants:*** *Certain borrowing arrangements entered into by us contain restrictive covenants, including, inter alia:*

a) Enter into any merger/amalgamation or do any buyback without prior approval of the relevant lender;

b) Change the general nature of its business or undertake any expansion or invest in any other entity without prior approval of the relevant lender;

c) Permit any change in its ownership/ control/ management whereby its business/ operations are managed or controlled, directly or indirectly, by any other person without prior approval of the relevant lender.

d) Make any amendments to its constitutional documents without prior approval of the relevant lender;

e) Avail any loan; and/ or stand as surety or guarantor for any third-party liability or obligation and/or provide any loan or advance to any third party without prior approval of the relevant lender;

f) Pay any commission, brokerage or fees to its promoters/directors/guarantors/ security providers for the issuance of the guarantee as the security, without prior approval of the relevant lender;

g) Encumber its assets without prior approval of the relevant lender; and

h) Dispose its assets other as permitted by the relevant lender in writing.

This is an indicative list and there may be additional restrictive covenants under the various borrowing arrangements entered into by us.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at September 30, 2021, on the basis of our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with "*Risk Factors*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", beginning on pages 27, 416 and 372, respectively.

(₹ in million)

Particulars	Pre-Offer as at September 30, 2021 (A)	Adjusted for the Offer (B)(1)
Total borrowings		
Current borrowings (A) #	835.00	[●]
Non-current borrowings (including current maturities of long-term borrowings) #(B)	1,794.53	[●]
Total borrowings (C)	2,629.53	[●]
Total equity		
Equity share capital#	90.06	[●]
Other equity#	7,021.64	[●]
Total equity (D)	7,111.70	[●]
Ratio: Total non-current borrowings (including current maturities of long-term borrowings)/ Total equity (B)/(D)	0.25	[●]
Ratio: Total borrowings/ total equity (C) / (D)	0.37	[●]

Notes:

1) *The corresponding post Offer capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same have not been provided in the above statement.*

2) *The above statement does not include lease liability as per Ind AS 116 disclosed under other financial liability in the Restated Financial Information.*

3) *Subsequent to September 30, 2021, pursuant to a resolution passed by our Board on December 18, 2021 and a resolution passed by our Shareholders in the EGM held on December 23, 2021, each equity shares of face value of ₹10 each has been sub-divided into 2 equity shares of face value of ₹5 each.*

4) *Subsequent to September 30, 2021, the Board of Directors pursuant to a resolution dated December 18, 2021 and the shareholders special resolution dated December 23, 2021 have approved the issuance and allotment, respectively of 4 bonus shares of face value ₹5 each for every one existing fully paid up equity share of face value ₹5 each and accordingly 72,046,000 bonus shares were issued and allotted.*

\# *These terms carry the same meaning as per Schedule III of the Companies Act, 2013, as amended.*

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct and indirect taxes, in a consolidated manner or (iv) material civil litigation (including tax proceedings), in each case involving our Company, Subsidiaries, Promoters or our Directors (collectively, the "**Relevant Parties**"). Further, there are no disciplinary actions including penalty imposed by SEBI or stock exchanges against the Promoters in the last five Financial Years including outstanding action*

*In relation to (iv) above, our Board in its meeting held on March 28, 2022 has considered and adopted a policy of materiality for identification of material civil litigation involving the Relevant Parties ("**Materiality Policy**"). In terms of the Materiality Policy, any single outstanding civil litigation involving the Relevant Parties which exceeds the amount of 1% of the profit after tax as per the Restated Consolidated Financial Statements for the Financial Year 2021 aggregating to ₹16.94 million have been considered material.*

Accordingly, disclosures of the following types of civil litigation involving the Relevant Parties have been considered material and accordingly disclosed, as applicable, (a) where the aggregate amount involved in such individual civil litigation (including tax proceedings) exceeds the relevant monetary threshold disclosed above, individually; (b) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in an individual litigation may not exceed ₹16.94 million; (c) which may not meet the monetary threshold, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of the Company.

There are no outstanding legal proceedings involving the Group Companies, the outcome of which could have a material impact on the Company or the Offer.

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this materiality policy, outstanding dues to any creditor of our Company having monetary value exceeding ₹163.96 million, which is 5% of the total trade payables of our Company as on September 30, 2021, as per the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus, shall be considered as 'material'. Accordingly, as on September 30, 2021, any outstanding dues exceeding ₹163.96 million have been considered as material outstanding dues for the purpose of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or medium enterprise ("**MSME**"), the disclosure will be based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Act, 2006, as amended, as has been relied upon by the Statutory Auditors.*

It is clarified that for the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding notices threatening criminal action and those notices issued by statutory/regulatory/tax authorities) shall, unless otherwise decided by our Board, not be considered as material until such time that the Relevant Parties, as applicable, is impleaded as defendant in litigation proceedings before any judicial forum.

I. Litigation involving our Company

Litigation against our Company

Regulatory

(a) Aryavart Foundation ("**the Petitioner**") has filed a petition against our Company before the National Green Tribunal, Western Zone ("**the NGT**") under Sections 18(1) read with Sections 14, 15 and 17 of the National Green Tribunal Act, 2010, alleging consistent non-compliance of environmental obligations set out in the consent to establish and consolidated consent and authorization with respect to our manufacturing facility at Dahej by alleged discharge of untreated trade effluents by means of a ghost underground pipeline into the GIDC drainage system since the establishment of the facility in 2010. The NGT through its order dated August 16, 2021 had issued notice to our Company. Further, through its order dated October 4, 2021 ("**Order**"), NGT has directed Gujarat Pollution Control Board or any other organization to conduct a survey for environmental damage caused by release of effluents by the Company in GIDC Dahej to undertake inspection of the industrial units falling under "red category" and find out whether they discharge untreated/partly treated effluents. The matter is currently pending.

(b) Chief Agricultural Officer cum Licensing Authority, Ferozepur, Punjab issued a show cause notice dated December 23, 2019 to our Company alleging violation of provisions of Sections 3(k)(i), 17, 18, 29 and 33 of the Insecticides Act, 1968 read with Rule 27(5) of Insecticides Rules 1971 by allegedly stocking for sale and selling the mis-branded insecticide cartap hydrochloride and thereby of not conforming to I.S. Specification with respect to percentage of its active ingredient content. a complaint was filed by the Insecticide Inspector, Ferozepur against the dealer selling the mis-branded insecticide and our Company being the manufacturer of the same, before the Chief Judicial Magistrate, Ferozepur and an order dated August 11, 2020 was passed stating a prima facie case has been made out against our Company under sections 3(k)(i), 17, 18 and 33 of the Insecticides Act, 1968. Aggrieved by the aforesaid order, our Company filed an appeal before High Court of Punjab and Haryana, which is currently pending.

Criminal Proceedings

(a) A criminal complaint has been filed against our Company by the factory inspector, Bharuch before the Court of the Additional Chief Judicial Magistrate, Wagra under Section 92 of the Factories Act, 1948 alleging the death of a worker at the Dahej facility of our Company as a result of a flash fire, the source of which was the stirrer of motor to the vapour cloud of effluent in the Dahej Facility. It was further alleged that had proper arrangements been made for the removal of vapour cloud, the accident could have been prevented. The matter is currently pending.

(b) A show cause notice dated June 28, 2018 ("**Notice**") was issued against our Company by the Office of the Labour (Industries) Officer, Ankleshwar before Taluka Court, under the Industrial Disputes (Gujarat) Rules, 1966 alleging that our Company has not implemented the order dated August 5, 2017 of Hon'ble Labour Court, Bharuch which has resulted in the violation of Section 18(3) read with Section 17(A) of the Industrial Dispute Act, 1947 in a matter filed by an employee of the Company whose employment was allegedly terminated. As per order dated August 5, 2017, the employee was to be reinstated on his original post with incidental benefits but without back wages. In the present complaint, it has been alleged that though the Company has reinstated the employment, it has not paid incidental benefits for the period of termination till reinstatement to the employee. As per the Company's response dated August 27, 2021 to the Notice, the Company has denied any such violation of award and has thereby waived off the Notice. The matter is currently pending.

(c) A criminal complaint has been filed by the Gujarat Pollution Control Board against our Company, our Promoter and Managing Director, Mohan Sunderji Dama and others, before Principal Senior Civil Judge, Vapi, Gujarat under Sections 7, 15, 16 and 19 of the Environmental Protection Act, 1986, alleging that our Company has breached terms of consent order and caused damage to the environment and public health and public welfare by emission of pollutants. The Additional Judicial Magistrate, First Class, Vapi,vide their order dated June 3, 2021 took the complaint on record. The matter is related to the erstwhile Vapi unit of our Company which was transferred to Hemani Intermediates Private Limited in accordance with the Family Arrangement. For further details, see "- Family Arrangement" under "History and certain other Corporate Matters" on page 198.

(d) A criminal complaint has been filed by the Gujarat Pollution Control Board against our Company and our Promoter and Managing Director, Mohan Sunderji Dama and others, before Principal Senior Civil Judge, Vapi, Gujarat under Sections 7, 15, 16 and 19 of the Environmental Protection Act, 1986, alleging that our Company has breached terms of consent order and caused damage to the environment and public health and public welfare by emission of pollutants. The Second Additional Judicial Magistrate, First Class, Vapi,vide their order dated June 24, 2021 took the complaint on record. The matter as the matter is related to the erstwhile Vapi unit of our Company which was transferred to Hemani Intermediates Private Limited in accordance with the Family Arrangement. For further details, see "- Family Arrangement" under "History and certain other Corporate Matters" on page 198.

Claims related to direct and indirect taxes

Nature of case	Number of Cases	Amount in dispute/demand (in ₹ million, to the extent quantifiable)
Direct Tax	Nil	Nil
Indirect Tax*	3	41.46
Total	**3**	**41.46**

***** *For further details, please see "-Material Tax Matters" on page 420.*

Material Tax matters

(a) Our Company has received a show cause notice dated February 9, 2021 from the Directorate of Revenue Intelligence, Ahmedabad Zonal Unit, Ahmedabad alleging that our Company has wrongfully availed higher rate of incentive of approximately ₹31.90 million under Merchandise Exports from India Scheme through the Foreign Trade Policy 2015-20 by exporting insecticides, fungicides, herbicides etc. by mis-classifying the products under a different category to avail higher benefits. The matter is currently pending with the Additional Director General (Adjudication) Directorate of Revenue Intelligence, Delhi. The matter is currently pending.

(b) Our Company has received a show cause notice dated November 5, 2019 from the Additional Office of

Director General of Foreign Trade, Mumbai, alleging that our Company has wrongfully availed higher rate of incentive under Merchandise Exports from India Scheme through the Foreign Trade Policy 2015-20 by exporting insecticides, fungicides, herbicides etc. by mis-classifying the products under a different category to avail higher benefits and calling upon our Company to show cause the reason of not cancelling the license issued under Merchandise Exports from India Scheme in terms of Foreign Trade (Development & Regulation) Act, 1992 ("**Act**") and the reason for not imposing the fiscal penalty of ₹15.67 million under the Act. Our Company has replied to the show cause notice, stating that our Company had immediately paid the incentive of ₹15.67 million along with ₹ 2.62 million as tax, which it had availed, by mistake, depicting lack of a mala fide intention. The matter is currently pending.

Litigation by our Company

Criminal Proceedings

Our Company has filed 3 complaints against various parties, under Section 138 of the Negotiable Instruments Act, 1881, in relation to dishonour of cheques. The matters are pending at various stages of adjudication before various courts. The aggregate amount involved in these matters is approximately ₹1.90 million.

II. Litigation involving our Promoters

Against our Promoters

Criminal Proceedings

(a) A criminal complaint has been filed by the Gujarat Pollution Control Board against our Company, and our Promoter and Managing Director, Mohan Sunderji Dama and others, before Principal Senior Civil Judge, Vapi, Gujarat. For further details, see "*Litigation against our Company – Criminal Proceedings* on page 420.

(b) A criminal complaint has been filed by the Gujarat Pollution Control Board against our Company and our Promoter and Managing Director, Mohan Sunderji Dama and others, before Principal Senior Civil Judge, Vapi, Gujarat. For further details, see "*Litigation against our Company – Criminal Proceedings* on page 420.

III. Litigation involving our Directors

Criminal Proceedings

(a) A criminal complaint has been filed by the Gujarat Pollution Control Board against our Company and our Promoter and Managing Director, Mohan Sunderji Dama before Principal Senior Civil Judge, Vapi, Gujarat. For further details, see "*Litigation against our Company – Criminal Proceedings* on page 420.

(b) A criminal complaint has been filed by the Gujarat Pollution Control Board against our Company and our Promoter and Managing Director, Mohan Sunderji Dama and others, before Principal Senior Civil Judge, Vapi, Gujarat. For further details, see "*Litigation against our Company – Criminal Proceedings* on page 420.

IV. Litigation involving our Subsidiaries

Nil

Outstanding dues to creditors

Our Board, in its meeting held on March 28, 2022 has considered and adopted a policy of materiality for identification of material outstanding dues. In terms of the materiality policy, creditors of our Company to whom an amount exceeding 5% of our total trade payables as on September 30, 2021 was outstanding, were considered 'material' creditors. As per the Restated Consolidated Financial Information, our total trade payables as on September 30, 2021, was ₹3,279.13 million and accordingly, creditors to whom outstanding dues exceed ₹163.96 million have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

Based on this criteria, details of outstanding dues owed as on September 30, 2021 by our Company are set out below:

Type of Creditors	Number of Creditors	Amount (in ₹ million)
Micro, small and medium enterprises	23	76.65
Material creditors	2	340.87
Other creditors	1,196	2,861.61
Total	**1,221**	**3,279.13**

The details pertaining to outstanding dues to the material creditors along with names and amounts involved for each such material creditor are available on the website of our Company at http://hemanigroup.com/investor-relations/material-creditors/.

Material Developments

Other than as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 372, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our business or results of operations or, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*We have set out below a list of material approvals, consents, licences and permissions from various governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations ("**Material Approvals**"). In view of the approvals listed below, our Company can undertake this Offer and its business activities, as applicable. In addition, certain of our Material Approvals may have lapsed or expired or may lapse in their normal course and our Company has either already made applications to the appropriate authorities for renewal of such Material Approvals or is in the process of making such renewal applications in accordance with applicable requirements and procedures. Unless otherwise stated, Material Approvals as set out below, are valid as on date of this Draft Red Herring Prospectus.*

For further details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies in India" beginning on page 190.

I. MATERIAL APPROVALS IN RELATION TO THE OFFER

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures - Authority for the Offer*" on page 425.

II. INCORPORATION DETAILS OF OUR COMPANY

For details in relation to incorporation of our Company, see "*History and Certain Corporate Matters*" on page 196.

III. MATERIAL APPROVALS IN RELATION TO OUR BUSINESS OPERATIONS

For information on our business operations, see "*Our Business*" on page 163 to 189.

An indicative list of the Material Approvals required by us to undertake our businesses are set out below.

1. *Material Approvals in relation to our business*

(a) Consents and authorisations issued by the central and state pollution control boards under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 including consent to establish (NOC), consent to operate and authorisation for management and handling of hazardous and other waste

(b) Environmental clearance from Ministry of Environment, Forest and Climate Change, Government of India

(c) License to work a factory issued by the states under the Factories Act, 1948 and the relevant rules framed thereunder for all our factories.

(d) Certificate of Importer Exporter Code issued by the Ministry of Commerce and Industry, Government of India to our Company.

(e) Our facilities are required to obtain separate certificates for each boiler utilised under the provisions of the Boilers Act, 1923 and the Indian Boilers Regulations, 1950 and the rules of the relevant state, as applicable, for possession of steam boilers by providing specifications such as capacity, design and so on. The certificates provide the maximum pressure at which the boiler may be operated and are subject to inspections, hydraulic testing, reporting requirements and periodic renewals.

(f) Manufacturing Certificate issued by the Ministry of Commerce and Industry.

(g) License for possession and sale of poisons issued by the Office of the Sub Divisional Magistrate, Ankleshwar under the Poison Act, 1919, for our Ankleshwar facility.

(h) License issued by the Assistant Commissioner, Food and Drugs Control Administration, Bharuch, under the Drugs & Cosmetic Act, 1940 and rules thereunder.

(i) Registration of R&D unit as a research institution with the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

(j) Certificate issued by the Office of the Controller Legal Metrology, Government of Gujarat in relation to weights and measurements.

(k) License issued by Jt. Chief Controller of Explosives, Petroleum & Explosives Safety Organization, Vadodara, to store liquified carbon dioxide for Dahej facility.

(l) License to store poison, sodium cyanide issued by District Magistrate of Bharuch for Dahej Facility.

(m) License to store poison, methanol issued by District Magistrate of Bharuch for Dahej Facility

2. Registrations under employment laws

The registrations and approvals obtained by our Company under applicable labour laws, include the following:

(a) Provident fund code intimation letter issued by the Employees' Provident Fund Organisation, India evidencing a registration under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

(b) Certificate of registration issued by Employees State Insurance Corporation, Ministry of Labour and Employment, Government of India under the Employees State Insurance Act, 1948 for our Ankleshwar facility.

(c) Certificate of Registration issued by Registering Officer of the Assistant Commissioner, Bharuch under the Contract Labour Registration Act, 1970 for our Ankleshwar facility.

3. Tax related approvals

(a) Certificate of registration issued by the Government of India and various State Governments under the Central Goods and Services Tax Act, 2017 in relation to all the states where our business operations are situated.

(b) PAN bearing number AAACH1117Q issued by the Income Tax Department under the IT Act.

(c) TAN bearing number BRDH01607E issued by the Income Tax Department under the IT Act, for our Ankleshwar facility.

(d) Registration under the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976, for our Ankleshwar facility.

IV. LICENSES / APPROVALS WHICH HAVE EXPIRED AND FOR WHICH RENEWAL APPLICATIONS HAVE BEEN MADE

a) Solvent License issued by District Magistrate, Bharuch for the Dahej Facility. Renewal application dated December 1, 2021 filed with District Magistrate, Bharuch.

b) License for Isobutylene issued by Petroleum & Explosives Safety Organisation for Dahej Facility. Renewal application dated September 10, 2021 filed with Deputy Chief Controller of Explosives, Bharuch.

c) License to store solvent C9 and Toluene issued by District Magistrate of Bharuch for Ankleshwar facility. Renewal application dated December 15, 2021 filed with District Supply Officer of Bharuch.

V. LICENSES / APPROVALS EXPIRED FOR WHICH NO APPLICATION HAS BEEN MADE

(a) License to store Compressed gas in pressure vessels dated March 27, 2017 under Indian Explosives Act, 1884.

(b) Registration certificate of establishment dated March 1, 2016 and valid up to December 31, 2019.

VI. LICENSES / APPROVALS WHICH ARE REQUIRED BUT NOT YET APPLIED FOR

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on January 29, 2022 and our Shareholders have approved the Fresh Issue pursuant to a resolution dated February 2, 2022 in terms of Section 62(1)(c) of the Companies Act, 2013. This Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution passed on March 28, 2022.

The Promoter Selling Shareholders have confirmed and approved their participation in the Offer for Sale in relation to their portion of Offered Shares. For details, see "*The Offer*" on page 62.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI or other governmental authorities

Our Company, Promoters, members of the Promoter Groups and Directors, are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Each Promoter Selling Shareholder, severally and not jointly, specifically confirms that it is not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any authority or court.

Our Directors and Promoters are not directors or promoters of any other company which is debarred from accessing the capital markets by SEBI.

Our Company, Promoters and Directors have not been declared as Wilful Defaulters or a Fraudulent Borrower by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI.

Our Company, the Promoters, members of the Promoter Group, Promoter Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI

Our Promoters or Directors have not been declared as Fugitive Economic Offenders.

Our Company, Promoters and Directors have not been declared as 'Fraudulent Borrowers' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016.

Directors associated with the securities market

None of our Directors, are associated with the securities market in any manner including securities market related business.

No action has been initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, and members of the Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to each of them as on the date of this Draft Red Herring Prospectus.

Each of the Promoter Selling Shareholders, severally and not jointly, has confirmed that it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to it, in relation to the Company, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company confirms that it is not ineligible to make the Offer in terms of the SEBI ICDR Regulations, to the extent applicable.

There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus. For further information, see "*Capital Structure*" beginning on page 79.

Each of the Promoter Selling Shareholder confirms that it has held its portion of Offered Shares for a period of at least one year prior to the date of this Draft Red Herring Prospectus and that it is in compliance with Regulation 8 of the SEBI ICDR

Regulations.

Our Company is eligible for the Offer in accordance with the Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has had net tangible assets of at least ₹30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- Our Company has an average operating profit of at least ₹150 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated basis; and

- Our Company has not changed its name within the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profit, and net worth derived from the Restated Financial Information included in this Draft Red Herring Prospectus for the last three Financial years, are set forth below. Our Company did not have any subsidiary or associate company in the financial year ended March 31, 2019 and accordingly, the financial information of our Company for such periods is only available on a standalone basis.

(₹ in million, unless stated otherwise)

S. No.	Particulars	Financial Year ended March 31, 2021 (consolidated)	Financial Year ended March 31, 2020 (consolidated)	Financial Year ended March 31, 2019 (standalone)
1.	Net tangible assets, as restated[(1)]	6,080.67	4,349.56	3,027.87
2.	Monetary assets, as restated[(2)]	548.81	108.04	23.85
3.	Monetary assets as a percentage of net tangible assets (%)	9.03	2.48	0.79
4.	Operating profit, as restated[(3)]	2,280.14	1,700.47	1,272.39
5.	Net worth, as restated[(4)]	5,978.31	4,271.32	2,945.04

Notes:

(1) *'Net tangible assets', means the sum of all net assets of the Company excluding intangible assets as defined in Indian Accounting Standard 38.*

(2) *''Monetary assets' means cash and cash equivalents and bank balances other than cash and cash equivalents.*

(3) *Operating profit', is defined as profit before finance costs, other income and tax expense.*

(4) *'Net worth', has been computed as the sum of paid up share capital and other equity of the Company.*

(5) *The average restated operating profit of the Company for the preceding three financial years, i.e., March 31, 2021, March 31, 2020, and March 31, 2019, is ₹ 1,751.00 million.*

We are eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulations 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 Allottees shall not be less than 1,000, failing which the entire application monies shall be refunded forthwith. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

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.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING JM FINANCIAL LIMITED, AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO

FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND EACH OF THE PROMOTER SELLING SHAREHOLDERS, SEVERALLY AND NOT JOINTLY, WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF AND ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDERS, SEVERALLY AND NOT JOINTLY, DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS BEING JM FINANCIAL LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 28, 2022, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, the Directors, the Promoter Selling Shareholders, and the Book Running Lead Managers

Our Company, the Directors and the Book Running Lead Managers accept no responsibility for statements made in relation to the Company or the Offer other than those confirmed by it 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, http://hemanigroup.com/ or the respective websites of any of our Promoters, the members of our Promoter Group or the Promoter Selling Shareholders, as applicable, would be doing so at his or her own risk.

Each of the Promoter Selling Shareholders, its respective partners, directors, key persons, affiliates, associates and officers accept or undertake no responsibility for any statements including without limitation any statement made by or in relation to the Company or its business, other than those specifically undertaken or confirmed by such Promoter Selling Shareholders in relation to itself and its respective portion of the Offered Shares.

The Book Running Lead Managers 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, the Promoter Selling Shareholders (to the extent that the information pertains to itself and its respective portion of the Offered Shares), and the Book Running Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

None among our Company, the Promoter Selling Shareholders or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, allot, 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 Promoter Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Book Running Lead Managers and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Promoter Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers to our Company, the Promoter Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction 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 him 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 Mumbai only. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to this Draft Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises this Draft Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Bidders eligible under Indian law to participate in the Offer

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs, QIBs, AIFs, FVCIs (under Schedule I of the FEMA NDI Rules) and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not, however constitute an invitation to subscribe to 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. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in accordance with Rule 144A or another available exemption from the registration requirements under the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in, and in reliance on, with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those 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.

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. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares proposed to be Allotted pursuant to the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the Bidders in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Promoter Selling Shareholders with regard to interest on such refunds will be reimbursed by such Promoter Selling Shareholder in proportion to its respective portion of the Offered Shares. For the avoidance of doubt, subject to applicable law, a Promoter Selling Shareholder shall not be responsible to pay and/or reimburse any expenses towards refund or any interest thereon for any delay, unless such failure or default or delay , as the case may be, is by, and is directly attributable to, an act or omission, of to such Promoter Selling Shareholder and such liability shall be limited to the extent of its respective portion of the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date. Further, each of the Promoter Selling Shareholders, severally and not jointly, specifically confirms that it shall provide reasonable assistance to our Company, and the Book Running Lead Managers, with respect to its respective portion of the Offered Shares, for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date, to the extent of the Offered Shares.

If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by 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.

Consents

Consents in writing from each of the Promoter Selling Shareholders, our Directors, our Statutory Auditors, our Company Secretary and Compliance Officer, Legal Counsel to our Company as to Indian law, Legal Counsel to the Book Running Lead Managers as to Indian law, International Legal Counsel to the Book Running Lead Managers, the Book Running Lead Managers, Frost & Sullivan, the bankers to our Company, and the Registrar to the Offer to act in their respective capacities, have been obtained and consents in writing of the Syndicate Members, Banker(s) to the Offer/ Escrow Collection Bank, Public Offer Bank, Refund Bank, and Sponsor Bank(s) to act in their respective capacities, will be obtained, and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Experts to the Offer

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

Our Company has received written consent dated March 28, 2022 from our Statutory Auditors, KPB & Associates, to include their name in this Draft Red Herring Prospectus as required under Section 26 of the Companies Act read with SEBI ICDR Regulations and as "expert" as defined under Sections 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditors and in respect of their (i) examination reports each dated March 28, 2022 on the Restated Consolidated

Financial Information and Restated Standalone Financial Information respectively; and (ii) report dated March 28, 2022 on the statement of possible special tax benefits 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 March 28, 2022 from the independent chartered engineer, namely namely Manish B Kevadiya, Chartered Engineer, (Membership Registration No. M-145394-1) to include their name in this Draft Red Herring Prospectus as required under Section 26 of the Companies Act read with SEBI ICDR Regulations, as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a chartered engineer, certifying the manufacturing and capacity utilisation of the manufacturing facilities owned and/or controlled by our Company at Ankleshwar, Dahej and Saykha and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Capital issue (public /rights /composite issues) during the preceding three years by our Company

Other than as disclosed in "*Capital Structure – Share Capital History of our Company*" on page 79, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Capital issue (public /rights /composite issues) during the previous three years by our listed Group Companies/Subsidiaries/associates

Our Company does not have any listed group company, any listed subsidiary or a listed associate entity.

Particulars regarding public or rights issues during the last five years

Our Company has not made any rights issues or public issues during the last five years.

Performance vis-à-vis Objects

Our Company has not undertaken any rights issue in the five years preceding the date of this Draft Red Herring Prospectus. Our Company has not made any public issues in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis Objects – Last public/rights issue of our listed Subsidiaries/Promoters

As on date of this Draft Red Herring Prospectus, our Company does not have a corporate promoter and none of our Subsidiaries is listed.

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Commission or brokerage on previous issues in the last five years

Since this is the initial public issue of 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 the Equity Shares since our Company's inception.

Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding the current Financial Year)

1. JM Financial Limited

- **Price information of past issues handled by JMFL:**

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	AGS Transact Technologies Limited#	6,800.00	175.00	January 31, 2022	176.00	-42.97% [-3.05%]	Not Applicable	Not Applicable
2.	CMS Info Systems Limited#	11,000.00	216.00	December 31, 2021	218.50	21.99% [-1.81%]	Not Applicable	Not Applicable
3.	Data Patterns (India) Limited*	5,882.24	585.00	December 24, 2021	856.05	29.70% [3.61%]	13.56% [1.42%]	Not Applicable
4.	C.E. Info Systems Limited#	10,396.06	1,033.00	December 21, 2021	1,394.55	70.21% [6.71%]	48.48% [2.74%]	Not Applicable
5.	Tega Industries Limited*	6,192.27	453.00	December 13, 2021	760.00	30.70% [3.96%]	1.02% [-4.25%]	Not Applicable
6.	Go Fashion (India) Limited*	10,136.09	690.00	November 30, 2021	1,310.00	59.75% [1.36%]	32.91% [-1.91%]	Not Applicable
7.	Sapphire Foods India Limited	20,732.53	1,180.00	November 18, 2021	1,350.00	3.69% [-4.39%]	20.78% [-2.32%]	Not Applicable
8.	FSN – E-Commerce Ventures Limited*[7]	53,497.24	1,125.00	November 10, 2021	2018.00	92.31% [-2.78%]	68.46% [-4.46%]	Not Applicable
9.	Aditya Birla Sun Life AMC Limited*	27,682.56	712.00	October 11, 2021	715.00	-11.36% [0.55%]	-23.85% [-0.74%]	Not Applicable
10.	Krsnaa Diagnostics Limited*[8]	12,133.35	954.00	August 16, 2021	1,005.55	-9.42% [4.93%]	-27.73% [9.30%]	-32.63% [4.90%]

Source: www.nseindia.com and www.bseindia.com

\# *BSE as Designated Stock Exchange*

* *NSE as Designated Stock Exchange*

Notes:

1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*
3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of Rs. 100 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *A discount of Rs. 93 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
9. *Not Applicable – Period not completed*

- **Summary statement of price information of past issues handled by JMFL:**

Financial Year	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-2022	17	2,89,814.06	-	1	2	5	5	4	-	1	-	4	1	2

Financial Year	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1
2019-2020	4	36,400.83**	-	-	1	-	1	2	-	1	1	-	1	1

*** Spandana Sphoorty Financial Limited raised Rs. 11,898.49 million as against the issue size of Rs. 12,009.36 million*

2. *Kotak Mahindra Capital Company Limited*

- **Price information of past issues handled by Kotak:**

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Vedant Fashions Limited	31,491.95	866	February 16, 2022	935.00	+3.99%, [-0.20%]	-	-
2.	Adani Wilmar Limited	36,000.00	230[1]	February 8, 2022	227.00	+48.00%, [-5.34%]	-	-
3.	C.E. Info Systems Limited	10,396.06	1,033	December 21, 2021	1,581.00	+70.21%, +6.71%]	+48.48%,[-67.85%]	-
4.	Rategain Travel Technologies Limited	13,357.43	425[2]	December 17, 2021	360.00	+11.99%, +7.48%]	- 31.08%,[-0.06%]	-
5.	Star Health and Allied Insurance Company Limited	64,004.39	900[3]	December 10, 2021	845.00	-14.78%, [+1.72%]	- 29.79%,[-6.66%]	-
6.	PB Fintech Limited	57,097.15	980	November 15, 2021	1,150.00	+14.86%, [-4.33%]	- 20.52%,[-4.06%]	-
7.	FSN E-commerce Ventures Limited	53,497.24	1,125[4]	November 10, 2021	2,018.00	+92.31%, [-2.78%]	+68.46%,[-4.46%]	-
8.	Aditya Birla Sun Life AMC Limited	27,682.56	712	October 11, 2021	715.00	-11.36%, [+0.55%]	-23.85% [-0.74%]	-
9.	Vijaya Diagnostic Centre Limited	18,942.56	531[5]	September 14, 2021	540.00	+5.41%, [+4.50%]	+8.08% [+0.76%]	-20.59%, [-4.31%]
10.	Aptus Value Housing Finance India Limited	27,800.52	353	August 24, 2021	333.00	-2.82%, [+5.55%]	-0.82%, [+6.86%]	0.64%, [3.92%]

Source: www.nseindia.com; www.bseindia.com

Notes:

1. *In Adani Wilmar Limited, the issue price to eligible employees was ₹ 209 after a discount of ₹ 21 per equity share*
2. *In Rategain Travel Technologies Limited, the issue price to eligible employees was ₹ 385 after a discount of ₹ 40 per equity share*
3. *In Star Health and Allied Insurance Company Limited, the issue price to eligible employees was ₹ 820 after a discount of ₹ 80 per equity share*
4. *In FSN E-Commerce Ventures Limited, the issue price to eligible employees was ₹ 1,025 after a discount of ₹ 100 per equity share*
5. *In Vijaya Diagnostic Centre Limited, the issue price to eligible employees was ₹ 479 after a discount of ₹ 52 per equity share*
6. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
7. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
8. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.*
9. *Restricted to last 10 equity initial public issues.*

- **Summary statement of price information of past issues handled by Kotak:**

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	19	624,047.99	-	-	5	5	5	4	1	1	1	7	-	1
2020-21	6	140,143.77	-	-	1	2	1	2	-	-	-	4	1	1
2019-20	4	136,362.82	-	1	-	-	1	2	-	-	1	-	1	2

Notes:

1. *The information is as on the date of this Draft Red Herring Prospectus.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as provided in the table below:

S. No.	Name of the Lead Manager	Website
1.	JM Financial Limited	www.jmfl.com
2.	Kotak Mahindra Capital Company Limited	https://investmentbank.kotak.com

Disposal of Investor Grievances by our Company

The Registrar Agreement provides for 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 to enable the Bidders to approach the Registrar to the Offer for redressal of their grievances.

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, UPI ID (in case of RIBs using the UPI Mechanism), 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.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount for the period of such delay.

For helpline details of the Book Running Lead Managers pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 73.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations. Bidders can contact the 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 Book Running Lead Managers.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 15 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Dipti Samant, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see "*General Information*" beginning on page 72.

Our Company has constituted a Stakeholders' Relationship Committee comprising Avani Rajesh Umatt, Jayesh Mohan Dama and Mohan Sunderji Dama, as its members to review and redress the shareholders' and investors' 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 about the Stakeholders' Relationship Committee, see "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 209 to 210.

Our Company shall obtain authentication on SEBI SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

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

We have made an exemption application dated March 28, 2022 under Regulation 300(1)(c) of the SEBI ICDR Regulations to SEBI along with the Draft Red Herring Prospectus, (a) for excluding an immediate relative of our Promoters, (i) Premji Sunderji Hemani (ii) the body corporates where he, his relatives, or the HUFs and firms where he or his relatives are members, hold 20% or more equity share capital; (iii) any body corporate where the entities mentioned in (ii) above hold 20% or more equity share capital and (iv) any HUF or firm in which he along with his relatives hold 20% or more of its total capital from being considered as part of the "promoter group" of our Company and (b) for not classifying Hemani Intermediates Private Limited as a 'group company" of the Company and disclosing information as required under SEBI ICDR Regulations. Our Company undertakes to update the disclosures included above in the Red Herring Prospectus based on the outcome of the exemption application.

SECTION VIII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN or Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents or 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 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 SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer comprises a Fresh Issue and an Offer for Sale by the Promoter Selling Shareholders.

Expenses for the Offer shall be shared amongst our Company and each of the Promoter Selling Shareholders in the manner specified in "*Objects of the Offer - Offer Expenses*" on page 104 to 106.

Ranking of the Equity Shares

The Equity Shares being offered and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum and 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, voting and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of Articles of Association*" beginning on page 461.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, our Articles of Association and provisions of the SEBI Listing Regulations and any other applicable laws including 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 in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of Articles of Association*" beginning on pages 223 and 461, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹5, and the Offer Price is ₹[●] per Equity Share. The Floor Price is ₹[●] per Equity Share and at the Cap Price is ₹[●] per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers and advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading 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 websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, after the Bid/Offer Closing Date. On the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or "e-voting", in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of Equity Shares, subject to applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our 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, consolidation or sub-division, see "*Main Provisions of Articles of Association*" beginning on page 461.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated January 5, 2022 among our Company, CDSL and the Registrar to the Offer; and
- Tripartite agreement dated January 6, 2022 among our Company, NSDL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details, see "*Offer Procedure*" beginning on page 443.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/ authorities in Mumbai.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, 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. 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 or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate 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 shall upon the production of such evidence as may be required by our 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, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, 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 dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change their nomination, they are requested to inform their respective Depository Participant.

Bid/Offer Programme

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

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

** *Our Company and the Promoter Selling Shareholders may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

\# *UPI mandate end time and date shall be at 12:00pm on [●].*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
BID/OFFER CLOSES ON	[●]
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 any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.*

The above timetable, other than the Bid/ Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company or the Promoter Selling Shareholders or the Book Running Lead Managers.

While 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 six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, the timetable may be subject to change due to various factors, such as extension of the Bid/Offer Period by our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges or delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each Promoter Selling Shareholders, severally and not jointly, confirms that it shall extend reasonable co-operation to the extent of its respective portion of the Offered Shares as may be required by our Company and the Book Running Lead Managers to facilitate the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other time as may be prescribed by SEBI.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying 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):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date*	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

* *UPI mandate end time and date shall be at 12:00pm on [●]*

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5:00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by RIBs after taking into account the total number of Bids received and as reported by the Book Running Lead Managers to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. 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 and any revision in Bids will be accepted only during Working Days.

None among our Company and the Promoter Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, 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% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, provided that the Cap Price shall be atleast 105% of the Floor Price.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Bank(s), as applicable.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer equivalent to at least 10% post Offer paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Offer Closing Date on the date of closure of the Offer or; the minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Company shall forthwith refund the entire subscription amount received. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond the prescribed time, the Promoter Selling Shareholder, to the extent applicable, and our Company shall pay interest prescribed under the applicable law. In the event of an undersubscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Fresh Issue prior to the Equity Shares offered pursuant to the Offer for Sale.

The Promoter Selling Shareholders shall reimburse, in proportion to the portion of its Offered Shares, any expenses and interest incurred by our Company on behalf of such Promoter Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that such Promoter Selling Shareholders shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Promoter 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.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be traded in dematerialised form only, and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, lock-in of the Promoters' contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 79 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of the Equity Shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of Articles of Association*" beginning on page 461.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Offer, in whole or in part thereof, to the extent of their respective portion of Offered Shares after the Bid/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 two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Managers through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s), in case of RIBs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders (other than Anchor Investors) shall notify the Escrow Collection Banks to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) filing of the Prospectus with the RoC. If our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

OFFER STRUCTURE

The Offer is being made through the Book Building Process. The Offer is of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share aggregating up to ₹20,000.00 million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹5,000.00 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹15,000.00 million by the Promoter Selling Shareholders. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

Our Company may consider a Pre-IPO Placement for an aggregate amount not exceeding ₹1,000.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the offer complying with rule 19(2)(b) of the SCRR.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations.

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation*(2)	Not more than [●] Equity Shares aggregating up to ₹[●] million	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment/ allocation	Not more than 50% of the Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and RIBs	Not less than 35% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of QIB Portion (up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	Proportionate	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see "*Offer Procedure*" beginning on page 443.
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB portion), subject to applicable limits to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply(3)	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts and any individuals, corporate	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
	family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	bodies and family offices including FPIs which are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI	
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids(4) **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism, that is specified in the ASBA Format the time of submission of the ASBA Form.		
Mode of Bid	Only through the ASBA process (except for Anchor Investors)		

* *Assuming full subscription in the Offer*

(1) *Our Company and the Promoter Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price. In the event of under-subscription or non-allotment in Anchor Investor Portion, the balance Equity Shares in Anchor Investor Portion shall be added to Net QIB Portion.*

(2) *Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations.*

(3) *Anchor Investors are not permitted to use the ASBA process.*

(4) *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.*

(5) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

The Bids by FPIs with certain structures as described under "*Offer Procedure - Bids by FPIs*" on page 448 to 449 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter 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.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, on a proportionate basis. For further details, see the "*Terms of the Offer*" beginning on page 436.

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 UPI Circulars (the "**General Information Document**"), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by RIBs through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.*

*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, 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 three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/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 of T+3 days will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to 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 shall come into force for initial public offers opening on/or after May 1, 2021 except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 has reduced the time period for refund of application monies from 15 days to four days.*

Our Company, the Promoter Selling Shareholders and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this 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, Promoter Selling Shareholders and the Syndicate Members 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 SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Promoter Selling Shareholder in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and 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% 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 Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Promoter Selling Shareholders, in consultation with the Lead Managers and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, will 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 dematerialised segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for RIBs using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of UPI for Bids by RIBs as per the UPI Circulars

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

(a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, a RIB also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

(b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by a RIB through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

(c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), 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. The Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the RIBs using the UPI.

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 Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working 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.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Managers.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the relevant Bidding Centres, and at our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid / Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in their respective ASBA Form, or (ii) the UPI ID (in case of RIBs), as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

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, shall submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

For Anchor Investor, the Anchor Investor Application Form will be available at the offices of the Book Running Lead Managers.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

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 QIBs, Non-institutional Investors and Retail Individual Investors, each resident in India and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors	White**

* *Excluding electronic Bid cum Application Form*
** *Bid cum Application Forms for Anchor Investors will be made available at the office of the Book Running Lead Managers.*
Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

The Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. 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.

For RIBs using UPI mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to RIBs for blocking of funds. 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 (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank(s), NPCI or the Bankers to the Offer) 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 Bankers to the Offer. The Book Running Lead Managers shall also be required to obtain the audit trail from the Sponsor Bank(s) and the Bankers to the Offer for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021. 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 BRLMs 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.

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

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in accordance with Rule 144A or another available exemption from the registration requirements under the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in, and in reliance on, with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those 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, members of their respective Promoter Groups, the Book Running Lead Managers, the Syndicate Members and persons related to Promoters/Promoter Groups/the Book Running Lead Managers

The Book Running Lead Managers 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 Book Running Lead Managers 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 Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associate of the Book Running Lead Managers can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the Book Running Lead Managers;

(ii) insurance companies promoted by entities which are associate of the Book Running Lead Managers;

(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Managers; or

(iv) FPIs sponsored by the entities which are associate of the Book Running Lead Managers.

Further, the Promoters and members of their respective Promoter Groups shall not participate by applying for Equity Shares in the Offer. Further, persons related to the Promoters and their respective Promoter Groups shall not apply in the Offer under the Anchor Investor Portion. However, a qualified institutional buyer who has any of the following rights in relation to the Company shall be deemed to be a person related to the Promoters or Promoter Groups of our Company:

(i) Rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Groups of our Company;

(ii) veto rights; or

(iii) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or

(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

(iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the Book Running Lead Managers.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds 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 such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of RIBs Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of RIBs Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying if Offer using UPI Mechanism are advised to enquire with relevant bank whether their bank account is UPI linked prior to making such applications.

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 460.

Participation of Eligible NRIs in the Offer 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 may be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our total paid-up Equity Share capital on a fully diluted basis. Further, in terms of the FEMA Rules, the total holding by each FPI shall be less than 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs could be up to 100%, being the sectoral cap, of the paid-up Equity Share capital of our Company on a fully diluted basis.

FPIs are permitted to participate in Offer subject to compliance with conditions and restrictions which may be specified by the Government of India from time to time.

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. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of the General Information Document, it is hereby clarified that Bids received from FPIs bearing the same PAN shall 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 issued to facilitate implementation of SEBI FPI Regulations ("**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, are 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 name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to 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 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

With effect from the April 1, 2020, the aggregate limit are the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

The FEMA Rules was enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

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 issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the 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.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance finds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers 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.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations, SEBI VCF Regulations, *inter alia*, prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.3% of the investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, 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 fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Promoter Selling Shareholders, and the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA Rules.

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 one 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, FPIs and FVCIs. 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.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with 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 this, our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

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 Promoter Selling Shareholders in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the 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.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹250 million, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders in consultation with the Book Running Lead Managers reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

(a) 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. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

(c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.

(e) Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million;
- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and
- in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.

(f) 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 is made, will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor pay-in date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

(i) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) shall apply in the Offer under the Anchor Investor Portion.

(k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

The information set out above is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders, and the Book Running Lead Managers are not liable for any amendments or modification or changes to 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 regulations, or as specified in this Draft Red Herring Prospectus or as will be specified in the Red Herring Prospectus and the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Promoter Selling Shareholders and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

***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. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

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) in the Bid cum Application Form if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle) in the Bid cum Application Form;

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. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;

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 or acknowledgment specifying the application number as a proof of having accepted 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) submitted by investors who are exempt from requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the 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. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

19. 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;

20. 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 one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

21. Ensure that you have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or 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 submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

22. Ensure that the Demographic Details are updated, true and correct in all respects;

23. 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;

24. 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;

25. 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;

26. 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;

27. 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;

28. Bids by Eligible NRIs for a Bid Amount of less than ₹200,000 would be considered under the Retail Category for the

purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer;

29. Ensure that Anchor Investors submit their Bid cum Application Forms only to the Book Running Lead Managers;

30. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019; and

31. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. 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 ₹ 200,000 (for Bids by RIBs);

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 Bids for Equity Shares for exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

15. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;

16. In case of ASBA Bidders (other than RIBs using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;

17. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account 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 General Index Register (GIR) number instead of the PAN;

22. Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Managers;

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;

26. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

27. 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;

28. 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;

29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;

30. 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;

31. Do not Bid if you are an OCB;

32. 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; and

33. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by 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 ₹200,000 (net of retail discount);

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, see "*General Information*" beginning on page 72.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The 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.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the Book Running Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the Red Herring Prospectus except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Offer 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 and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Accounts

Our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers 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(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of non-resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Promoter Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), 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, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the Book Running Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation.

The information set out above is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders, and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders 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 Filing with the RoC

(a) Our Company, the Promoter Selling Shareholders, the Underwriters, and the Registrar to the Offer intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price which shall be a date prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, the Prospectus will be filed with the RoC in accordance with applicable law. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken in consultation with the Book Running Lead Managers within such period as may be prescribed under applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made

available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder 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;

- compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;

- Promoters' 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; and

- Except for Equity Shares allotted pursuant to the Offer and the Pre-IPO placement, no further issuance of Equity Shares shall be undertaken by the Company till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

- Our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Offer, and each of the Promoter Selling Shareholder reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of its respective portion of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company will issue a public notice in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer.

Undertakings by the Promoter Selling Shareholders

Each of the Promoter Selling Shareholder specifically undertakes, severally and not jointly, in relation to itself as a Promoter Selling Shareholder and its respective portion of the Offered Shares that:

- the Equity Shares offered by it in the Offer for Sale are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and shall be in dematerialized form at the time of transfer;

- the Offered Shares are/shall be free and clear of encumbrances, any defect to good, valid, and marketable title, and shall be transferred pursuant to the Offer, free and clear of any encumbrances;

- it shall provide such reasonable assistance and cooperation as may be reasonably required by our Company and the Book Running Lead Managers in redressal of such investor grievances in relation to its Offered Shares and statements specifically made or confirmed by it in this Draft Red Herring Prospectus in relation to itself as a Promoter Selling Shareholder;

- it shall provide such reasonable support and cooperation as required under applicable law or requested by our Company and/or the Book Running Lead Managers in relation to its Offered Shares, (a) for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges, and/ or (b) refund orders (if applicable); and

- it shall not have recourse to the proceeds of the Offer for Sale which shall be held in escrow in favour of such Promoter Selling Shareholder, until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price will be taken by our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers. The Offer Price will be decided by our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus.

Only the statements and undertakings in relation to each of the Promoter Selling Shareholders and its respective portion of the Equity Shares offered in the Offer for Sale which are specifically "confirmed" or "undertaken" by it in this Draft Red Herring Prospectus, shall be deemed to be "statements and undertakings specifically confirmed or undertaken" by such Promoter Selling Shareholders. All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Promoter Selling Shareholders.

Utilisation of Offer Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue 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;

- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all unutilised monies out of the Fresh Issue, 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.

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. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases.

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, earlier known as Department of Industrial Policy and Promotion ("**DPIIT**") issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. For details, see "*Key Regulations and Policies in India*" beginning on page 190.

Under the current FDI Policy, 100% foreign direct investment is permitted in IT/ITES sector, under the automatic route, subject to compliance with certain prescribed conditions.

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 the FDI Policy, the 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 ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the 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. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/Offer Period.

As per the existing policy of the Government, OCBs cannot participate in this Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in accordance with Rule 144A or another available exemption from the registration requirements under the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in, and in reliance on, with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those 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 further details, see "*Offer Procedure*" beginning on page 443.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION IX: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

SHARE CAPITAL AND VARIATION OF RIGHTS

Article 1 provides that:

The Authorised Share Capital of the Company shall be as per Clause V of the Memorandum of Association of the Company. If the share capital of the Company consists of preference shares, the Company shall have right to issue and redeem the preference shares in accordance with the provisions of the Act. Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board may think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares, provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

Articles 2 provides that:

(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Board of Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application for registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be. Every certificate of shares 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 and approve.

PROVIDED THAT in respect of a share or shares held jointly by several persons, the Company shall not de bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder.

(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to the first holder of the share. The Company shall be entitled to decline to register more than three persons as the joint holders of any shares. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.

(c) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under the article shall be issued without payment of fees if the Board of Directors so decide, or on payment of such fees (not exceeding % 2 for each certificate) as the Board of Directors shall prescribe.

PROVIDED THAT no fee shall be charged for issue of new certificates in lieu of or replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

FURTHER PROVIDER THAT notwithstanding what is stated above, the Board of Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Companies Act, 2013 or rules made under Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable thereof in this behalf.

(d) The provisions of Articles II shall mutatis mutandis apply to debentures or other securities of the Company as and when applicable.

Articles 3 provides that:

Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Articles 4 provides that:

(a) The Company may exercise the powers of paying commissions conferred under the Act to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required under the Act and rules made thereunder.

(b) The rate or amount of the commission shalt not exceed the rate or amount prescribed under in rules.

(c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

Article 9 provides that:

(a) Equity share capital:

    i. with voting rights; and/or

    ii. with differential rights as to dividend, voting or otherwise in accordance with the Act; and

(b) Preference share capital.

DEBENTURES

Article 12 provides that:

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

LIEN

Article 13 provides that:

The Company shall, subject to applicable law, have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Board of Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

Article 14 provides that:

Fully paid shares shall be free from all lien and in the case of partly paid shares, the Company’s lien shall be restricted to moneys called or payable at a fixed time in respect of such shares. The Company’s lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares.

CALL ON SHARES

Article 20 provides that:

(a) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

    Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(b) Each member shall, subject to receiving at least fourteen days’ notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(c) A call may be revoked or postponed at the discretion of the Board.

TRANSFER OF SHARES

Article 27 to 34 provide that:

27. The Company itself or through Registrar & Transfer Agent (R&T) shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares. The Company shall also use a common form of transfer.

28. (i) Any member may transfer his/her shares to any other existing members or legal heirs of member.

(ii) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee and shall be deposited with the Company for the registration of transfer of shares within 60 days from the date of execution; The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All the instruments of transfer which the Board may decide to register shall on demand be returned to the person depositing the same unless the Board otherwise determines. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

29. The Board may, subject to the right of appeal conferred by section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the Company has a lien.

30. The Board may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

31. No fee shall be charged for registration of transfer, transmission, probate, succession certificate, letters of administration, and certificate of death or marriage, power of attorney or other similar document.

32. Further to the Articles above, and subject to the provisions of Section 58 and 59 of the Act and Section 224 of the Securities Contracts (Regulation) Act, 1956, these Articles and other applicable provisions of the Act, the Directors may, whether in pursuance of any power of the Company under these Articles or otherwise, decline to register the transfer of, or the transmission by operation of law of the right to, any shares, or interest of a Member therein, or debentures of the Company.

The Company shall, within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

PROVIDED THAT registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

33. On giving not less than seven days' previous notice in accordance with Act and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

34. The provision of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

TRANSMISSION OF SHARES

Article 35 provides that:

(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a shareholder, shall be the only persons recognized by the Company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Article 33 provides that:

(i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either (a) to be registered himself as holder of the share; or to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

FORFEITURE OF SHARES

Article 41 to 49 provide that:

41. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

42. The notice aforesaid shall—

   (a) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

   (b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

43. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

44. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

   (iii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

45. Neither the receipt by the Company for a portion of any money which may from time to time be due from any ember in respect of such Member's shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect ‘of the share and all other rights incidental to the share.

46. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares and all other rights incidental to the share.

   (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

47. (i) A duly verified declaration in writing that the declarant is a director, the manager or the Company Secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

   (ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

48. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

49. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company, if any.

CAPITALISATION OF PROFITS

Article 60 and 61 provide that:

60. (i) The Company in general meeting may, upon the recommendation of the Board, resolve (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause.

(ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards: (a) paying up any amounts for the time being unpaid on any shares held by such members respectively; (b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (b);

(iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(iv) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

61. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall: (a) Make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and (b) Generally do all acts and things required to give effect thereto.

(ii) The Board shall have power: (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and (b) to 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 capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

GENERAL MEETINGS

Article 67 and 68 provide that:

67. All general meetings other than annual general meeting shall be called extraordinary general meeting.

68. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) Any General Meeting may be called by giving to the members clear 24 clear days' notice or a shorter notice, if consent is accorded thereto by members of the Company as prescribed under relevant provisions of the Act. Notice of general meeting may be given either in writing or through electronic mode. Such General Meeting be convened either in physical or through Video Conference (VC) or Other Audio Visual Method (OAVM) as permissible by Ministry of Corporate Affairs from time to time.

(iii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

VOTING RIGHTS

Article 76 to 83 provide that:

76. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.

77. A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once at the General Meeting or otherwise.

78. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

79. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

80. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

81. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

82. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

83. Any Member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other Members of the same class.

BOARD OF DIRECTORS

Article 88 to 103 provide that:

88. Until otherwise determined by a General Meeting of the Company and subject to the provisions of the Act, the number of Directors shall not be less than three and shall not be more than fifteen.

89. First Director of the Company are: (i) Shri. Mohan S. Dama; (ii) Shri. Karsandas S. Dama; (iii) Smt.Minal M. Dama: (iv) Smt. Naina P. Hemani; and (v) Shri. Bharat K. Dama

90. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. The directors may be paid such other remuneration and fees or otherwise recompensed for their time and for the services rendered by therm.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them: (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or (b) in connection with the business of the Company.

91. The Board may pay all expenses incurred in getting up and registering the Company.

92. The Company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that (section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

93. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for

monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

94. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

95. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

(ii) Appointment of directors need not to be voted individually, any number of directors subject to the limit imposed by the Act can be appointed by a single resolution.

96. (i) The Board may appoint an Alternate Director (not being a person holding alternate directorship for any other Director) to act for a Director (herein after in this Article called "the Original Director") during his absence for a period not less than three months from India.

(ij) An Alternate Director shall not hold office for a period longer than that permissible to the Original Director In whose place he has been appointed and shall vacate the office if and when Original Director returns to India.

(iii) The term of office of the Original Director is determined before he returns to India, the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not the Alternate Director.

(iv) The Director so appointed shall hold office only up to the date till which the Director in whose place he is appointed would have held office if it had not been vacated.

97. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board at a meeting of the Board.

98. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys shall be owing by the Company to the any financial institutions, corporations, banks or such other financing entities, or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any shares / debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid financial institutions of such other financing entities in respect of any financial obligation or commitment of the Company remains outstanding, then in that event any of the said financial institutions or such other financing entities shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board as their nominee on the Board. The aforesaid financial institutions or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hole office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy, Such appointment or removal shall be made in writing by the relevant corporation and shall be delivered to the Company and the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all General Meetings, meetings of the Board and of any committee thereof of which he is a Member and he and the financial institutions or such other financing entities appointing him/her shall also be entitled to receive notice of all such meetings.

99. The general control, management and supervision of the Company shall vest in the Board and the Board may exercise all such powers and do all such acts and things as the Company is by its Memorandum or otherwise authorised, except as are required to be exercised or done by the Company in a General Meeting, but subject nevertheless to the provisions of the Act, and of these presents and to any regulations not being inconsistent with these presents from time to time made by the Company in General Meeting, provided that no such regulation shall invalidate any prior acts of the Directors which would have been valid if such regulation had not been made. Subject to the restrictions imposed under the Act, the Directors shall have the right to delegate any of their powers to such managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.

100. Subject to the provisions of the Act, the Company may enter into any contract, arrangement or agreement in which a Director or Directors are, in any manner, interested.

101. A Director, Managing Director, officer or employee of the Company may be or become a Director or can be in management board of Company, of any Company promoted by the Company or in which it may be interested as a vendor, member or otherwise, and no such Director shall be accountable for any benefits received as Director or member of such Company except to the extent and under the circumstances as may be provided in the Act.

102. If the Directors or any of them or any other person, shall become personally table for the payment of sum primarily due from the Company, the Board may subject to the provisions of the Act execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

103. A Director may resign from his office upon giving notice in writing to the Company.

PROCEEDINGS OF THE BOARD

Article 108 to 115 provide that:

108. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or Company Secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

(iii) The quorum for a Board meeting shall be as provided in the Act. Any subsequent meeting, due to adjournment of the Board Meeting for want of quorum shall be held as provided in the Act.

109. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

110. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

111. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose any one of their number to be Chairperson of the meeting.

112. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

113. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

114. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

115. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY, CHIEF FINANCIAL OFFICER

Article 116 to 117 provide that:

116. Subject to the provisions of the Act,-

(i) A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company Secretary or chief financial officer so appointed may he removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, Company Secretary or chief financial officer.

117. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, Company Secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, Company Secretary or chief financial officer.

DIVIDENDS AND RESERVES

Article 118 to 126 provide that:

118. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

119. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

120. (i) The Board may, before recommending any dividend, may set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting then aside as a reserve.

121. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect which the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(ii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

122. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

123. (i) Any dividend, interest or other monies payable in cash in respect of shares be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend. Cheque or warrant sent through the post directed to the registered address of the holder or , in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to-such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order af the person to whom it is sent.

(iii) Payment in any way whatsoever shall be made at the risk of the Person entitled to the money paid or to be paid. The Company will not be responsible for any payment which is lost or delayed, The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

124. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share,

125. 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.

126. Unpaid or unclaimed dividend:

(a) If the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days, transfer the total amount of dividend, which remained so unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account'.

(b) Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under subsection (1) of Section 125 of the Act, viz. "Investor Education and Protection Fund".

(c) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

(d) All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

ACCOUNTS

Article 127 provides that:

(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

WINDING UP

Article 130 provides that:

Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY AND INSURANCE

Article 133 provides that:

(i) Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

(ii) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

DEMATERIALISATION OF SECURITIES

Article 134 provides that:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and / or offer its fresh securities in a dematerialised form pursuant to the Depositories Act,1996 and the rules framed thereunder or pursuant to any other act as may be applicable, if any.

A) Options for investors:

(i) Every holder of or subscribers to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the applicable law in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

(ii) if a person opts to held his security with a depository, the Company shall intimate such depository the details of allotment of the security and/or transfer of securities in his name and on receipt of the information, the depository shall enter in its record the name of the allottee and/or transferee as the beneficial owner of the security.

B) Securities in Depositories to be in Fungible Form:

All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 1877B, 187C and 372A and other applicable provisions of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.

C) Distinctive Numbers of Securities held in a Depository:

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

D) Rights of Depositories and Beneficial Owners:

(i) Notwithstanding anything to the contrary contained in the Act or these articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

(iv) Except as ordered by any Court of competent jurisdiction or as required by any law, the Company shall be entitled to treat the Person whose name appears on the Register of Members as the holder of any Share or where the name appears as the Beneficial Owner of the Shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute fight thereto in accordance with these Articles, on the part of any other Person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any Share in the joint names of any two or more persons or the survivors or survivors of them.

E) Service of Documents:

Notwithstanding anything to the contrary contained in the Act or these articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

F) Provisions relating to physical shares mutatis - mutandis apply to shares held in Demat form:

Except as specifically provided in these Articles, the provisions relating to joint holders of Shares, calls, lien on Shares, forfeiture of Shares and transfer and transmission of Shares shall be applicable to Shares held in Depository so far as they apply to Shares in physical form subject to the provisions of the Depository Act. Further, nothing contained in Section 83 of the Act shall apply to the Shares with a Depository.

Section 108 of the Act, and the provisions of these Articles relating to share certificates and any instrument of transfer shall not apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository

G) Allotment of Securities Dealt in a Depository:

Notwithstanding anything contained in the Act or these articles, where securities are dealt in a depository, the Company shall intimate the details thereof to the depository immediately on allotment and/or registration of transfer of such securities.

H) Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of beneficial owners in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in dematerialised forms in any medium as may be permitted by law including in any form of electronic medium. The register and index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the register and index of members and security holders for the purposes of these articles. The Company shall be entitled to keep in any Country outside India a branch Register of beneficial owners residing outside India.

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft 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 for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/Offer Closing Date. The Copies of the contracts and also the documents for inspection referred to hereunder have also been uploaded on the website of our Company at http://hemanigroup.com/investor-relations/material-contracts/ and are available for inspection from date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated March 28, 2022 among our Company, the Promoter Selling Shareholders, and the Book Running Lead Managers.

2. Registrar Agreement dated March 28, 2022 among our Company, the Promoter Selling Shareholders, and the Registrar to the Offer.

3. Escrow and Sponsor Bank Agreement dated [●] among our Company, the Promoter Selling Shareholders, the Registrar to the Offer, the Book Running Lead Managers, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Bank and the Refund Bank(s).

4. Share Escrow Agreement dated [●] among our Company, the Promoter Selling Shareholders, and the Share Escrow Agent.

5. Syndicate Agreement dated [●] among our Company, the Promoter Selling Shareholders, the Book Running Lead Managers, the Syndicate Members, and the Registrar to the Offer.

6. Underwriting Agreement dated [●] among our Company, the Promoter Selling Shareholders, the Underwriters, and the Registrar to the Offer.

7. Monitoring Agency Agreement dated [●] entered into among our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the Memorandum and Articles of Association of our Company, as amended from time to time.

2. Certificate of incorporation dated February 3, 1994 issued to our Company under the name of 'Hemani Intermediates Private Limited' by the RoC.

3. Fresh certificate of incorporation dated April 15, 2011 issued by the RoC pursuant to conversion to a public limited company from 'Hemani Intermediates Private Limited' to 'Hemani Intermediates Limited.

4. Fresh certificate of incorporation dated May 3, 2011 issued by the RoC pursuant to name change from 'Hemani Intermediates Limited' to 'Hemani Industries Limited.

5. Resolution of our Board of Directors dated January 29, 2022 authorising the Offer and other related matters.

6. Shareholders' resolutions dated February 2, 2022, in relation to the Fresh Issue and other related matters.

7. Consent letter dated February 5, 2022 provided by Jayesh Mohan Dama, consenting to participate in the Offer for Sale.

8. Consent letter dated February 5, 2022 provided by Mohan Sunderji Dama, consenting to participate in the Offer for Sale.

9. Consent letter dated February 5, 2022 provided by Minal Mohan Dama, consenting to participate in the Offer for Sale.

10. Resolution of our Board of Directors dated March 28, 2022 approving this Draft Red Herring Prospectus.

11. The examination reports each dated March 28, 2022 of our Statutory Auditors on the Restated Standalone Financial Information and Restated Consolidated Financial Information.

12. The report dated March 28, 2022 on the statement of possible special tax benefits issued by our Statutory Auditors.

13. Consents in writing of each of our Directors, our Company Secretary and Compliance Officer, Legal Counsel to our Company as to Indian Law, Legal Counsel to the Book Running Lead Managers as to Indian Law, International Legal Counsel to the Book Running Lead Managers, banker to our Company, the Book Running Lead Managers, the Syndicate Member(s), the Banker(s) to the Offer, Sponsor Bank(s) and the Registrar to the Offer, to act in their respective capacities.

14. Consent letter dated March 28, 2022 from our Statutory Auditors, to include their name as required under section 26 of the Companies Act read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination reports each dated March 28, 2022 on our Restated Standalone Financial Information and Restated Consolidated Financial Information; and (ii) report dated March 28, 2022 on the statement of possible special tax benefits included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

15. Consent dated March 28, 2022 from Manish B Kevadiya, Chartered Engineer, to include their name in this Draft Red Herring Prospectus as required under Section 26 of the Companies Act read with SEBI ICDR Regulations, as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a chartered engineer, certifying the manufacturing and capacity utilisation of the manufacturing facilities owned and/or controlled by our Company at Ankleshwar, Dahej and Saykha and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

16. Report titled "Industry Report for India Specialty Chemicals and Agrochemicals Market", released in March 2022, issued by Frost & Sullivan commissioned and paid for us by our Company pursuant to a letter agreement executed on October 29, 2021;

17. Report titled "Project Report for Production of 500 TPM Benzaldehyde, 500 TPM Benzyl Alcohol And 650 TPM Benzyl Chloride" dated March 26, 2022, issued by Lele & Associates Consultants and Engineers Private Limited;

18. Consent letter from Lele & Associates Consultants and Engineers Private Limited dated March 26, 2022 to rely on and reproduce part or whole of their report and include their name in this Draft Red Herring Prospectus.

19. Family arrangement dated June 12, 2018 entered into by our Company, our Promoters and Mohan Sunderji Dama HUF with Premji Sunderji Hemani, Naina Premji Hemani, Jailesh Premji Hemani, Premji Sunderji Hemani HUF, Hemani Chemiorganic Private Limited, Ideal Dye-Chem Industries, Premonit International Eximp and Hemani Intermediates Private Limited;

20. Consent letter from Frost & Sullivan dated March 25, 2022 to rely on and reproduce part or whole of the F&S Report and include their name in this Draft Red Herring Prospectus.

21. Due diligence certificate dated March 28, 2022 addressed from the Book Running Lead Managers to SEBI.

22. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.

23. Tripartite agreement dated January 5, 2022 among our Company, CDSL and the Registrar to the Offer.

24. Tripartite agreement dated January 6, 2022 among our Company, NSDL and the Registrar to the Offer.

25. Copies of Annual Reports of our Company for the Fiscals 2019, 2020, 2021 and special purpose audit report for Fiscals 2019 and 2020.

26. SEBI observation letter bearing reference no. [●] dated [●].

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 our Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, 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 SCRA, the SCRR, the SEBI Act or the rules framed or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sameer Ashok Paingankar

(Chairman & Independent Director)

Date: March 28, 2022

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, 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 SCRA, the SCRR, the SEBI Act or the rules framed or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Mohan Sunderji Dama

(Managing Director)

Date: March 28, 2022

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, 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 SCRA, the SCRR, the SEBI Act or the rules framed or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Jayesh Mohan Dama

(Joint Managing Director)

Date: March 28, 2022

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, 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 SCRA, the SCRR, the SEBI Act or the rules framed or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Dinanath Ramayan Rai

(Executive Director)

Date: March 28, 2022

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, 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 SCRA, the SCRR, the SEBI Act or the rules framed or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Avani Rajesh Umatt

(Independent Director)

Date: March 28, 2022

Place: Vadodara

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, 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 SCRA, the SCRR, the SEBI Act or the rules framed or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Ravi Sunderarajan

(Independent Director)

Date: March 28, 2022

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, 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 SCRA, the SCRR, the SEBI Act or the rules framed or guidelines or regulations issued thereunder, as the case may be. We 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

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Mahesh Mukundrai Tanna

(Chief Financial Officer)

Date: March 28, 2022

Place: Mumbai

DECLARATION

I, Mohan Sunderji Dama, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as the Promoter Selling Shareholder and my Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any of the statements made by or confirmed by or relating to the Company or any other Promoter Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY MOHAN SUNDERJI DAMA

Date: March 28, 2022

Place: Mumbai

DECLARATION

I, Minal Mohan Dama, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as the Promoter Selling Shareholder and my Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any of the statements made by or confirmed by or relating to the Company or any other Promoter Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY MINAL MOHAN DAMA

Date: March 28, 2022

Place: Mumbai

DECLARATION

I, Jayesh Mohan Dama, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as the Promoter Selling Shareholder and my Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any of the statements made by or confirmed by or relating to the Company or any other Promoter Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY JAYESH MOHAN DAMA

Date: March 28, 2022

Place: Mumbai