DRAFT RED HERRING PROSPECTUS
Dated August 7, 2019
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read section 32 of the Companies Act, 2013
100% Book Built Issue

CHEMCON SPECIALITY CHEMICALS LIMITED

Our Company was originally incorporated as Gujarat Quinone Private Limited at Vadodara, Gujarat, India, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 15, 1988 issued by the RoC. Our Promoters and Promoter Group completed the acquisition of 100% of the Equity Share capital of our Company in 2004 from the shareholders of our Company at the time. Chemcon Engineers Private Limited" ("**CEPL**") was incorporated at Vadodara, Gujarat, India as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated April 30, 1996 issued by the RoC. CEPL, a company largely owned and promoted by our Promoters and Promoter Group,merged into our Company pursuant to an order of the High Court of Gujarat dated May 6, 2004 approving the Scheme of Amalgamation between CEPL and our Company. Thereafter, to reflect the nature of activities of our Company consequent to the Scheme of Amalgamation, the name of our Company was changed to "Chemcon Speciality Chemicals Private Limited" pursuant to the approval of our Shareholders at an extra-ordinary general meeting held on July 24, 2004 and the fresh certificate of incorporation on change of name issued by the RoC on July 27, 2004. Subsequently, our Company was converted into a public limited company pursuant to the approval of our Shareholders at an extra-ordinary general meeting held on November 28, 2018. Consequently, the name of our Company was changed to "Chemcon Speciality Chemicals Limited" and a Fresh certificate of incorporation consequent upon conversion to public limited company was issued by the RoC on April 10, 2019. For further details relating to the changes in the registered office and name of our Company, see "*History and Certain Corporate Matters*" on page 150.

Registered Office: Block Number 355, Manjusar Kunpad Road, Manjusar Village, Taluka Savli,Vadodara 391775; Gujarat; **Tel:**+91 98795 64107
Corporate Office:9th Floor, Onyx Business Centre, Akshar Chowk, Old Padra Road, Vadodara 390020, Gujarat; **Tel:**+91 265 298 1195
Contact Person: Shahilkumar Maheshbhai Kapatel, Company Secretary and Compliance Officer;**Tel:** + 91 265 298 3754;**E-mail:**investor.relations@cscpl.com;**Website**: www.cscpl.com
Corporate Identity Number:U24231GJ1988PLC011652

OUR PROMOTERS: KAMALKUMAR RAJENDRA AGGARWAL, NAVDEEP NARESH GOYAL AND SHUBHARANGANA GOYAL

INITIAL PUBLIC OFFERING OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF CHEMCON SPECIALITY CHEMICALS LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[•] PER EQUITY SHARE)("ISSUE PRICE") AGGREGATING UP TO ₹ [•] MILLION. THE ISSUE COMPRISES OF A FRESH ISSUE OF UP TO[•] EQUITY SHARES AGGREGATING UP TO ₹1,750 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 4,300,000 EQUITY SHARES AGGREGATING UP TO ₹ [•] MILLION, COMPRISING OF UP TO 2,150,000 EQUITY SHARES BY KAMALKUMAR RAJENDRA AGGARWAL AGGREGATING UP TO ₹ [•] MILLION,AND UP TO 2,150,000 EQUITY SHARES BY NARESH VIJAYKUMAR GOYAL AGGREGATING UP TO ₹ [•] MILLION,(TOGETHER, THE "SELLING SHAREHOLDERS") (THE "OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "ISSUE"). THE ISSUE WILL CONSTITUTE [•] % OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMs AND WILL BE ADVERTISED IN [•] EDITIONS OF [•] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [•] EDITIONS OF [•] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [•] EDITIONS OF [•] (A WIDELY CIRCULATED GUJARAT IDAILY NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF VADODARA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision in the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Issue 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 / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank.

This Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"). This Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders, other than Anchor Investors, are mandatorily required to participate in the Issue through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Account,which will be blocked by the Self Certified Syndicate Banks (**"SCSBs")**. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA Process. For details, see "*Issue Procedure*" beginning on page 281.

RISK IN RELATION TO THE FIRST ISSUE

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

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue 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*" beginning on page 22.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [•] and [•], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [•]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/Issue Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page 327.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
Intensive Fiscal Services Private Limited Address: 914, 9th Floor, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai 400 021 Tel: +91 22 2287 0443/44/45 E-mail: chemcon.ipo@intensivefiscal.com Investor Grievance E-mail: ipo@intensivefiscal.com Website: www.intensivefiscal.com Contact Person: Harish Khajanchi/Anand Rawal SEBI Registration No.: INM000011112	**Ambit Capital Private Limited** Address: Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 Tel: +91 22 3043 3000 E-mail: chemcon.ipo@ambit.co Investor Grievance E-mail: investorgrievance.acpl@ambit.co Website: www.ambit.co Contact Person: Krishnakant Jaju/ Sandeep Sharma SEBI Registration No.: INM000012379	**Link Intime India Private Limited** C-101, First Floor, 247 Park Lal Bhadur Shastri Marg, Vikhroli (West), Mumbai 400 083 Tel: +91 22 4918 6200 Email: chemcon.ipo@linkintime.co.in Investor Grievance E-mail: chemcon.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON	[•]*
BID/ISSUE CLOSES ON	[•]**

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

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

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, terms in "Main Provisions of the Articles of Association", "Statement of Possible Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "Financial Information" and "Outstanding Litigation and Other Material Developments" , beginning on pages 298, 85, 88, 146, 181 and 260 will have the meaning ascribed to such terms in those respective sections.

General terms

Term	Description
"our Company"/ "the Company"/ "we"/ "us"/ "our"/ "the Issuer"	Chemcon Speciality Chemicals Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at Block Number 355, Manjusar Kunpad Road, Manjusar Village, Taluka Savli, Vadodara 391 775, Gujarat

Company related terms

Term	Description
AGM	Annual general meeting of our Shareholders, as convened from time to time
AoA/Articles of Association or Articles	The articles of association of our Company, as amended
Audit Committee	Audit committee of our Company, described in "*Our Management-Corporate Governance*" on page 162
Auditors/ Statutory Auditors	The statutory auditors of our Company, currently being K.C. Mehta & Co., Chartered Accountants
Board/ Board of Directors	The board of directors of our Company
CEPL	Chemcon Engineers Private Limited
Chief Financial Officer/ CFO	Chief financial officer of our Company
Company Secretary	Company secretary of our Company
Compliance Officer	Compliance officer of our Company appointed in accordance with the requirements of the SEBI Listing Regulations and the SEBI ICDR Regulations
Corporate Office	The corporate office of our Company, situated at 9th Floor, Onyx Business Centre, Akshar Chowk, Old Padra Road, Vadodara 390 020, Gujarat
CSR Committee/Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, described in "*Our Management-Corporate Governance*" on page 166
Frost & Sullivan	Frost & Sullivan (India) Private Limited
Frost & Sullivan Report	A report dated June 19, 2019 titled "*Independent Market Report- Global Pharmaceuticals Intermediates and Oilfield Chemicals Market*" prepared by Frost & Sullivan
Director(s)	The director(s) on our Board
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
Group Companies	The companies as disclosed in "*Group Companies*" of page 174
Independent Directors	Independent directors of our Company
KMP/ Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and

Term	Description
	as further described in "*Our Management-Key Managerial Personnel*" on page 168
Manufacturing Facility	The manufacturing facility of our Company, located at Block Number 355, Manjusar Kunpad Road, Manjusar Village, Taluka Savli, Vadodara 391 775, Gujarat. For details, see "*Our Business-Our Manufacturing Facility*" on page 136
Materiality Policy	The policy adopted by our Board on May 1, 2019, for identification of material: (a) outstanding litigation proceedings; (b) Group Companies; and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus
MoA/Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, described in "*Our Management-Corporate Governance*" on page 165
Oilwell Completion Chemicals	Calcium Bromide (Solution and Powder), Zinc Bromide (Solution) and Sodium Bromide (Solution and Powder) collectively
Pharmaceutical Chemicals	HMDS (and ancillary chemicals) and CMIC, collectively
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1) (pp) of the SEBI ICDR Regulations and as disclosed in "*Our Promoters and Promoter Group*" on page 170
Promoter(s)	The Promoter(s) of our Company, being Kamalkumar Rajendra Aggarwal, Navdeep Naresh Goyal and Shubharangana Goyal. For details, see "*Our Promoters and Promoter Group*" on page 170
Registered Office	The registered office of our Company, situated at Block Number 355, Manjusar Kunpad Road, Manjusar Village, Taluka Savli, Vadodara 391 775, Gujarat
Restated Financial Statements	The Restated financial information of our Company, which comprises of the restated statement of assets and liabilities as at March 31, 2019, March 31, 2018 and March 31, 2017, the restated statement of profit and loss (including other comprehensive income), restated cash flow statement and restated statement of changes in equity of our Company for the Fiscals ended March 31, 2019, March 31, 2018 and March 31, 2017, the summary statement of significant accounting policies and other explanatory information, included in this Draft Red Herring Prospectus, prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time
RoC or Registrar of Companies	The Registrar of Companies, Gujarat, Dadra & Nagar Haveli at Ahmedabad.
Scheme of Amalgamation	Scheme of amalgamation between CEPL and our Company, as approved by the High Court of Gujarat pursuant to its order dated May 6, 2004
Selling Shareholders	The selling shareholders, participating in the Offer for Sale, namely Kamalkumar Rajendra Aggarwal and Naresh Vijaykumar Goyal
Shareholders	The holders of the Equity Shares from time to time.
Stakeholders Relationship Committee	The stakeholders' relationship committee of our Company, described in "*Our Management-Corporate Governance*" on page 167
Whole-time Directors	The whole-time directors of our Company

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allot", "Allotment" or "Allotted"	Unless the context otherwise requires, allotment or transfer, as the case may be of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders

Term	Description
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Ambit	Ambit Capital Private Limited
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs during the Anchor Investor Bidding Date
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders in consultation with the BRLMs, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/ Issue Closing Date
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB or to block the Bid Amount using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB which may be blocked by such SCSB or the account of the RIBs blocked upon acceptance of UPI Mandate Request by the RIBs using the UPI Mechanism to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Issue Account Bank(s)
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue, as described in "*Issue Procedure*" beginning on page 281

Term	Description
Bid	An indication to make an offer during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Issue, as applicable
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Gujarati daily newspaper). In case of any revisions, the extended Bid/Issue Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Gujarati daily newspaper)
Bid/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue 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 Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Issue Period for the QIB Category one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centers	Centers at which at the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Issue namely, Intensive Fiscal Services Private Limited and Ambit Capital Private Limited

Term	Description
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"CAN" 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/after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	Agreement dated [●] entered into by our Company, the Selling Shareholders, the Registrar to the Issue, the BRLMs and the Banker(s) to the Issue for the appointment of the Sponsor Bank in accordance with the 2018 Circular on Streamlining of Public Issues, the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account(s) and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations as per the list available on the websites of BSE and NSE
"Collecting Registrar and Share Transfer Agents" or "CRTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of the 2018 Circular on Streamlining of Public Issues
Cut-off Price	Issue Price, finalised by our Company and the Selling Shareholders, in consultation with the BRLMs, which shall be any price within the Price Band Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account(s) or the Refund Account(s), as appropriate, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue
Designated Intermediaries	Collectively, the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Issue

Term	Description
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated August 7, 2019 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 Issue including 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 Issue and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue component of the Issue comprising of an issuance by our Company of up to [●] Equity Shares at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 1,750 million.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 issued by SEBI. Pursuant to the SEBI circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, the General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Managers.
Intensive	Intensive Fiscal Services Private Limited
Issue	The initial public offering of the Equity Shares of our Company by way of the Fresh Issue and the Offer for Sale

Term	Description
Issue Agreement	The agreement dated August 7, 2019 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	₹ [●] per Equity Share, being the final price at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism
Monitoring Agency	[●]
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 Issue Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The proceeds from the Fresh Issue less the Issue related expenses applicable to the Fresh Issue
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Bidder" or "NIBs"	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue, 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 Issue Price
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Offered Shares	The Equity Shares being offered by the Selling Shareholders as part of the Offer for Sale comprising of an aggregate of up to 4,300,000 Equity Shares divided into up to 2,150,000 Equity Shares by Kamalkumar Rajendra Aggarwal and up to 2,150,000 Equity Shares by Naresh Vijaykumar Goyal
Offer for Sale	The offer for sale component of the Issue, comprising of an offer for sale of up to 4,300,000 Equity Shares at ₹ [●] per Equity Share aggregating to ₹ [●] million comprising of up to 2,150,000 equity shares by Kamalkumar Rajendra Aggarwal and up to 2,150,000 equity shares by Naresh Vijaykumar Goyal

Term	Description
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Gujarati daily newspaper, Gujarati also being the regional language of Gujarat) at least two Working Days prior to the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the BRLMs, will finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account(s)	Bank account(s) to be opened with the Public Issue Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Issue Account Bank(s)	The banks with which the Public Issue Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
"QIB Category" or "QIB Portion"	The portion of the Issue (including the Anchor Investor Portion) being not more than 50% of the Issue, consisting of [●] Equity Shares which shall be Allotted to QIBs (including Anchor Investors)
"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 in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto The Bid/Issue Opening Date shall be at least three Working Days after the registration of Red Herring Prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids
Registrar Agreement	The agreement dated July 31, 2019 among our Company, the Selling Shareholders and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the websites of BSE and NSE

Term	Description
"Registrar to the Issue" 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 Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Issue being not less than 35% of the Issue consisting of [●] Equity Shares, which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) 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/Issue Period and withdraw their Bids until Bid/Issue Closing Date
"Self-Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, offering services:(a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, or such other website as may be prescribed by SEBI from time to time
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Issue by such Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank	The Banker to the Issue registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIBs, using the UPI Mechanism and carry out any other responsibilities in terms of the 2018 Circular on Streamlining of Public Issues, in this case being [●]
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited.
Syndicate Agreement	Agreement to be entered into among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Issue and carry out activities as an underwriter, namely, [●]
Syndicate	Together, the BRLMs and the Syndicate Members
Systemically Important Non-Banking Financial Company or NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations

Term	Description
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date, but prior to filing of the Prospectus
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI Mobile App and by way of a SMS directing the RIB to such UPI Mobile App) to the RIB initiated by the Sponsor Bank to authorise blocking of funds in the relevant ASBA Account through the UPI Mobile App equivalent to the Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The mechanism that may be used by an RIB to make a Bid in the Issue in accordance with the 2018 Circular on Streamlining of Public Issues
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/Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI
2018 Circular on Streamlining of Public Issues	Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with the circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 issued by SEBI

Conventional and General Terms and Abbreviations

Term	Description
AIF(s)	Alternative Investment Funds
Ind AS 24	Indian Accounting Standard 24 issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category III FPIs	FPIs who are registered as "Category III Foreign Portfolio Investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the relevant rules made thereunder
Companies Act/ Companies Act, 2013	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended to the extent currently in force
Competition Act	Competition Act, 2002
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CrPC	The Code of Criminal Procedure, 1973
CSR	Corporate Social Responsibility
Deemed Exports	Deemed exports refer to those transactions (as specified in the Foreign Trade Policy April 1, 2015- March 31, 2020 issued by the Department of Commerce, Ministry of Commerce and Industry, Government of India) in which the good

Term	Description
	supplied do not leave the country and the payment of such supplies is received either in Indian rupees or in foreign exchange
Depositories	NSDL and CDSL, collectively
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	The Department for Promotion of Industry and Internal Trade (earlier known as Department of Industrial Policy and Promotion)
DP ID	Depository Participant's identity number
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPA	Environment Protection Act, 1986
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
ESIC	Employees' State Insurance Corporation
ESOP	Employee stock option plan
Euro	Euro, the official currency of the European Union
Explosives Act	Explosives Act, 1884
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
Financial Year/Fiscal/ Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	Foreign Portfolio Investors, as defined under SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI	The Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015
ICAI	Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹or Rs.	Indian Rupee, the official currency of the Republic of India
IT	Information Technology
KYC	Know Your Customer
MAT	Minimum Alternate Tax
KL	Kilolitre
MCA	The Ministry of Corporate Affairs, GoI
Mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
MT	Metric Tonne
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer

Term	Description
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRI	Non-Resident Indian as defined under the FEMA Regulations
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	Overseas Corporate Body
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
PRCI	Public Relations Council of India
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
STT	Securities Transaction Tax.
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trademarks Act	Trademarks Act, 1999
US$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. Securities Act	U.S. Securities Act of 1933
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

Technical/ Industry Related Terms

Term	Description
ABC	Abacavir
AIDS	Acquired Immune Deficiency Syndrome
Albemarle	Albemarle Corporation
Anshul Specialty	Anshul Specialty Molecules Private Limited

Term	Description
API	Active pharmaceutical ingredient
ART	Antiretroviral therapy
ARVs	Antiretrovirals
Atul	Atul Ltd.
AZT	Zidovudine
Bluestar	Jiangxi Bluestar Xinghuo Silicones Co., Ltd.
Bn	Billion
bNAbs	Broadly neutralizing antibodies
CaBr2	Calcium Bromide
CHAI	Clinton Health Access Initiative
Chemcon	Chemcon Speciality Chemicals Limited
CMIC	Chloromethyl Isopropyl Carbonate
Dow	Dow Chemical Company
DRV	Darunavir
DTG	Dolutegravir
EFV	Efavirenz
EU	Europe
Evonik	Evonik Industries AG
FOB	Free on Board (or Freight on Board)
FTC	Emtricitabine
GA	Generic Accessible
HBV	Hepatitis B Virus
HBR	Hydrobromic Acid
HIV	Human Immunodeficiency Virus
HMDS	Hexamethyldisilazane / Hexamethyldisilane
HMDSO/HMDO	Hexamethyldisiloxane
Huangshi Fuertai	Huangshi Fuertai Pharmaceutical Tech Co., Ltd.
ICL	Israel Chemicals Ltd.
Inner Mongolia Saintchem	Inner Mongolia Saintchem Chemicals Co., Ltd.
INSTI	Integrase Strand Transfer Inhibitor
IPA	Isopropyl Alcohol
KT	Kiloton
LANXESS (Chemtura), Germany	LANXESS AG
LANXESS (Chemtura), USA	LANXESS Corporation
lb./gal	pound / US Gallon
LMIC	Low-and Middle-Income Country
LPV	Lopinavir
MCF	Methyl Chloroformate
MEA	Middle East and Africa
Mn	Million
Momentive	Momentive Performance Materials Inc.
MPa	Mega Pascal
MT	Metric Ton
NA	North America
NaBr	Sodium Bromide
NRTI	Nucleoside Reverse Transcriptase Inhibitor
NVP	Nevirapine
Paushak	Paushak Limited
Pingyuan Xinda	Pingyuan Xinda Chemical Co., Ltd.
PPC (Weylchem)	Potasse et Produits Chimiques SAS
PrEP	Pre-Exposure Prophylaxis
RoW	Rest of the World
RTV	Ritonavir
Shandong Tianan	Shandong Tianan Chemicals Co., Ltd
Shanghai Twisun	Shanghai Twisun Bio-pharm Co., Ltd.

Term	Description
Shin-Etsu	Shin-Etsu Chemical Co., Ltd.
Sichuan Jiabi	Sichuan Jiabi New Material Technology Co., Ltd.
TAF	Tenofovir Alafenamide Fumarate
TDF	Tenofovir Disoproxil Fumarate
TETRA	TETRA Technologies, Inc.
TLD	TDF+3TC+DTG
TMCS	Trimethylchlorosilane
UNAIDS	Joint United Nations Programme on HIV/AIDS
US FDA	United States Food and Drug Administration
USA	The United States of America
Wacker	Wacker Chemie AG
WHO	World Health Organization
Xinyaqiang Silicon	Xinyaqiang Silicon Chemistry Limited Liability Company
XTC	3TC or FTC
ZDV	Zidovudine
Zhejiang Sorbo	Zhejiang Sorbo Chemical Co., Ltd.
ZnBr2	Zinc Bromide

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act (together with the rules framed thereunder), the Securities and Exchange Board of India Act, 1992 (together with the regulations made thereunder including the SEBI ICDR Regulations, SEBI Listing Regulations and the SCRA) and the Depositories Act.

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

Certain Conventions

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

All references herein to the "US", the "U.S." or the "United States" are to the United States of America and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia. Unless indicated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated or the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Financial Statements.

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

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

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

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

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from various government publications and industry sources, such as a report dated June 19, 2019 and titled "*Independent Market Report- Global Pharmaceuticals Intermediates and Oilfield Chemicals Market*" (the "**Frost & Sullivan Report**") that has been prepared by Frost & Sullivan. Industry publications generally state that the information contained in such publications has been obtained from sources generally believed to be reliable, but their accuracy, adequacy, completeness or underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders, the BRLMs, or any of our or their respective affiliates or advisors, and none of these parties makes any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful and depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors—We have commissioned an industry report from Frost & Sullivan, which has been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us*." on page 35.

Certain measures included in this Draft Red Herring Prospectus, for instance EBITDA and EBITDA margin (the **"Non-GAAP measures''**), presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Furthermore, these Non-GAAP measures, are not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, Non-GAAP measures used are not a standardised term, hence a direct comparison of Non-GAAP measures between companies may not be possible. Other companies may calculate Non-GAAP measures differently from us, limiting its usefulness as a comparative measure.

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

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" beginning on pages 22, 129 and 232, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of our Restated Financial Statements.

Currency and Units of Presentation

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

All references to "**U.S.$**", "**U.S. Dollar**", "**USD**" or "**U.S. Dollars**" are to United States Dollars, the official currency of the United States of America. All references to "EUR" or "€" are to Euro, the official currency of the European Union;
In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions. One million represents '10 lakhs' or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time.

Exchange Rates

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

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

(in ₹)

Currency	**Exchange Rate as on***		
	March 31, 2019	**March 31, 2018**	**March 31, 2017**
1 USD	69.17	65.04	64.84
1 EUR	77.70	80.62	69.25

Source: RBI Reference Rate and www.fbil.org.in
**In case March 31 of any of the respective years is a public holiday, the previous working day has been considered*

FORWARD-LOOKING STATEMENTS

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

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

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

- A downturn in the utility of our products to the industries we cater to;
- A reduction in the demand of our products and/or competing products gaining wider market acceptance;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- An adverse change in the regulations governing our products and the products of our customers;
- A significant fall in the global price of our products and/or a significant rise in the global price of our raw materials; and
- A decrease in the demand for the products of our customers in which our Pharmaceutical Chemicals are used and/or a downfall in the level of oil and gas exploration, development and production activities.

For a further discussion of factors that could cause our actual results to differ, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 22, 129 and 232, 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 future gains or losses could be materially be different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate.

Neither our Company, nor the Selling Shareholders, nor 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, the Selling Shareholders and the BRLMs will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares forming part of the Offer for Sale from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholders shall, severally and not jointly, ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the grant of listing and trading permission by the Stock Exchanges.

SECTION II - SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled "Risk Factors", "Our Business", "Industry Overview", "Capital Structure", "The Issue" and "Outstanding Litigation and Other Material Developments" beginning on pages 22, 129, 88, 58, 43 and 260 respectively of this Draft Red Herring Prospectus.

Primary business of our Company

We are a manufacturer of specialized chemicals, engaged in the manufacturing and sale of the Pharmaceutical Chemicals and the Oilwell Completion Chemicals. We supply our products to domestic customers and as well as customers outside India. We were the only manufacturer of HMDS in India and were the eighth largest manufacturer of HMDS worldwide in terms of production in the calendar year 2018 (*source: Frost & Sullivan Report*). We were the largest manufacturer of CMIC in India and the second largest manufacturer of CMIC worldwide, in terms of production and capacity in calendar year 2018 (*source: Frost & Sullivan Report*).

Primary business of the industry in which our Company operates

Pharmaceutical intermediates are the chemical compounds that form the building blocks used in production of API. The global market of chemicals used as pharma intermediates was valued at about USD 25 Bn in 2017 and is expected to grow at a CAGR of 4% between 2018 and 2023. (*source: Frost & Sullivan Report*).

The global market of Drilling and Completion Fluids is growing rapidly due to increased oil & gas exploration activities around the world. The global clear brine fluids market was valued at about USD 820 Mn in 2018 and is anticipated to grow at a CAGR of slightly above 5% between 2019 and 2023. (*source: Frost & Sullivan Report*).

Name of Promoters

As on the date of this Draft Red Herring Prospectus, Kamalkumar Rajendra Aggarwal, Navdeep Naresh Goyal and Shubharangana Goyal are our Promoters. For further details, see "*Our Promoters and Promoter Group*" at page 170.

The Issue

Issue [1]	Up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of [●] per Equity Share), aggregating up to [●] million
of which	
Fresh Issue [1]	[●] Equity Shares aggregating up to ₹1,750 million
Offer for Sale [2]	2,150,000 Equity Shares each by Kamalkumar Rajendra Aggarwal and Naresh Vijaykumar Goyal

[1] *The Issue has been authorized by a resolution of our Board dated June 14, 2019 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated June 14, 2019.*

[2] *The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. Kamalkumar Rajendra Aggarwal has consented to participate in the Offer for Sale pursuant to his consent letter dated July 18, 2019 and has consented to offer up to 2,150,000 Equity Shares in the Offer for Sale. Naresh Vijaykumar Goyal has consented to participate in the Offer for Sale pursuant to his consent letter dated July 18, 2019 and has consented to offer up to 2,150,000 Equity Shares in the Offer for Sale.*

For further details, see "The Issue" and "Issue Structure" beginning on pages 43 and 277, respectively.

Objects of the Issue

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

Objects	Amount (in ₹ million)
Capital expenditure towards expansion of the Manufacturing Facility	452.55

Objects	Amount (in ₹ million)
To meet working capital requirements	900.00
General corporate purposes*	[●]
Net Proceeds*	[●]

** To be finalised upon determination of the Issue Price. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue.*

Aggregate pre-Issue Shareholding of our Promoters, the members of our Promoter Group (other than our Promoters) and the Selling Shareholders

Sr. No.	Name of Shareholder	No. of Equity Shares	% of total pre-Issue paid up Equity Share capital
Promoters			
1.	Kamalkumar Rajendra Aggarwal	11,927,080	37.53
2.	Navdeep Naresh Goyal and Shubharangana Goyal (joint holding)*	6,233,500	19.62
3.	Navdeep Naresh Goyal	2,374,666	7.47
4.	Shubharangana Goyal	1,978,888	6.23
Total (A)		**22,514,134**	**70.85**
Other members of the Promoter Group			
1.	Naresh Vijaykumar Goyal	5,285,826	16.63
2.	Rajveer Aggarwal	2,532,800	7.97
3.	Minal Kamal Aggarwal	1,440,000	4.53
4.	Parul Gupta	5,000	0.02
Total (B)		**9,263,626**	**29.15**
Total of Promoter and Promoter Group (A) + (B)		**31,777,760**	**100.00**
Selling Shareholders			
1.	Kamalkumar Rajendra Aggarwal	11,927,080	37.53
2.	Naresh Vijaykumar Goyal	5,285,826	16.63
Total		**17,212,906**	**54.16**

**Navdeep Naresh Goyal is the first holder and Shubharangana Goyal the second holder, with respect to such Equity Shares.*

For further details, see "*Capital Structure*" at page 58.

Financial Information

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

(₹ in million, except per share data)

Particulars	As at March 31, 2019 and for the Fiscal ended March 31, 2019	As at March 31, 2018 and for the Fiscal ended March 31, 2018	As at March 31, 2017 and for the Fiscal ended March 31, 2017
Share capital	317.78	79.44	79.44
Net worth*	957.74	536.22	270.60
Revenue from operations	3,041.68	1,583.07	898.92
Profit after tax	430.41	263.81	28.24
Earnings per Equity Share (basic and dilated)$	13.54	8.30	0.89
Net asset value (per Equity Share)**$	30.14	16.87	8.52
Total borrowings@	331.09	168.94	201.87

**'Net worth' means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account, net of pre-issue expenses, as per the restated statement of assets and liabilities of our Company in the Restated Financial Statements.*

****** *Net asset value (per Equity Share) means Net Worth as restated divided by Number of equity shares outstanding at the end of the year after giving retrospective effect of bonus issue of Equity Shares on November 3, 2018.*

$ *For the purposes of calculation of net asset value per share and earnings per share, the per share data, has been adjusted retrospectively to give effect to the bonus issuance of Equity Shares on November 3, 2018.*

@ *Total borrowings consist of Non-Current borrowings (including current maturities of long term borrowings) and Current borrowings as per our Restated Financial Statement.*

For further details, see "*Restated Financial Statements*" beginning on page 182.

Auditor Qualifications or Adverse Remarks

There have been no qualifications by our Auditors which have not been given effect to, in the Restated Financial Statements.

Outstanding Litigation

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

(₹ in million)

Type of Proceedings	Number of cases	Amount
Cases against our Company		
Claims related to direct and indirect taxes	1	0.35
Total	**1**	**0.35**
Cases against our Promoters		
Statutory/regulatory proceedings	1*	-
Total	**1***	-
Cases against our Directors		
Statutory/regulatory proceedings	1*	-
Total	**1***	-

**Pertains to one settlement application filed with SEBI by our Promoters, Kamalkumar Rajendra Aggarwal, Shubharangana Goyal and Navdeep Naresh Goyal and certain members of our Promoter Group, namely, Naresh Vijaykumar Goyal and Minal Kamal Aggarwal. Kamalkumar Rajendra Aggarwal is also our Managing Director and Chairman.*

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Other Material Developments*" beginning on page 260.

Risk Factors

Investors should see "*Risk Factors*" beginning on page 22 to have an informed view before making an investment decision.

Contingent Liabilities

A summary of our contingent liabilities as on March 31, 2019, is set out below:

(₹ in million)

Particulars	Amount demanded/disputed
Letters of credit issued for the purchase of raw materials	20.24

For further details, see "*Restated Financial Statements-Annexure VI- Note 29: Commitments and Contingent Liabilities*" at page 213.

Related Party Transactions

We have entered into related party transactions with related parties. A summary of the related party transactions entered into by our Company in Fiscal 2019, Fiscal 2018 and Fiscal 2017 is detailed below:

(₹ in million)

Nature of transaction	Fiscal 2019	Fiscal 2018	Fiscal 2017
Remuneration to key management personnel	171.43	127.91	65.35
Rent to key management personnel	0.18	0.19	0.21
Unsecured loan from Directors	0.00	17.45	0.00
Unsecured loan from relative of key management personnel	10.00	9.65	0.00
Rent to Relative of key management personnel	0.54	0.54	0.54
Purchase of Consumable & Stores	0.91	1.23	0.00
Purchase of Fixed Assets	9.46	7.54	2.22
Purchase of Raw Material	1.13	4.74	0.49
Repairs & Maintenance of Plant & Machinery	0.00	0.00	1.25

Nature of transaction	Fiscal 2019	Fiscal 2018	Fiscal 2017
Job work Charges Paid	80.77	7.08	0.00
Lifting Charges Paid	0.83	1.18	0.87
Sale of Fixed Assets	2.81	0.00	0.00
Sales commission Received	1.08	0.49	0.00
Revenue from Operation	2.75	0.54	0.05

For further details, see "*Restated Financial Statements- Annexure VI- Note 34: Related Party Disclosures*" at page 217.

Financing Arrangements

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

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

The weighted average price at which the equity shares of our Company were acquired by each of our Promoters and the Selling Shareholders, in the one year preceding the date of this Draft Red Herring Prospectus, is Nil.

Average Cost of Acquisition

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

Name of the Promoter/ Selling Shareholders	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹) #
Kamalkumar Rajendra Aggarwal	11,927,080	0.33
Navdeep Naresh Goyal and Shubharangana Goyal (joint holding)*	6,233,500	-
Navdeep Naresh Goyal*	2,374,666	-
Shubharangana Goyal*	1,978,888	-
Naresh Vijaykumar Goyal	5,285,826	0.57

 # As certified by M/s Shah Mehta and Bakshi, Chartered Accountants, by way of their certificate dated August 6, 2019.
** All the Equity Shares were acquired pursuant to either gift, transfer or by way of a bonus issue.*

For further details, of the average cost of acquisition our Promoters, see "*Capital Structure-Build-up of our Promoters' shareholding in our Company*" at page 63.

Details of pre-Issue Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

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

Except, the bonus issue by our Company pursuant to our Shareholders' resolution dated November 3, 2018, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Split or Consolidation of Equity Shares in the last one year

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

SECTION III - RISK FACTORS

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

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

In making an investment decision, as prospective investors, you must rely on your own examination of us and the terms of the Issue, including the merits and the risks involved. You should consult your tax, financial, legal advisors about the particular consequences of investing in the Issue. To obtain a complete understanding of our business, you should read this section in conjunction with the sections titled "Industry Overview", "Our Business", "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Position and Results of Operations" beginning on pages 88, 129, 182 and 232, respectively, of this Draft Red Herring Prospectus, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

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

Unless otherwise expressly stated or the context otherwise requires, the financial information used in this section is derived from the Restated Financial Statements. See "Restated Financial Statements" on page 182.

Internal Risk Factors

1. ***Our business includes the manufacturing, marketing and supply of specialised chemicals largely used in the pharmaceuticals and oilfield industries. Any decrease in the utility of our products for such industries, may have an adverse impact on our business, growth and results of operations.***

   Our Company is engaged in the business of manufacturing, marketing and supplying of the Pharmaceutical Chemicals and the Oilwell Completion Chemicals. Our Pharmaceuticals Chemicals and the Oilwell Completion Chemicals are targeted to and largely marketed and supplied to industries operating in the pharmaceuticals and the oilfield industry respectively. Our Pharmaceuticals Chemicals business contributed 62.99%, 61.97% and 46.89% of our revenue from operations in Fiscals 2019, 2018 and 2017 respectively, while our Oilwell Completion Chemicals business contributed 35.42%, 35.86% and 50.23% of our revenue from operations in Fiscals 2019, 2018 and 2017 respectively. Any reduction in the utility of our products in general or to such industries including due to the emergence of cost effective and more efficient alternatives and the shift of the practice in these industries towards developing our products in-house, may have an adverse impact on the demand for our products and consequently, may have a material adverse impact on our business, results of operations, cash flows and financial condition. Further, there can be no assurance that the lack of demand from any one of these industries can be off-set by sales to other industries in which our products find application.

2. ***We have a limited product portfolio and our business may be adversely affected if any of our products do not continue to perform as expected or if competing products gain wider market acceptance. Further, if our competitors are able to improve the efficiency of their manufacturing processes and thereby offer their products at lower prices, our revenues and profitability may decline.***

   As on the date of this Draft Red Herring Prospectus, our product portfolio is limited to our Pharmaceutical Chemicals, mainly HMDS and CMIC and our Oilwell Completion Chemicals, namely Calcium Bromide (solution and powder), Zinc Bromide (solution) and Sodium Bromide (solution and powder). In Fiscal 2019, our Pharmaceutical Chemicals collectively contributed 62.99% of our total revenue from operations and within our Pharmaceutical Chemicals, HMDS (including ancillary products) and CMIC contributed 42.89% and 15.65% of our total revenue from operations respectively. Further, our Oilwell Completion Chemicals collectively contributed 35.42% of our total revenue from operations in Fiscal 2019.

A reduction in the demand for any of our products may have a materially adverse effect on our operations. The demand for our products may decline due to the emergence or increase in competition, as the case may be, regulatory action, pricing pressures and/or fluctuations of demand and supply. If our competitors are able to improve the efficiency of their manufacturing process or their distribution or raw materials sourcing process and thereby offer their products at lower price, our Company may be unable to adequately react by reducing our gross margin to retain customers by offering our products at lower prices or losing customers to competitors offering similar products at prices lower than us.

Similarly, in the event of any breakthrough in the development of products, our products may become obsolete or be substituted by such alternatives. For instance, the Oilwell Completion Chemicals are utilised as completion fluids in the oil and gas exploration process but should more cost-effective and/or efficient alternatives be available in the market, the demand for the Oilwell Completion Chemicals may be adversely impacted.

Our failure to effectively react to these situations or to successfully introduce new products or new applications for our existing products could adversely affect our business, prospects, results of operations and financial condition.

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

While we typically have long term relationships with our customers, we do not have long term agreements with them. The success of our business is accordingly significantly dependent on us maintaining good relationships with our customers and suppliers.

While our Company has a number of customers, we are dependent on a limited number of customers for a significant portion of our revenue. In Fiscals 2019, 2018 and 2017, 45.81%, 59.76% and 61.66%, respectively, of our revenue from operations were derived from our top five customers (in the respective Fiscals). Further, in Fiscals 2019, 2018 and 2017, 90.24%, 96.22% and 89.85% of our revenue from Oilwell Completion Chemicals (in the respective Fiscals) were derived from our top five customers for our Oilwell Completion Chemicals, while 53.66%, 64.63% and 69.49% of our revenue from our Pharmaceutical Chemicals were derived from our top five customers of our Pharmaceutical Chemicals (in the respective Fiscals).

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

4. ***The commercial success of our Pharmaceutical Chemicals depends to a large extent on the success of our customers' products with end consumers. If the demand for the products in which our products are used declines, this could have a material adverse effect on our business, financial condition and results of operations.***

The Pharmaceuticals Chemicals manufactured and supplied by us are primarily utilised for the manufacture of certain pharmaceuticals and related products. For instance, HMDS is *inter alia* used as Methyl Silane Alkylation (such as Amikacin, Penicillin, Cephalosporins and kinds of Penicillin derivatives), in the preparation of β3-AR agonists used in anti-stress formulations and manufacture of certain antibiotics and anti-viral drugs, while CMIC is *inter alia* utilised to manufacture Tenofovir, a drug for combatting HIV and AIDS and in the synthesis of certain anti-viral drugs. For details of the uses of the Pharmaceutical Chemicals, see "*Our Business- Our Products*" and "*Industry Overview*" on pages 133 and 88 respectively.

The commercial success of our Pharmaceutical Chemicals business depends on the demand for the products for which such chemicals are utilised. Any downturn in the demand of such products, including due to the development of alternative products without our Pharmaceutical Chemicals as ingredients, may conversely result in a reduction in the demand for the Pharmaceuticals Chemicals and have a material adverse effect on our business, financial condition and results of operations.

5. ***The commercial success of our Oilwell Completion Chemicals is dependent on the level of oil and gas exploration, development and production activities. Factors affecting the level of oil and gas exploration, development and production activities, could have a material adverse effect on our business, financial condition and results of operations.***

The Oilwell Completion Chemicals manufactured and supplied by us are used as completion fluids in the oilfields industry. Accordingly, the commercial success of our Oilwell Completion Chemicals is dependent upon the level of oil and gas exploration, development and production activities. The oil and gas exploration and production industry is historically a cyclical industry characterized by significant changes in the levels of exploration and development activities. Furthermore, there can be no assurance that the oil and gas companies will be able to obtain the financing necessary to explore, develop or produce new prospects, resulting in reduced demand for our Oilwell Completion Chemicals.

Additionally, the exploration, development and production activities in the oil and gas industry are influenced by the following factors:

- overall level of global economic growth and activity;
- actual and perceived changes in the supply and demand for oil and gas;
- political instability or armed conflict in oil and gas producing regions;
- operational constraints, including timely access to resources, availability of adequate infrastructure facilities and lack of technological know-how;
- fiscal and macroeconomic factors, as oil and gas exploration projects are highly capital intensive;
- regulatory and political interferences, in terms of receiving the required permissions, licenses, clearances have always remained a matter of concern for the entire upstream industry;
- geological factors are now emerging as major constraints affecting the drilling activities especially with increasing use of unconventional methods of exploration which not only involves higher capital requirements but also has the possibility of variance between the actual and estimated reserves; and
- also, rising concern towards environmental issues in case of unconventional drilling activities.

A reduction in exploration, development and production activities, or in the budgeted expenditure of oil and gas companies, will cause a decline in the demand for Oilwell Completion Chemicals. Any downturn in the demand of our Oilwell Completion Chemicals, including due to the reduction in the level of oil and gas exploration, development and production activities, may have a material adverse effect on our business, financial condition and results of operations.

6. ***Any disturbance in or shutdown of our Manufacturing Facility may have a material adverse effect on our entire manufacturing operations and consequently, our business, financial condition and our results of operations.***

Our manufacturing operations are based out of our Manufacturing Facility located in Manjusar, near Vadodara in Gujarat. As on the date of this Draft Red Herring Prospectus, the Manufacturing Facility comprises of five individual operational plants, each dedicated to the manufacture of specific chemicals. For further details, see "*Our Business-Our Manufacturing Facility*" on page 136. Our Company proposes to utilise a portion of the proceeds from the Fresh Issue towards the establishment of three additional plants within the Manufacturing Facility. Accordingly, our manufacturing operations are and shall for the foreseeable future continue to be concentrated in one location for all of our products.

Our manufacturing operations and consequently our business is dependent upon our ability to manage the Manufacturing Facility, which is subject to operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents, localised social unrest and natural disasters. In the event there are any disruptions at our Manufacturing Facility, due to natural or man-made disasters, workforce disruptions, regulatory approval delays, fire, failure of machinery, lack of access to assured supply of electrical power and water at reasonable costs or any significant social, political or economic disturbances, our ability to manufacture our products may be adversely affected.

In addition to the loss as a result of such fire or industrial accident, any shutdown of our Manufacturing Facility could result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition. For instance, on January 9, 2018, we experienced a fire accident at the Manufacturing Facility, destroying one plant and also damaging certain equipment, raw material, packing material, stores and consumables. According to management estimates the fire accident resulted in an aggregate loss of ₹21.92 million including the fire debris removal expenses and expenses for repair of a damaged factory shed. While, our Company believes that assets are fully secured through insurance, our claim made with our insurance company is pending. Further, our Manufacturing Facility was closed and as a result our manufacturing operations were suspended for two days.

Disruptions in and around our Manufacturing Facility could delay production or require us to shut down the Manufacturing Facility. Any contravention of or non-compliance with the terms of various regulatory approvals applicable to the Manufacturing Facility may also require us to cease or limit production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities. We cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labour involved in our Manufacturing Facility, which may hinder our regular operating activities and lead to disruptions in our operations, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

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

The success of our operations depends on, among other things, our ability to source raw materials at competitive prices. Raw materials are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand, changes in domestic as well as international government policies and regulatory sanctions.

Certain of our key raw materials have witnessed volatility in their prices. For instance, the global price of TMCS, a key raw material in the manufacturing of HMDS, fell from $3.6 per kg to $1.1 per kg between first quarter of calendar year 2013 and fourth quarter of calendar year 2014, rose to $10.3 per kg by the third quarter of calendar year 2018 and subsequently fell to approximately $5.4 per kg in the fourth quarter of calendar year 2018 (source: *Frost & Sullivan Report*). Likewise, the price of MCF, a key raw material in the manufacturing of CMIC, has witnessed numerous rises and falls between calendar years 2013 and 2018, with the global price, ranging from approximately $2.0 per kg to approximately $3.1 per kg in such period (source: *Frost & Sullivan Report*).

We seek to source our raw materials from reputed suppliers and typically seek quotations from multiple suppliers. We do not have long-term contracts with our suppliers. We typically purchase raw materials on a purchase order basis. Consequently, we may be required to regularly negotiate prices with our suppliers in case of significant fluctuations in raw material prices or foreign currency fluctuations. The absence of long term supplier contracts subjects us to risks such as price volatility, unavailability of certain raw materials in the short term and failure to source critical raw materials in time, which would result in a delay in manufacturing of the final product. Further, we cannot assure you that we will be able to enter into new arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability. Our suppliers may also be unable to provide us with sufficient quantity of raw materials, at prices acceptable to us, for us to meet the demand for our products. While, we typically sell our products to our customers on a purchase order basis, given that we have long term relationships with many of our customers, our ability to pass on increases in the costs of raw materials and other inputs to our customers may be limited. We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price.

While we seek to purchase our raw materials from multiple suppliers on a purchase order basis, we purchase a significant portion of our raw materials from a few suppliers. In Fiscals 2019, 2018 and 2017, our top five suppliers of raw materials constituted 66.54%, 45.21% and 49.78% of the raw materials purchased by us. If we are unable to purchase the raw materials from such suppliers for any reason including due to cessation of operations by such suppliers, disputes with such suppliers, or if there is a substantial increase in the prices charged by such suppliers, there can be no assurance that we will be able to identify alternative suppliers for our raw materials at similar cost and other terms of purchase.

Further, we purchase certain of our key raw materials from suppliers based in China. Our ability to purchase such raw materials from our suppliers in China, may be hampered due to *inter alia* supply chain issues, change in government policies (including anti-dumping measures) and international geo-political situations. We may not be able to find suitable alternative suppliers providing the raw materials at similar or acceptable prices and other terms of purchase.

Any increase in raw material prices may result in corresponding increases in our product costs. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to our customers in an efficient, reliable and timely manner, and consequently adversely affect our business, results of operations and financial condition.

8. ***Our Promoters and certain members of our Promoter Group have filed an application for settlement with SEBI with respect to certain past non compliances with respect to their holding in a listed company, which is a member of our Promoter Group. Further, Naresh Vijaykumar Goyal, a member of our Promoter Group, has filed an appeal in relation to a criminal proceeding filed against him, which if determined adversely may have a negative impact on our operations, reputation and prospects.***

Our Promoters, Kamalkumar Rajendra Aggarwal, Shubharangana Goyal and Navdeep Naresh Goyal and certain members of our Promoter Group, namely, Naresh Vijaykumar Goyal and Minal Kamal Aggarwal (collectively, the "**PG OSL Shareholders**"), have filed a settlement application dated March 10, 2019 with SEBI in relation to their inadvertent failure to make certain disclosures required under the Takeover Regulations and the SEBI Insider Trading Regulations in relation to their holdings in Overseas Synthetics Limited ("**OSL**"), a company listed on BSE Limited, which is a member of the Promoter Group. The PG OSL Shareholders have entered into a share purchase agreement dated June 24, 2019 (the "**OSL SPA**") with certain shareholders of OSL (the "**OSL Acquirers**") for the sale of their collective shareholding of 20.37% of the share capital of OSL to the OSL Acquirers. Consequent to the execution of the OSL SPA, in accordance with the Takeover Regulations, the OSL Acquirers propose to make an open offer for the acquisition of an additional 26% of the current share capital of OSL and have filed a draft letter of offer with SEBI and BSE in this regard.

Further, pursuant to a criminal complaint ("**Complaint**") filed by the Central Bureau of Investigation (Jaipur) ("**CBI**"), the CBI Special Court, Jaipur ("**CBI Court**"), *vide* an order dated December 24, 2018 ("**CBI Court Order**"), has convicted and sentenced *inter alia* a member of our Promoter Group, Naresh Vijaykumar Goyal (in his capacity as a director of Super Scientific Works Private Limited) to (i) rigorous imprisonment for two years with a fine of ₹10,000 for commission of offences under Section 120-B of the Indian Penal Code, 1860; and (ii) rigorous imprisonment for three years and fine of ₹ 20,000 each for commission of offences under Section 13(1)(d)(ii) of the Prevention of Corruption Act, 1988.

Naresh Vijaykumar Goyal has subsequently filed an appeal ("**Appeal**") against the CBI Court Order before the High Court of Rajasthan, challenging the CBI Court Order. The Rajasthan High Court ("**High Court**") has suspended the sentence imposed on Naresh Vijaykumar Goyal, pending settlement of the Appeal pursuant to an order dated January 9, 2019. The Appeal is currently pending. A failure of the Appeal by Naresh Vijaykumar Goyal may have an adverse effect on our operations, reputation and prospects. For details see, "*Outstanding Litigation and Other Material Developments-Litigation proceedings involving our Promoters*" on page 262.

9. ***Any adverse change in regulations governing our products and the products of our customers, may adversely impact our business, prospectus and results of operations.***

Regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the regulations governing the development of our products and their usage by our customers, including the development of licensing requirements and technical standards and specifications or the imposition of onerous requirements, may have an adverse impact on our operations. Our Company may be required to alter our manufacturing and/or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers. We cannot assure you that we will be able to comply with the regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market.

Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products and/or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

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

In order to remain competitive, we are required to review the performance of our existing products and the manufacturing process and take necessary actions to improve functionality and/or efficiency and also identify new applications for our existing products and new potential products, in compliance with applicable regulatory standards. To accomplish this, we commit substantial effort, funds and other resources. Our ongoing investments towards product development could result in higher costs without a proportionate increase in revenues. However, we cannot assure you that the product development initiatives taken by our Company would succeed or result in an improvement in either our current products or manufacturing process which may affect our ability to compete with our competitors and have an adverse effect on our operations. Further, our product development initiatives with respect to developing new uses for existing products or new products may not result in the development of cost-effective or economically viable solutions, thereby affecting our operations, growth and prospects.

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

We are dependent on the global prices for our products. There has been volatility in the global prices of certain of our products. For instance, the global price of HMDS have increased from \$3.5 per kg in the first quarter of calendar year 2017 to \$18.5 per kg in the third quarter of calendar year 2018 (*Source: Frost & Sullivan Report*). Similarly, the global price of CMIC have increased from \$6.0 per kg in the third quarter of calendar year 2017 to \$8.1 per kg in the first quarter of calendar year 2018 (*Source: Frost & Sullivan Report*).

Our ability to maintain as well as expand our international operations is dependent on us providing our products at prices competitive with international as well as local manufacturers. Since we manufacture all our products at the Manufacturing Facility, we may be unable to provide the products at competitive prices as against suppliers able to implement more cost-effective distribution facilities and local suppliers. Accordingly, we may be more exposed to the volatility to the global prices of our products as against competitors whose manufacturing operations are less centralised. Our inability to price our products at the applicable prices in the international markets, may affect the demand for our products and consequently have a material adverse effect on our results of operations and financial condition.

12. ***We may face several risks associated with the proposed expansion in our Manufacturing Facility, which could hamper our growth, prospects, cash flows and business and financial condition.***

We intend to utilize a portion of the Net Proceeds of the Fresh Issue for financing the proposed expansion of our Manufacturing Facility. For additional details in respect of the foregoing, see "*Objects of the Issue*" on page 69.

In establishing the new plants at our Manufacturing Facility, we may encounter cost overruns or delays for various reasons, including, but not limited to, our financial condition, changes in business strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, changes in design and configuration of the Projects, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, start-up costs, interest and finance charges, EPC and non-EPC costs, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. If any of the plants that we propose to set up at our Manufacturing Facility, are not completed in a timely manner, or at all, our business, prospects and results of operations may be adversely affected. Further, the budgeted cost may prove insufficient to meet the requirements of the proposed capital expenditure due to, among other things, cost escalation, which could drain our internal cash flows or compel us to raise additional capital, which may not be available on terms favourable to us or at all.

We cannot assure that we will be able to complete the aforementioned expansion of our manufacturing facility in accordance with the proposed schedule of implementation and any delay in setting up such plants in a timely manner, or at all, could have an adverse impact on our growth, prospects, cash flows and business and financial condition.

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

We sell our products in countries such as United States of America, People's Republic of China, Japan, United Arab Emirates, Azerbaijan, Serbia, Russia and Malaysia. In Fiscal 2019, 32.23% of our revenue from operations was from exports (including Deemed Exports). We seek to maintain and expand our international sales operations. Our business is therefore subject to diverse and constantly changing economic, regulatory, social and political conditions in the jurisdictions in which we operate and seek to operate.

Operating in the international markets exposes us to a number of risks globally, including, without limitation compliance with local laws and regulations, which can be onerous and costly as the magnitude and complexity of, and continual amendments to, those laws and regulations are difficult to predict and the liabilities, costs, obligations and requirements associated with these laws and regulations can be substantial. Our failure to comply with and adapt to changing international regulations and/or trends may result in us failing to maintain and/or expand our international sales operations, which could adversely affect our business, financial condition and results of operations.

14. ***We are yet to place orders for the equipment to be procured in relation to the proposed expansion in our Manufacturing Facility. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.***

We intend to utilize a portion of the Net Proceeds of the Fresh Issue for financing the proposed expansion of our Manufacturing Facility. While we have procured quotation from vendors for various equipments to be procured in relation to the proposed expansion, we have not placed any firm orders for any equipment. For details in respect of the foregoing, see "*Objects of the Issue- Details of the Objects of the Fresh Issue-Capital expenditure towards expansion of Manufacturing Facility*" on page 70.

In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the equipments or in the event the vendors are not able to provide the equipment in a timely manner, or at all, we may encounter time and cost overruns in setting up of the plants that we propose to set up at our Manufacturing Facility resulting in cost escalation for the proposed project, which could affect our internal cash flows or compel us to raise additional capital, which may not be available on terms favourable to us or at all. Any delay in completing the aforementioned expansion of our manufacturing facility in accordance with the proposed schedule of implementation, or at all, could have an adverse impact on our growth, prospects, cash flows and business and financial condition.

15. ***Volatility in exchange rate fluctuations may adversely affect our results of operations.***

In Fiscal 2019, 32.23% of our revenue from operations was from exports (including Deemed Exports), while 50.89% of the raw materials purchased by us, were purchased from outside India. Some of our other expenditures such as sales commission and expenditure on exhibitions are also denominated in foreign currencies. Consequently, we are exposed to exchange rate fluctuations between the Indian Rupee and certain foreign currencies. Significant currency exchange rate fluctuations could have an adverse effect on our results of operations.

The exchange rate between the Indian Rupee and the foreign currencies has fluctuated considerably in recent years and may further fluctuate in the future. We anticipate that a significant portion of our revenue from operations and raw materials purchased will continue to be in foreign currencies. Any volatility or fluctuation of foreign currencies against the Indian Rupee may result in reduction of our revenue and consequently have an adverse effect on our business and result of operations.

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

Certain of the raw materials that we use as well as our finished goods are corrosive and flammable and require expert handling and storage, failing which we may be exposed to fires or other industrial accidents. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life, damage to our and third-party property and, or, environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents, may result in a loss of property of our Company and/or disruption in our manufacturing operations entirely, which may have a material adverse effect on our results of operations and financial condition.

In addition to the loss as a result of such fire or industrial accident, any shutdown of our Manufacturing Facility could result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition. For instance, on January 9, 2018, we experienced a fire accident at the Manufacturing Facility, destroying one plant and also damaging certain equipment, raw material, packing material, stores and consumables. According to management estimates the fire accident resulted in an aggregate loss of ₹21.92 million including the fire debris removal expenses and expenses for repair of a damaged factory shed. While, our Company believes that our assets are fully secured through insurance, our claim made with our insurance company is pending. Further, our Manufacturing Facility was closed and as a result our manufacturing operations were suspended for two days.

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

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

17. ***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 potential product liability claims, and the severity and timing of such claims are unpredictable. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products. Product liability claims, regardless of their merits or the ultimate success of the defense 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.

18. ***We have significant power, water and fuel requirements and any disruption to power, water or fuel sources could increase our production costs and adversely affect our results of operations.***

We require substantial power, water and fuel for our Manufacturing Facility, and energy costs represent a significant portion of the production costs for our operations. If energy or water costs were to rise, or if electricity or water supplies or supply arrangements were disrupted, our profitability could decline.

We primarily source of our electricity requirements for our Manufacturing Facility from the Madhya Gujarat Vij Company Limited ("**MGVCL**") and as a secondary back-up we have our own captive diesel power generator. If power supply from MGVCL is not available for any reason, we will need to rely on our captive diesel power generator, which may result in, increased costs associated with generation of power.

In addition, we source most of our water requirements from a borewell, but there is no assurance that we will be able to obtain a sufficient supply of water from such borewell or from any other source. We may have to find alternative sources for ground water, which may not be as economically feasible. Therefore, we are subject to price risk and if sufficient water cannot be obtained from our borewell for any reason, our production may be disrupted and profitability could be adversely affected.

19. ***Certain documents filed by us with the RoC and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future.***

Our Company is unable to trace certain corporate records and regulatory filings made by us, including, those in relation to allotments made by our Company, reclassification of share capital and transfers made by our Shareholders, for the period commencing from incorporation till the acquisition of our Company by our Promoters and Promoter Group in 2004 and a change in the registered office of our Company prior to such acquisition. We have also, through a practicing company secretary, conducted a search at the offices of the RoC to trace these records and filings. However, such practicing company secretary was unable to locate these documents at the office of the RoC. In light of this, we have relied on alternative corporate records and documents available with us for such matters, including the shareholders' register, annual reports and annual returns filed with RoC.

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

20. ***We have contingent liabilities and commitments which have not been provided for in our balance sheet. Further, there is one taxation proceeding involving us, where we have paid the amount claimed against us under protest.***

As on March 31, 2019, we had certain contingent liabilities that had not been provided for in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" as provided below:

(₹ in million)

Particulars	Amount
Letters of credit issued for the purchase of raw materials	20.24

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

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

Additionally, we are subject to routine tax assessments from relevant taxation authorities. As set out below, there is one central excise proceeding involving us, where a claim of ₹0.35 million was raised against us:

(₹ in million)

Particulars	Number of proceedings	Amount involved*
Taxation proceeding involving our Company	1	0.35

**To the extent quantifiable.*

We have paid such amount claimed under protest and accordingly, there is no contingent liability linked to such proceeding.

21. ***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 conditions. Disruptions of logistics could impair our ability to procure raw materials and/or deliver our products on time, which could materially and adversely affect our business, financial condition and results of operations.***

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 Facility. 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. However, we do not have any long term contractual arrangements with such third party transportation and logistics provides.

Given the centralised nature of our manufacturing operations, the services provided by third party transportation and logistics providers is critical for distribution of our products from our Manufacturing Facility to our customers and for the receipt of raw materials and inputs at the Manufacturing Facility. Freight (inward and outward) represented 1.15%, 1.98% and 1.98% of our total expenses in Fiscals 2019, 2018 and 2017. 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.

While we believe we have adequately insured ourselves against the risk involved in maritime transport, our Company may be responsible for the transport of our products and accordingly be exposed to the risk of theft, accidents and/or loss of our products in transit. While there have been no material instances of theft / accident / loss thus far, we cannot assure you that such incidents will not occur in future. Any such acts could result in serious liability claims (for which we may not be adequately insured) which may, in addition to resulting in pecuniary liability also entail personal liability and accordingly this could have an adverse effect on our financial condition and results of operations.

22. ***We benefit from certain export benefits from the Government of India, which if withdrawn or modified may have a significant impact on our results operations***

As on the date of this Draft Red Herring Prospectus, our Company receives certain export benefits from the Government of India. Such export benefits enable the duty free import of inputs required for the production of products which are to be exported. The withdrawal or modification of such export benefits may have an adverse effect on the cost of our imported raw materials, thereby having a significant impact on our results of operations.

23. ***We are subject to environmental, health and safety regulations, which may increase our compliance costs. Further, we require certain approvals and licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner may materially adversely affect our operations.***

We are required to comply with Indian central, state and local laws, governing the protection of the environment, as well as occupational health and safety, including laws regulating the generation, storage, handling, use and transportation of waste materials, the emission and discharge of waste materials into soil, air or water, and the health and safety of our employees. For details on the regulations and policies applicable to us, see "*Key Regulations and Policies in India*" on page 146.

Our Manufacturing Facility is used for the manufacturing of chemicals which is a hazardous process, utilising hazardous and inflammable raw materials. As a result, we are subject to a variety of environmental laws and health and safety laws and regulations dealing with occupational health and safety. Additionally, the government or the relevant regulatory bodies may require us to shut down our Manufacturing Facility or specific plants within the Manufacturing Facility, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers. Increased requirements of environmental, health and safety laws and regulations, increasingly strict enforcement thereof by governmental authorities, and claims for damages to property or injury to persons resulting from the environmental, health or safety impacts of our Company's operations or past contamination, could prevent or restrict some of our Company's operations, require the expenditure of significant funds to bring our Company into compliance, involve the imposition of clean up requirements and give rise to civil or criminal liability.

We are also required to maintain certain statutory and regulatory approvals, licenses, registrations and permissions, and applications need to be made at the appropriate stages for our business to operate. While as on the date of this Draft Red Herring Prospectus, our Company has obtained or made an application to obtain all material approvals required for our business operations, we will be required to periodically renew certain material approvals and may also be subject to additional regulatory requirements based on regulatory developments and/or our business operations. The rejection of any such application for grant of material approvals, may have an adverse effect on our ability to undertake our business operations. Further, there can be no assurance that such approvals, if granted, would be so granted in a timely manner. Delay in us being granted material approvals would delay our ability to perform the regulated activity and accordingly hamper our operations.

Further, Government approvals, licenses, clearances and consents, are often also subject to numerous conditions, some of which are onerous and may require significant expenditure. If we fail to comply, or a regulator claims that we have not complied, with these conditions, we may not be able to continue with work or operate our Manufacturing Facility. For further information on various material approvals or licenses required in connection with our operations, see "*Government and Other Approvals*" on page 264.

24. ***Restrictions imposed in the secured credit facilities and our other outstanding indebtedness may limit our ability to operate our business and to finance our future operations or capital needs.***

As of June 30, 2019, our total outstanding borrowings was ₹368.55 million. For further details, please see "*Financial Indebtedness*" on page 258.

Our financing agreements governing our borrowings include conditions and restrictive covenants that require us to obtain consents, no-objections or waivers from lenders prior to carrying out specified activities or entering into certain transactions. Such restrictive covenants, among other things, require us to obtain the approval of the relevant lender for availing any additional borrowing, disposing any fixed assets, effecting any change in our shareholding pattern, ownership and/or management, undertaking any further capex except being funded by the Company's own resources, effecting any material changes in the management of the business and diversifying into non-core areas (i.e. other than our current business). We cannot assure you that we will be able to obtain approvals to undertake any of these activities as and when required or to comply with such covenants or other covenants in the future.

Under some of our credit facilities, our lenders are entitled to terminate the credit facility in the event of any default committed by us, or even otherwise at their discretion without any prior notice, under other loan facilities. In case we default in any of our outstanding borrowings, we may not be able to declare or issue dividends, without the approval of our lenders.

25. ***Our performance depends to a large extent on the efforts and abilities of our Promoters and Key Managerial Personnel. The loss of or diminution in the services of one or more of our Promoters or Key Managerial Personnel could have a material adverse effect on our business, financial condition and results of operations.***

We are dependent on the services of our Promoters and Key Managerial Personnel, and our ability to attract, train, motivate and retain skilled employees and other professionals will enable us to manage and expand our business operations. The loss of or diminution in the services of one or more of our Promoters and Key Managerial Personnel could have a material adverse effect on our business, financial condition and results of operations.

Our performance depends to a large extent on the efforts and abilities of our Promoters and Key Managerial

Personnel. We have long-term association with our Key Managerial Personnel. For details in relation to the experience of our Promoters and Key Managerial Personnel, see "*Our Promoters and Promoter Group*" and "*Our Management*" on pages 170 and 154, respectively. Our future success will to a large extent depend on our ability to retain our Key Managerial Personnel. We do not have any key man insurance. If we are unable to hire additional personnel or retain existing qualified personnel, in particular our Key Managerial Personnel and persons with requisite skills, our operations and our ability to expand our business may be impaired. Further, we may be unable to hire and retain enough skilled and experienced employees to replace those who leave. Failure to hire or retain Key Managerial Personnel and skilled and experienced employees could have a material adverse effect on our business, financial condition and results of operations.

26. ***Information relating to the current and historical installed capacity of each of the plants in our Manufacturing Facility included in this Draft Red Herring Prospectus are based on various assumptions and estimates***

Information relating to the current and historical installed capacity of each of the plants currently in our Manufacturing Facility and the estimated installed capacities of the additional plants proposed to be installed at the Manufacturing Facility are based on certain technical assumptions. Such assumptions include assumptions for arriving at production capacity like number of shifts and the duration of each shift. Prospective investors should not place undue reliance on the historical installed capacity information and estimated installed capacity for the plants currently in the Manufacturing Facility, and the estimated installed capacities of additional proposed plants.

27. ***We may face competition in our business from both domestic and international competitors, such competition may have an adverse impact on our business, growth and development.***

We were the only manufacturer of HMDS in India and were the eighth largest manufacturer of HMDS worldwide in terms of production in the calendar year 2018 (*source: Frost & Sullivan Report*). We were the largest manufacturer of CMIC in India and the second largest manufacturer of CMIC worldwide, in terms of production and capacity in calendar year 2018 (*source: Frost & Sullivan Report*). Further, we were the only manufacturer of Zinc Bromide and the largest manufacturer of Calcium Bromide in India, in terms of production in calendar year 2018 (*source: Frost & Sullivan Report*).

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

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

Our growth strategies are subject to and involve risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans or complete them within the budgeted cost and timelines. Our Company intends to leverage its capabilities to explore growth opportunities in other products and geographical markets.

Further, on account of changes in market conditions, industry dynamics, technological improvements, changes in regulatory or trading policies or changes therein and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. Additionally, there can be no assurance that debt or equity financing or our internal accruals will be available or sufficient to meet the funding of our growth plans. Any inability on our part to manage our growth or implement our strategies effectively could have a material adverse effect on our business, results of operations and financial condition.

29. ***We rely on contractors for the recruitment of contract labourers for non-core tasks and are therefore exposed to execution risks and liability towards labourers under applicable Indian laws.***

We engage independent contractors through whom we engage contract labourers for performance of certain functions at our Manufacturing Facility for the performance of non-core tasks. Although we do not engage these labourers directly, we are responsible for any wage and statutory payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial conditions. In addition, we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

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

While, we have never had a labour strike and none of our full-time employees are in a union and we believe we enjoy a good relationship with our workforce, there can be no assurance that we may not experience disruptions in our operations due to disputes or other problems with our work force such as work stoppages, labour strikes, increased wage demands or any other kind of employee dispute that could adversely affect our business and results of operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

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

We have obtained public liability insurance in compliance with requirements under the Public Liability Insurance Act, 1991, as amended, as well as industrial all risk insurance with respect to our Manufacturing Facility, covering *inter alia* buildings, plant and machinery, furniture and stock located therein and a marine cargo open policy with respect to our key products and raw materials. Further, we have also obtained standard fire and special perils policies with respect to our Corporate Office, our sales and marketing offices in Mohali and our two external leased warehouses in Manjusar, Gujarat, a commercial care package policy with respect to our sales and marketing office in Hyderabad and a money insurance policy covering our Corporate Office and Manufacturing Facility.

As on March 31, 2019, 100% of our total assets have been insured. While we believe that the insurance coverage which we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all.

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 honored 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, financial condition and results of operations could be adversely affected. Further, an insurance claim once made could lead to an increase in our insurance premium, result in higher deductibles and also require us to spend towards addressing certain covenants specified by the insurance companies. For further details on our insurance arrangements, see "*Our Business – Insurance*" on page 144.

32. ***We have in the past entered into related party transactions and may continue to do so in the future.***

We have entered, and are likely to continue to enter, into transactions with related parties, including our Promoters, members of our Promoter Group and our Group Companies on an arm's length basis. For more information on our prior related party transactions in Fiscals 2019, 2018 and 2017 and outstanding balances with related parties at the end of such periods, see "*Restated Financial Statements- Annexure VI- Note 34: Related Party Disclosures*" at page 217 of this Draft Red Herring Prospectus.

We believe that all of our related party transactions are in compliance with applicable law. Further, the transactions into which we have entered and any future transactions into which we may enter into with our related parties have involved or could potentially involve conflicts of interest. The Companies Act, 2013 and the SEBI Listing Regulations provide for compliance requirements, such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. There can be no assurance that such transactions would be approved. There can also be no assurance that we would be able to maintain existing terms, or in case of any future transactions with related parties. While we have entered into transactions with related parties on an arm's length basis, we cannot assure you that any related party transactions in future, individually or in the aggregate, will not be negatively perceived or have an adverse effect on our results of operations and financial condition.

33. ***We have commissioned an industry report from Frost & Sullivan, which has been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us.***

The information in this section and the sections entitled "*Summary of the Offer Document*", "*Our Business*", "*Management's Discussion and Analysis of Financial Position and Results of Operations*" and "*Industry Overview*" on pages 18, 129, 232 and 88, respectively, of this Draft Red Herring Prospectus includes information that is derived from the Frost & Sullivan Report prepared by Frost & Sullivan that we commissioned in connection with the Issue for the purpose of confirming our understanding of the industry. Neither we, nor any of the Book Running Lead Managers, their associates or affiliates or any other person connected with the Issue have verified the information included in the Frost & Sullivan Report prepared by Frost & Sullivan. Frost & Sullivan has advised that while the Frost & Sullivan Report has been prepared through research, involving discussing the status of the industry with leading industry participants and experts and compiling inputs from publicly available sources, including official publications and reports, quantitative market information being primarily based on such interviews and desk-based secondary research is subject to fluctuations. Investors are advised not to unduly rely on the industry related information provided in this Draft Red Herring Prospectus when making their investment decision and such industry related information contained in this Draft Red Herring Prospectus should not be construed as advice relating to business, financial, legal, taxation or investment matters.

34. ***Our Promoters, Directors and Key Managerial Personnel are interested in our Company's performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Promoters, Directors and Key Managerial Personnel may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Further, in addition to transactions disclosed at "*Restated Financial Statements- Annexure VI- Note 34: Related Party Disclosures*" at page 217, our Promoters may also be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares.

We cannot assure you that our Promoters, Directors and our Key Managerial Personnel, if they are also our shareholders, will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, see "*Capital Structure*" and "*Our Promoters and Promoter Group",* and "*Our Management*" on pages 58, 170 and 154 respectively.

35. ***We have availed certain borrowings which may be recalled by our lenders at any time***

We have currently availed certain borrowings which may be recalled by the lender at any time, during the tenor of the loan with or without the existence of an event of default. In the event that the lender seeks a repayment of the loan, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to procure such financing, we may not have adequate working capital to undertake new initiatives or complete our ongoing strategies. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations.

36. ***Certain of our warehouses and offices are on leased premises. Our failure to continue to use such premises may have an adverse impact on our operations.***

Our two leased warehouses in Manjusar and our sales and marketing offices in Hyderabad and Mohali are currently held by us on short-term leases. We cannot assure you that we will be able to retain possession of such premises on the same or similar terms or at all or find alternative locations on favorable terms or at all.

External Risks

37. ***Changing laws, rules and regulations and legal uncertainties, including adverse interpretation or application of tax laws and regulations, may materially and adversely affect our business, prospects, future financial performance, the trading price of the Equity Shares, financial condition and results of operations.***

Our business, prospects, financial condition and results of operations could be materially and adversely affected by changes in law, or interpretations of existing laws, rules and regulations, or the promulgation of new laws, rules and regulations in India and other countries, applicable to us and our business, including potentially adverse tax consequences, such as or implementation of potential tariffs and other barriers to trade.

Governmental and regulatory bodies in India and other countries may enact new regulations or policies, which may require us to obtain approvals and licenses from applicable governments and other regulatory bodies or impose onerous requirements and conditions in relation to the sale and the usage of our products. Any such changes and the related legal uncertainties with respect to the implementation of new regulations or owing to the overlap of different legal regimes may have a material adverse effect on our business, prospects, financial condition and results of operations. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations.

For example, in India, as of July 1, 2017, a national goods and service tax ("**GST**") replaced taxes levied by central and state governments with a unified tax regime in respect of certain goods and services for the whole of India. However, given the recent introduction of the GST in India, there is no well-established practice regarding the implementation of, and compliance with, GST. Further, as GST is implemented, we cannot assure you that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations. As the taxation system in India will see significant changes as a result of GST, its consequent effects cannot be determined at present and we cannot assure you that such effects will not have a material adverse effect our business, future financial performance and the trading price of the Equity Shares.

The application of GST and other applicable laws, rules and regulations to our business or to our equipment suppliers, now or in the future, may be subject to interpretation by relevant authorities, and, if amended or notified, could result in increased tax payments to us (prospectively or retrospectively) or to our equipment suppliers (thereby increasing their costs and the rates they charge us for their services), which could affect our business, prospects, financial condition and results of operations. Further, there is a risk that the Indian Income Tax Department may assess our tax liability to be materially different from the provision that we have carried in our books for the past periods.

38. ***Political, social, legal and economic changes that could affect the economic conditions in India.***

Our Company is incorporated in India and its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

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

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;

- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- 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;
- political instability, riots, 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;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- downgrading of India's sovereign debt rating by rating agencies; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

39. Financial instability in other countries may cause increased volatility in Indian financial markets and may have a material adverse effect on our business and the trading price of the Equity Shares.

The Indian economy is influenced by economic and market conditions in other countries, including, but not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, materially and adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could materially and adversely affect our business, prospects, financial condition and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. In Europe, the exit of the United Kingdom from the European Union, and any prolonged period of uncertainty which results, could have a significant negative impact on international markets. These could include further falls in stock exchange indices and/or greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets.

There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In particular, as China is one of India's major trading partners, there are rising concerns regarding the United States limiting trade and/or imposing a tariff on imports from China and of a possible slowdown in the Chinese economy. Such factors might also result in a slowdown in India's export growth momentum and could materially and adversely affect our operating results and financial performance.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have a material adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares. Adverse economic developments overseas in countries where we have operations could have a material adverse effect on our business and the trading price of the Equity Shares.

40. If inflation rises in India, increased costs may result in a decline in profits.

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

41. Significant differences exist between Indian Accounting Standards ("IndAS") and other accounting principles, such as the generally accepted accounting principles in the US ("US GAAP") and International Financial Reporting Standards ("IFRS"), which may be material to an investor's assessment of our financial condition.

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

42. Government regulation of foreign ownership of Indian securities may have a material adverse effect on the price of the Equity Shares.

Foreign ownership of Indian securities is subject to regulation by the Government of India ("**GoI**"). In accordance with foreign exchange regulations currently in effect in India, under certain circumstances, the Reserve Bank of India ("**RBI**") must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the RBI. Additionally, any person who seeks to convert Indian Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred will be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure you that any required approval from the RBI or any other government agency can be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase and/or limiting losses during periods of price decline. This may have a material adverse effect on the price of the Equity Shares.

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

Natural disasters (such as typhoons, flooding and earthquakes), fires, epidemics, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability in India which may in turn materially and adversely affect our business, financial condition and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which may require us to evacuate personnel, result in damage to our locations or inventory, suspend operations or generally reduce our productivity.

Risks Related to the Issue

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

As of the date of this Draft Red Herring Prospectus, our Promoters and the other members of our Promoter Group cumulatively hold 100% of our issued, subscribed and paid-up Equity Share capital. Upon completion of the Issue, our Promoters and the members of the Promoter Group will collectively continue to exercise control over us, which will allow them to vote together on certain matters in our general meetings. Accordingly, the interests of our Promoters in their capacity as our Shareholders may conflict with your interests and the interests of our other shareholders.

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

While any declarations of dividends will be at the discretion of our Board and subject to Shareholder approval as set out in the chapter entitled "*Dividend Policy*" on page 180 of this Draft Red Herring Prospectus, the amount of future dividend payments by us, if any, will depend upon our future earnings, financial condition, cash flow, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. We may decide to retain all of our earnings to finance the development and expansion of its business and therefore, we may not declare dividends on the Equity Shares. Additionally, in the future, we may be restricted by the terms of our loan agreements to make any dividend payments unless otherwise agreed with our lenders.

46. Any variation in the utilisation of the Net Proceeds raised pursuant to the Fresh Issue would be subject to certain compliance requirements, including prior shareholders' approval

Our Company intends to use Net Proceeds raised pursuant to the Fresh Issue in the manner set out in the section titled "*Objects of the Issue"* on page 69.

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

47. The proceeds from the Offer for Sale component of the Issue shall be received directly by the Selling Shareholders.

This Issue includes the Offer for Sale by the Selling Shareholders. The proceeds from the Offer for Sale component of the Issue will be paid directly to the Selling Shareholders. We will not receive any of the proceeds from the Offer for Sale and will accordingly not have direct access to such funds.

48. After the Issue, the price of our Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop.

The price of our Equity Shares on the Stock Exchanges may fluctuate after the Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors; adverse media reports about us or our products generally; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal regulations. There has been no public market for our Equity Shares prior to the Issue and the price of the Equity Shares may fluctuate after the Issue.

If the stock price of the Equity Shares fluctuates after the Issue, investors could lose a significant part of their investment. As of the date of this Draft Red Herring Prospectus, there is no market for the Equity Shares. Following the Issue, the Equity Shares are expected to trade on the Stock Exchanges. We cannot assure you that active trading in the Equity Shares will develop after the Issue or, if such trading develops, that it will continue. Investors might not be able to sell the Equity Shares rapidly at the quoted price if there is no active trading in the Equity Shares.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold**.** The Finance Act, 2018 has levied taxes on such long-term capital gains exceeding ₹0.10 million arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such equity shares. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially exempt or exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain resulting from the sale of the equity shares.

50. The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.

The Issue Price will be determined pursuant to the Book Building Process and may not be indicative of prices that will prevail in the open market following the Issue. 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 Issue, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us 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 Issue 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 performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Issue Price.

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

We are a limited liability company incorporated under the laws of India. The majority of our Directors are residents of India. A substantial portion of our assets and the assets of our Directors resident in India are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against us or such parties outside India.
Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("**CPC**") on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption

may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. The United Kingdom, Singapore and Hong Kong have been declared by the Government of India to be reciprocating countries for the purposes of Section 44A of the CPC.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 2000 ("**FEMA**") to execute such a judgment or to repatriate any amount recovered.

52. ***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 closure of the Issue.***

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/Issue Period and withdraw their Bids until closure of the Issue.

Therefore, QIBs and Non-Institutional Investors would not be able to withdraw or lower their Bids, notwithstanding adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition, or otherwise, between the dates of the submission of their Bids and the Allotment.

While we are required to complete Allotment pursuant to the Issue within six Working Days from the Bid/Issue Closing Date or such other period as may be prescribed, 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 operations or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

53. ***Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by any of our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any future issuances of Equity Shares (including under any employee benefit scheme) or the disposal of Equity Shares by any of our Promoters or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in

India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that shareholders will not dispose of 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.

54. ***Since our Equity Shares are quoted in Indian rupees in India, foreign investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.***

Foreign investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian rupees on the Indian Stock Exchanges on which they are listed. Dividends on our Equity Shares will also be paid in Indian rupees. Investors that seek to convert the Indian rupee proceeds of a sale of equity shares into foreign currency and export the foreign currency, will need to obtain the approval of the RBI for each such transaction. Holders of Indian rupees in India may also generally not purchase foreign currency without general or special approval from RBI.

55. ***Any downgrading of India's debt rating by an international rating agency could adversely affect our business and the price of our Equity Shares.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our business, our future financial performance, our shareholders' funds and the price of our Equity Shares.

SECTION IV – INTRODUCTION

THE ISSUE

The following table summarizes details of the Issue:

Issue of Equity Shares(1)	Up to [●] Equity Shares, aggregating up to ₹[●] million
of which:	
Fresh Issue(1)	Up to [●] Equity Shares, aggregating up to ₹1,750 million
Offer for Sale (2)	Up to 4,300,000 Equity Shares, aggregating up to ₹[●] million
The Issue comprises of:	
A) QIB Portion (3)(4)	Not more than [●] Equity Shares
of which:	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion	Not less than [●] Equity Shares
C) Retail Portion (5)	Not less than [●] Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue (as at the date of this Draft Red Herring Prospectus)	31,777,760 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Issue*" on page 69. Our Company will not receive any proceeds from the Offer for Sale.

Notes:

(1) The Issue has been authorized by a resolution of our Board dated June 14, 2019 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated June 14, 2019.

(2) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale as part of the Offer for Sale in terms of the SEBI ICDR Regulations. Kamalkumar Rajendra Aggarwal has consented to participate in the Offer for Sale pursuant to his consent letter dated July 18, 2019 and has consented to offer up to 2,150,000 Equity Shares in the Offer for Sale. Naresh Vijaykumar Goyal has consented to participate in the Offer for Sale pursuant to his consent letter dated July 18, 2019 and has consented to offer up to 2,150,000 Equity Shares in the Offer for Sale.

(3) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors),

including Mutual Funds, subject to valid Bids being received at or above the Issue 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 "Issue Procedure" beginning on page 281.

(4) *Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, as applicable, at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. In the event of an undersubscription in the Issue, subject to receipt of minimum subscription for 90% of the Fresh Issue and complying with Rule 19(2)(b) of the SCRR, our Company and the BRLMs shall first ensure Allotment of Equity Shares offered pursuant to the Fresh Issue, followed by Allotment of Equity Shares offered by the Selling Shareholders (on a proportionate basis).*

(5) *Allocation to all categories, except Anchor Investors, if any and Retail Individual Bidders, shall be made on a proportionate basis. 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 details, see "Issue Procedure" on page 281.*

For details, including in relation to grounds for rejection of Bids, refer to "*Issue Structure* "and "*Issue Procedure*" on page 277 and 281, respectively. For details of the terms of the Issue, see "*Terms of the Issue*" on page 273.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Financial Statements. The summary financial information presented below has been prepared in accordance with Ind AS for Fiscals 2019, 2018 and 2017 and restated in accordance with the SEBI ICDR Regulations and are presented in the section "Restated Financial Statements" on page 182. The summary financial information presented below may differ in certain significant respects from generally accepted accounting principles in other countries, including IFRS. The summary financial information presented below should be read in conjunction with our Restated Financial Statements, the notes and annexures thereto and the section "Management's Discussion and Analysis of Financial Position and Results of Operations" on page 232.

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Restated Summary Statement of Assets and Liabilities

(₹ in million)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017 (Proforma)
ASSETS			
Non-current assets			
Property, plant and equipment	395.42	296.41	244.97
Capital work-in-progress	6.70	-	-
Intangible assets	0.26	-	-
Financial assets			
(i) Other financial assets	5.15	2.33	2.24
Other non-current assets	11.89	17.11	13.66
Total non-current assets	**419.42**	**315.85**	**260.87**
Current assets			
Inventories	459.14	210.36	90.41
Financial assets			
(i) Trade receivables	641.18	295.56	223.88
(ii) Cash and cash equivalents	6.84	9.28	3.35
(iii) Bank Balances Other than (ii) above	109.06	5.62	5.22
(iv) Other financial assets	13.46	13.87	0.23
Other current assets	81.23	120.12	42.84
Total current assets	**1,310.91**	**654.81**	**365.93**
Total assets	**1,730.33**	**970.66**	**626.80**
EQUITY AND LIABILITIES			
Equity			
(a) a. Equity share capital	317.78	79.44	79.44
(b) b. Other equity	652.52	456.78	191.16
Total equity	**970.30**	**536.22**	**270.60**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	24.66	24.95	20.78
(b) Non-current provisions	4.92	7.21	3.80
(c) Deferred tax liabilities (net)	24.34	16.20	16.11
Total non-current liabilities	**53.92**	**48.36**	**40.69**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	297.38	136.14	171.22
(ii) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	25.28	34.09	17.52
-Total outstanding dues of creditors other than micro enterprises and small enterprises	263.44	138.67	70.15
(iii) Other financial liabilities	105.99	23.63	47.80
(b) Other current liabilities	12.73	15.25	4.89
(c) Short Term Provisions	1.29	38.29	3.93
Total current liabilities	**706.11**	**386.07**	**315.51**
Total equity and liabilities	**1,730.33**	**970.66**	**626.80**

Restated Summary Statements of Profit and Loss (including other comprehensive income)

(₹ in million)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
	Income			
I.	Revenue from operations	3,041.68	1,583.07	898.92
II.	Other income	1.48	1.65	1.04
	Total income (I+II)	3,043.16	1,584.72	899.96
III.	**Expenses**			
	Cost of Materials Consumed	1,937.29	794.63	583.15
	Changes in inventories of finished goods and work-in-progress	(98.23)	(20.67)	(17.50)
	Excise Duty	-	4.86	22.05
	Employee Benefit expenses	241.12	188.04	114.76
	Finance costs	40.02	30.36	19.97
	Depreciation and Amortisation expenses	28.64	22.59	23.36
	Other expenses	282.29	159.40	109.87
	Total expenses	**2,431.13**	**1,179.22**	**855.66**
IV.	**Profit before tax**	**612.03**	**405.51**	**44.30**
V.	**Less/ (add): Tax expense**			
	- Current tax	175.29	142.51	15.06
	- Deferred tax charge/(credit)	6.33	(0.81)	0.99
VI.	**Profit/(Loss) after tax**	**430.41**	**263.81**	**28.24**
VII.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of Gains/(Losses) on defined benefit Plans	5.48	2.71	2.64
	Income Tax relating to items that will not be reclassified to Profit & Loss	(1.81)	(0.90)	(0.87)
	Other Comprehensive Income (expense)/ income, Net of Tax	**3.67**	**1.81**	**1.77**
VIII.	**Total Comprehensive Income for the Year/Period**	**434.08**	**265.62**	**30.01**
IX.	**Earnings per equity share**			
	Basic [in ₹]	13.54	8.30	0.89
	Diluted [in ₹]	13.54	8.30	0.89

Restated Summary Statement of Cash Flows

(₹ in million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017 (Proforma)
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax	612.03	405.51	44.30
Adjustment for:			
Depreciation and Amortization expense	28.64	22.59	23.36
(Profit)/ Loss on assets sold	0.51	(0.55)	0.17
Finance Cost	40.02	30.36	19.97
Interest received from Banks/ Others	(1.48)	(1.10)	(0.29)
Operating Profit before Working Capital Changes	**679.72**	**456.81**	**87.51**
Adjustment for:			
Change in Trade receivables	(345.63)	(71.68)	(89.69)
Change in Other Non-current financial assets	(2.83)	(0.09)	(0.33)
Change in Other current financial assets	0.42	(13.64)	(0.12)
Change in Other assets	44.10	(80.72)	(7.33)
Change in Inventories	(248.78)	(119.95)	(12.84)
Change in Trade payables	115.97	85.09	42.34
Change in Other financial liabilities	82.36	(24.17)	18.51
Change in Other current liabilities and provisions	(36.34)	50.84	1.33
Cash generated from Operations	**289.00**	**282.48**	**39.38**
Less : Income tax	175.29	142.51	15.06
Net Cash generated from Operating Activities (A)	**113.71**	**139.97**	**24.32**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment, Investment Property & Intangibles	(142.73)	(80.68)	(78.93)
Sale proceeds of Property, Plant & Equipment	7.60	7.21	0.60
Interest received from Banks/ Others	1.48	1.10	0.29
Net Cash used in Investing Activities (B)	**(133.65)**	**(72.37)**	**(78.04)**
CASH FLOW FROM FINANCING ACTIVITIES			
Finance cost	(40.02)	(30.36)	(19.97)
Proceeds/(Repayment) of Short term Borrowings	161.24	(35.09)	69.48
Proceeds/(Repayment) of Long term Borrowings	(0.29)	4.17	2.14
Net Cash used in Financing Activities (C)	**120.93**	**(61.28)**	**51.64**
Net (Decrease)/ Increase in Cash & Cash Equivalents (A) + (B) + (C)	100.99	6.32	(2.08)
Cash & Cash Equivalents at the beginning of the period/year	14.90	8.57	10.65
Cash & Cash Equivalents at the end of the period/year	**115.89**	**14.90**	**8.57**

GENERAL INFORMATION

Our Company was originally incorporated as Gujarat Quinone Private Limited at Vadodara, Gujarat, India, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 15, 1988 issued by the RoC. Our Promoters and Promoter Group completed the acquisition of 100% of the Equity Share capital of our Company in 2004 from the shareholders of our Company at the time.

Chemcon Engineers Private Limited" ("**CEPL**") was incorporated at Vadodara, Gujarat, India as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated April 30, 1996 issued by the RoC. CEPL, a company largely owned and promoted by our Promoters and Promoter Group, merged into our Company pursuant to an order of the High Court of Gujarat dated May 6, 2004 approving the Scheme of Amalgamation between CEPL and our Company. Thereafter, to reflect the nature of activities of our Company consequent to the Scheme of Amalgamation, the name of our Company was changed to "Chemcon Speciality Chemicals Private Limited" pursuant to the approval of our Shareholders at an extra-ordinary general meeting held on July 24, 2004 and the fresh certificate of incorporation on change of name issued by the RoC on July 27, 2004.

Subsequently, our Company was converted into a public limited company pursuant to the approval of our Shareholders at an extra-ordinary general meeting held on November 28, 2018. Consequently, the name of our Company was changed to "Chemcon Speciality Chemicals Limited" and a Fresh certificate of incorporation consequent upon conversion to public limited company was issued by the RoC on April 10, 2019.

For further details relating to the changes in the registered office and name of our Company, see "*History and Certain Corporate Matters*" on page 150.

Registered Office of our Company

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

Chemcon Speciality Chemicals Limited
Block Number 355, Manjusar Kunpad Road
Manjusar Village, Taluka Savli
Vadodara 391 775, Gujarat
Telephone: +91 98795 64107
Website: www.cscpl.com

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

Corporate Office of our Company

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

Chemcon Speciality Chemicals Limited
9th Floor, Onyx Business Centre
Akshar Chowk, Old Padra Road
Vadodara 390 020, Gujarat
Telephone: +91 265 298 1195

Company Registration Number and Corporate Identity Number

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

a. Registration number: 011652
b. Corporate identity number: U24231GJ1988PLC011652

The Registrar of Companies

Our Company is registered with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli at Ahmedabad, which is situated at the following address:

ROC Bhavan, Opposite Rupal Park Society
Behind Ankur Bus Stop
Naranpura, Ahmedabad 380 013, Gujarat
Telephone: +91 079 2743 8531

Filing

A copy of this Draft Red Herring Prospectus has been filed through the SEBI Intermediary Portal at https://sipotal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and with SEBI at SEBI Western Regional Office, Unit No. 002, Ground Floor, SAKAR 1, Near Gandhigram Railway Station, Opposite Nehru Bridge, Ashram Road, Ahmedabad 380 009, Gujarat.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration to the RoC situated at the address mentioned below:

The Registrar of Companies, Gujarat, Dadra & Nagar Haveli
ROC Bhavan, Opposite Rupal Park Society
Behind Ankur Bus Stop
Naranpura, Ahmedabad 380 013, Gujarat.
Telephone: +91 079 2743 8531

Board of Directors

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

Name and designation on the Board	DIN	Address
Kamalkumar Rajendra Aggarwal (Chairman and Managing Director)	00139199	13-A, Shivashray Society, near Rameshwar Temple, Vasna Road, Vadodara 390 020, Gujarat
Navdeep Naresh Goyal (Deputy Managing Director)	02604876	B/30 Shivashray Housing Society, Saiyed Vasna Road, Vadodara 390 007, Gujarat
Rajveer Aggarwal (Whole-time Director)	07883896	13-A, Shivashray Society, near Rameshwar Temple, Vasna Road, Vadodara 390 020, Gujarat
Rajesh Chimanlal Gandhi (Whole-time Director and Chief Financial Officer)	03296784	G-1, Dwarika Flat (behind Surya Nagar Garba Ground), Waghodia Road, Vadodara 390 019, Gujarat
Himanshu Purohit (Whole-time Director)	03296807	204, Suryadarshan Complex (near Taksh Complex), Vasna Road, Vadodara Racecourse, Vadodara 390 007, Gujarat
Lalit Chaudhary (Independent Director)	00651372	31, Vitthal Nagar Society, Opposite Mental Hospital, Karelibaug, Vadodara 390 018, Gujarat
Bharat Shah (Independent Director)	08281811	Arunodaya, Chittekhan Gali, Gendigate Road, Vadodara 390 017, Gujarat
Neelu Shah (Independent Director)	08283933	38, Spun Ville Lane No. 4, Arunoday Society (near Crossword Circle), Alkapuri, Racecourse, Vadodara 390 007, Gujarat
Devendra Rajkumar Mangla (Independent Director)	08421613	301/A, Perl Nautilas Tower (A), Near Sabri School, Vasana Road, Vadodara 390 007, Gujarat
Samir Chandrakant Patel (Independent Director)	00086774	24-25, Earth Bunglow, Akshar Chowk, Vadodara 390 015, Gujarat

For further details of our Board of Directors, see "*Our Management-Board of Directors*" on page 154.

Company Secretary and Compliance Officer

Shahilkumar Maheshbhai Kapatel is the Company Secretary and Compliance Officer our Company. His contact details are as follows:

Shahilkumar Maheshbhai Kapatel
Near Gayatri Temple, Pragna Pole
Kheda District, At-Matar,

Vadodara 387 530
Gujarat
Telephone: +91 265 298 3754
E-mail: investor.relations@cscpl.com

Investor Grievances

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Issue in case of any pre- Issue or post- Issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Issue related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below.

All Issue related grievances, other than by Anchor Investors, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, name and address of the relevant Designated Intermediary, unique transaction reference number, the name of the relevant bank, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

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

Book Running Lead Managers

Intensive Fiscal Services Private Limited
914, 9th Floor,
Raheja Chamber
Free Press Journal Marg
Nariman Point
Mumbai 400 021, India
Telephone: + 91 22 2287 0443/44/45
Email: chemcon.ipo@intensivefiscal.com
Investor Grievance Email: ipo@intensivefiscal.com
Website: www.intensivefiscal.com
Contact person: Harish Khajanchi/Anand Rawal
SEBI Registration No.: INM000011112

Ambit Capital Private Limited
Ambit House
449, Senapati Bapat Marg
Lower Parel
Mumbai 400 013, India.
Telephone: +91 22 3043 3000
Email: chemcon.ipo@ambit.com
Investor Grievance Email:
investorgrievance.acpl@ambit.co
Website: www.ambit.co
Contact Person: Krishnakant Jaju/ Sandeep Sharma
SEBI Registration No.: INM000012379

Syndicate Members

[●]

Statement of inter-se allocation of responsibilities among the Book Running Lead Managers

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

Sr. No.	Activity	Responsibility	Co-ordinator
1.	Capital Structuring with relative components and formalities such as type of instruments, etc.	Intensive, Ambit	Intensive
2.	Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities. Coordination for all agreements.	Intensive, Ambit	Intensive
3.	Drafting and approval of all statutory advertisement	Intensive, Ambit	Intensive
4.	Drafting and approval of all publicity material other than statutory advertisement including media monitoring, corporate advertisement, brochure etc. and coordination for media compliance report	Intensive, Ambit	Ambit
5.	Appointment of other intermediaries viz., Registrar's, Printers, Advertising Agency, Monitoring Agency and Banker(s) to the Issue	Intensive, Ambit	Intensive
6.	Preparation of road show presentation and FAQs	Intensive, Ambit	Ambit
7.	International institutional marketing strategy • Finalize the list and division of investors for one to one meetings, in consultation with the Company, and • Finalizing the International road show schedule and investor meeting schedules	Intensive, Ambit	Ambit
8.	Domestic institutions / banks / mutual funds marketing strategy • Finalize the list and division of investors for one to one meetings, institutional allocation in consultation with the Company. • Finalizing the list and division of investors for one to one meetings, and • Finalizing investor meeting schedules	Intensive, Ambit	Ambit
9.	• Non-Institutional and retail marketing of the Issue, which will cover, inter alia, • Formulating marketing strategies, preparation of publicity budget • Finalize Media and PR strategy • Finalizing centers for holding conferences for press/media, investors and brokers; • Finalising brokers for the Issue; • Finalising collection centres; and • Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum and distribution of the publicity and Issue material including offer documents, application forms and abridged prospectus	Intensive, Ambit	Ambit
10.	Co-ordination with Stock Exchanges for Book Building software, bidding terminals and mock trading	Intensive, Ambit	Intensive
11.	Finalization of pricing, in consultation with the Company	Intensive, Ambit	Ambit
12.	Post-issue activities, which shall involve managing Anchor book related activities and submission of letters to regulators post completion of Anchor issue, management of escrow accounts, essential follow-up steps including follow-up with Banker(s) to the issue and Self Certified Syndicate Banks to get quick	Intensive, Ambit	Intensive

Sr. No.	Activity	Responsibility	Co-ordinator
	estimates of subscription and advising the Issuer about the closure of the Issue, finalization of basis of allotment after weeding out the technical rejections. Coordination with various agencies connected with the post-issue activity such as registrars to the issue, Banker(s) to the issue, Self-Certified Syndicate Banks and underwriters etc., listing of instruments, demat credit and refunds/ unblocking of funds announcement of allocation and dispatch of refunds to Bidders, etc., payment of the applicable STT. Coordination with SEBI and Stock Exchanges for refund of 1% security deposit.		

Legal Counsel to the Issue

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

Registrar to the Issue

Link Intime India Private Limited
C-101, 1st floor, 247 Park
86 Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083, India
Telephone: (91 22) 4918 6200
E-mail: chemcon.ipo@linkintime.co.in
Investor grievance e-mail: chemcon.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Banker(s) to the Issue

Escrow Collection Bank(s)

[●]

Public Issue Account Bank(s)

[●]

Refund Bank(s)

[●]

Sponsor Bank

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

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

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

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

Self-Certified Syndicate Banks eligible as Issuer Banks for UPI

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

Syndicate SCSB Branches

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

Registered Brokers

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

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Auditors to our Company

K.C. Mehta & Co., Chartered Accountants
2nd Floor, Meghdhanush
Race Course Circle
Vadodara 390 007, Gujarat
E-mail: vishal.doshi@kcmehta.com
Telephone: +91 0265 2440 400
Firm registration number: 106237W
Peer review no.: 010702

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

Name of statutory auditor	Date of change	Reason
M/s Shah Mehta and Bakshi, Chartered Accountants 2nd Floor, Prasanna House Associated Society Opposite Radha Krishna Park Near Akota Stadium, Akota Vadodara 390 020, Gujarat E-mail: Kalpit@smb-ca.com Firm registration number: 103824W Peer review no. 011692	June 14, 2019	Completion of the term as statutory auditors of our Company in compliance with Section 139(2) of the Companies Act, 2013
K.C. Mehta & Co., Chartered Accountants 2nd Floor, Meghdhanush Race Course Circle Vadodara 390 007, Gujarat E-mail: vishal.doshi@kcmehta.com Firm registration number: 106237W Peer review no.: 010702	June 14, 2019	Appointment as Statutory Auditors of our Company

Banker to our Company

HDFC Bank Limited
HDFC Bank House
Senapati Bapat Marg, Lower Parel (West)
Mumbai 400 018
Telephone: +91 079 6600 1271
Email: shrey.kant@hdfcbank.com; parth.savla@hdfcbank.com
Website: www.hdfcbank.com
Contact person: Shrey Kant; Parth Savla

Grading of the Issue

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

Appraising Entity

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

Monitoring Agency

Our Company shall in compliance with Regulation 41 of the SEBI ICDR Regulations, appoint a monitoring agency for monitoring the utilization of the Net Proceeds from the Fresh Issue. For details in relation to the proposed utilisation of the Net Proceeds from the Fresh Issue, please see the section entitled "*Objects of the Issue*" on page 69.

Credit Rating

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

Debenture Trustee

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

Book Building Process

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

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

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Issue Period and withdraw their Bids until the Bid/ Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Buyers will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. For further details, see "*Terms of the Issue*" and "*Issue Procedure*" beginning on pages 273 and 281, respectively.

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

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

For further details on the method and procedure for Bidding, see "*Issue Procedure*" beginning on page 281**.**

Underwriting Agreement

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

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

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

(₹ in million)

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

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

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

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

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

CAPITAL STRUCTURE

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

(In ₹ except share data)

		Aggregate value at face value	Aggregate value at Issue Price*
A	**AUTHORIZED SHARE CAPITAL**		
	50,000,000 Equity Shares of face value of ₹10 each	500,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	31,777,760 Equity Shares of face value ₹ 10 each	317,777,600	-
C	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Issue of up to [●] Equity Shares (1)(2)	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares (1)	[●]	Up to 1,750,000,000
	Offer for Sale of up to 4,300,000 Equity Shares (2)	Up to 43,000,000	[●]
	which includes:		
	Up to 2,150,000 Equity Shares by Kamalkumar Rajendra Aggarwal	Up to 21,500,000	[●]
	Up to 2,150,000 Equity Shares by Naresh Vijaykumar Goyal	Up to 21,500,000	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of face value of ₹ 10 each	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	Nil	
	After the Issue	[●]	

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

(1) *The Issue has been authorized by a resolution of our Board dated June 14, 2019 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated June 14, 2019.*

(2) *The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. Kamalkumar Rajendra Aggarwal has consented to participate in the Offer for Sale pursuant to his consent letter dated July 18, 2019 and has consented to offer up to 2,150,000 Equity Shares in the Offer for Sale. Naresh Vijaykumar Goyal has consented to participate in the Offer for Sale pursuant to his consent letter dated July 18, 2019 and has consented to offer up to 2,150,000 Equity Shares in the Offer for Sale.*

For details of authorizations received for the Offer for Sale, see "*Other Regulatory and Statutory Disclosures*" beginning on page 266.

Changes in the authorised share capital of our Company

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

Notes to the Capital Structure

1. ***Equity Share Capital History of our Company***

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

Date of Allotment/ Date of Shareholder's Resolution	Reason/Nature of Allotment	No. of Equity Shares Allotted	Cumulative No. of Equity Shares	Face Value (₹)	Issue price per Equity Share (₹)	Form of consideration
December 15, 1988	Initial subscription to the MOA[(1)]	20	20	10	10	Cash
December 7, 1990	Preferential allotment [(2)]	120,000*	120,020	10	10	Cash
December 20, 1990	Preferential allotment [(3)]	234,000*	354,020	10	10	Cash
November 22, 1993	Preferential allotment [(4)]	1,140,000*	1,494,020	10	10	Cash
March 25, 1994	Preferential allotment [(5)]	260,000*	1,754,020	10	10	Cash
August 15, 1994	Preferential allotment [(6)]	145,980*	1,900,000	10	10	Cash
August 31, 1996	Preferential allotment [(7)]	2,000,000*	3,900,000	10	10	Cash
January 21, 2004	Preferential allotment [(8)]	1,545,000	5,445,000	10	10	Cash
August 2, 2004	Allotment pursuant to Scheme of Amalgamation [(9)]	2,399,440	7,844,440	10	-	Other than Cash
March 30, 2010	Preferential allotment [(10)]	100,000	7,944,440	10	10	Cash
November 3, 2018	Bonus issue in the ratio of three Equity Shares for every one Equity Share held [(11)]	23,833,320	31,777,760	10	Not Applicable	-

(1) Allotment of 10 Class B Equity Shares each to Minaben Jadeja and Mayurdhvaj Jadeja pursuant to their subscription to the MoA.

(2) Allotment of 100 Class B Equity Shares to Mayurdhvaj Jadeja, 48,000 Class B Equity Shares to Jersey Indenting Agency Co. Limited and 71,900 Class B Equity Shares to Mukesh R. Patel.

(3) Allotment of 400 Class B Equity Shares to Mayurdhvaj Jadeja, 45,000 Class A Equity Shares to C. K. Patel, 5,000 Class B Equity Shares to C. K. Patel (as the first holder) jointly with Maniben Charitable Foundation (as the second holder), 50,000 Class A Equity Shares to Mukesh R. Patel, 40,100 Class B Equity Shares to Mukesh R. Patel and 93,500 Class B Equity Shares to Jersey Indenting Agency Co. Limited.

(4) Allotment of 140,000 Class B Equity Shares to Mukesh R. Patel and 1,000,000 Class B Equity Shares to C.K. Patel.

(5) Allotment of 260,000 Class B Equity Shares to C. K. Patel.

(6) Allotment of 10,000 Class C Equity Shares to C. K. Patel and 135,980 Class B Equity Shares to C.K. Patel.

(7) Allotment of 2,000,000 Equity Shares to C. K. Patel.

(8) Allotment of 90,000 Equity Shares to Maniben C. Patel, 125,000 Equity Shares to Shailesh C. Patel, 235,000 Equity Shares to Minaxiben B. Patel and 1,095,000 Equity Shares to C. K. Patel.

(9) Allotment of 160 Equity Shares each to S.R Shastry, S.C Bishnoi, Kamlesh Bishnoi, Sandeep Bishnoi, G.K Jain and Niranjan Pannalal Shah (proprietor of Dip Metal), 8,000 Equity Shares to Gyanchand Mangla, 168,000 Equity Shares to Naresh Vijaykumar Goyal, 201,760 Equity Shares to Kamalkumar Rajendra Aggarwal, 360,000 Equity Shares to Minal Kamal Aggarwal, 408,000 Equity Shares to Vijaykumar Goyal, 620,000 Equity Shares to Nareshkumar Vijaykumar Goyal HUF and 632,720 Equity Shares to Aggarwal Kamal R HUF.

(10) Allotment of 100,000 Equity Shares to Kamalkumar Rajendra Aggarwal.

(11) Allotment of 408,000 Equity Shares each to Navdeep Naresh Goyal, Parul Gupta and Shubharangana Goyal, 1,080,000 Equity Shares to Minal Kamal Aggarwal, 1,861,440 Equity Shares to Nareshkumar Vijaykumar Goyal HUF, 1,899,600 Equity Shares to Aggarwal Kamal R. HUF, 8,822,970 Equity Shares to Naresh Vijaykumar Goyal and 8,945,310 Equity Shares to Kamalkumar Rajendra Aggarwal.

** The class A, class B and class C Equity Shares of our Company, were re-classified in Fiscal 1997 into a single class of Equity Shares ("**Re-classification**"). Our Company has been unable to trace corporate records and statutory filings evincing the Re-classification as well as allotments of Equity Shares made by our Company since incorporation (other than the initial subscription to our Memorandum of Association) till August 31, 1996 except our statutory register of members for details in relation to such allotments and the Re-classification. For further details, see "Risk Factors- Certain documents filed by us with the RoC and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future", on page 30.*

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

Except as set forth below, our Company has not issued any Equity Shares for consideration other than cash:

Date of Allotment	Nature of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Form of consideration	Benefits accrued to our Company
August 2, 2004	Allotment pursuant to Scheme of Amalgamation (1)	2,399,440	10	-	Other than Cash	Amalgamation of CEPL into our Company
November 3, 2018	Bonus issue in the ratio of three Equity Shares for every one Equity Share held (2)	23,833,320	10	Not Applicable	Other than Cash	Not Applicable

(1) 160 Equity Shares each to S.R Shastry, S.C Bishnoi, Kamlesh Bishnoi, Sandeep Bishnoi, G.K Jain and Niranjan Pannalal Shah (proprietor of Dip Metal), 8,000 Equity Shares to Gyanchand Mangla, 168,000 Equity Shares to Naresh Vijaykumar Goyal, 201,760 Equity Shares to Kamalkumar Rajendra Aggarwal, 360,000 Equity Shares to Minal Kamal Aggarwal, 408,000 Equity Shares to Vijaykumar Goyal, 620,000 Equity Shares to Nareshkumar Vijaykumar Goyal HUF and 632,720 Equity Shares to Aggarwal Kamal R. HUF.

(2) Allotment of 408,000 Equity Shares each to Navdeep Naresh Goyal, Parul Gupta and Shubharangana Goyal, 1,080,000 Equity Shares to Minal Kamal Aggarwal, 1,861,440 Equity Shares to Nareshkumar Vijaykumar Goyal HUF, 1,899,600 Equity Shares to Aggarwal Kamal R. HUF, 8,822,970 Equity Shares to Naresh Vijaykumar Goyal and 8,945,310 Equity Shares to Kamalkumar Rajendra Aggarwal.

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

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

5. Except as disclosed above, our Company has not issued or allotted any Equity Shares pursuant to schemes of amalgamation approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-232 of the Companies Act, 2013.

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

7. The Issue Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs after the Bid/Issue Closing Date. Other than as disclosed in "*Capital Structure-Notes to the Capital Structure- Equity Shares issued for consideration other than cash*" , our Company has not issued any Equity Shares at a price which may be lower than the Issue Price, during a period of one year preceding the date of this Draft Red Herring Prospectus.

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

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of 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: Class eg: Equity Shares	Number of Voting Rights: Class eg: Others	Number of Voting Rights: Total	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)	
(A)	Promoter and Promoter Group	7*	31,777,760*	0	0	31,777,760	100	31,777,760	0	31,777,760	100	0	0	0	0	0	0	31,777,760
(B)	Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C)	Non Promoter- Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	**7**	**31,777,760**	**0**	**0**	**31,777,760**	**100**	**31,777,760**	**0**	**31,777,760**	**100**	**0**	**0**	**0**	**0**	**0**	**0**	**31,777,760**

**Includes 6,233,500 Equity Shares which are jointly held by Navdeep Naresh Goyal and Shubharangana Goyal.*

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

(a) As on the date of the filing of this Draft Red Herring Prospectus, our Company has 7 (seven) Shareholders.

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

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)
1.	Kamalkumar Rajendra Aggarwal	11,927,080	37.53
2.	Navdeep Naresh Goyal and Shubharangana Goyal (joint holding)	6,233,500	19.62
3.	Naresh Vijaykumar Goyal	5,285,826	16.63
4.	Navdeep Naresh Goyal	2,374,666	7.47
5.	Rajveer Aggarwal	2,532,800	7.97
6.	Shubharangana Goyal	1,978,888	6.23
7.	Minal Kamal Aggarwal	1,440,000	4.53
	Total	**31,772,760**	**99.98**

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

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)
1.	Kamalkumar Rajendra Aggarwal	11,927,080	37.53
2.	Navdeep Naresh Goyal and Shubharangana Goyal (joint holding)	6,233,500	19.62
3.	Naresh Vijaykumar Goyal	5,285,826	16.63
4.	Navdeep Naresh Goyal	2,374,666	7.47
5.	Rajveer Aggarwal	2,532,800	7.97
6.	Shubharangana Goyal	1,978,888	6.23
7.	Minal Kamal Aggarwal	1,440,000	4.53
	Total	**31,772,760**	**99.98**

(d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of one year prior to the date of filing of this Draft Red Herring Prospectus.

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)
1.	Kamalkumar Rajendra Aggarwal	2,981,770	37.53
2.	Naresh Vijaykumar Goyal	2,940,990	37.02
3.	Aggarwal Kamal R. HUF	633,200	7.97
4.	Nareshkumar Vijaykumar Goyal HUF	620,480	7.81
5.	Minal Kamal Aggarwal	360,000	4.53
6.	Shubharangana Goyal	136,000	1.71
7.	Parul Gupta	136,000	1.71
8.	Navdeep Naresh Goyal	136,000	1.71
	Total	**7,944,440**	**100.00**

(e) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of two years prior to the date of filing of this Draft Red Herring Prospectus.

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)
1.	Kamalkumar Rajendra Aggarwal	2,981,770	37.53
2.	Naresh Vijaykumar Goyal	2,940,990	37.02
3.	Aggarwal Kamal R. HUF	633,200	7.97
4.	Nareshkumar Vijaykumar Goyal-HUF	620,480	7.81
5.	Minal Kamal Aggarwal	360,000	4.53
6.	Shubharangana Goyal	136,000	1.71
7.	Parul Gupta	136,000	1.71
8.	Navdeep Naresh Goyal	136,000	1.71
	Total	**7,944,440**	**100.00**

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

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

- As on the date of this Draft Red Herring Prospectus, our Promoters hold 22,514,134 Equity Shares, equivalent to 70.85% of the issued, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below.

S. N.	Name of the Shareholder	Pre-Issue Equity Share Capital		Post-Issue Equity Share Capital*	
		No. of Equity Shares	% of total Share-holding	No. of Equity Shares	% of total Share-holding
1.	Kamalkumar Rajendra Aggarwal	11,927,080	37.53	[●]	[●]
2.	Navdeep Naresh Goyal and Shubharangana Goyal (joint holding)	6,233,500	19.62	[●]	[●]
3.	Navdeep Naresh Goyal	2,374,666	7.47	[●]	[●]
4.	Shubharangana Goyal	1,978,888	6.23	[●]	[●]
	Total	**22,514,134**	**70.85**	**[●]**	**[●]**

** Subject to finalisation of Basis of Allotment*

- All Equity Shares held by our Promoters are in dematerialized form as on the date of this Draft Red Herring Prospectus.

- *Build-up of the Promoters' shareholding in our Company*

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

Name of Promoter	Nature of transaction	Date of Allotment/ Transfer / Transmission	No. of Equity Shares	Face value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)
Kamalkumar Rajendra Aggarwal	Transfer of Equity Shares from Shailesh Chandubhai Patel,	January 21, 2004	568,510	10	1

Name of Promoter	Nature of transaction	Date of Allotment/ Transfer / Transmission	No. of Equity Shares	Face value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)
	C.K Patel Foundation Trust and Mukesh Patel				
	Transfer of Equity Shares from C.K Patel*	May 20, 2004	2,107,500	10	1
	Allotment pursuant to the Scheme of Amalgamation	August 2, 2004	201,760	10	-
	Preferential allotment	March 30, 2010	100,000	10	10
	Transfer of Equity Shares from Gyanchand Mangla	February 2, 2015	4,000	10	10
	Bonus issue in the ratio of three Equity Shares for every one Equity Share held	November 3, 2018	8,945,310	10	Nil
Number of Equity Shares held by Kamalkumar Rajendra Aggarwal					**11,927,080**
Navdeep Naresh Goyal	Transfer of Equity Shares from Vijaykumar Goyal	February 17, 2010	136,000	10	Nil
	Bonus issue in the ratio of three Equity Shares for every one Equity Share held	November 3, 2018	408,000	10	Nil
	Transfer of Equity Shares from Naresh Vijaykumar Goyal	May 13, 2019	244,634	10	Nil
	Transfer of Equity Shares from Parul Gupta	May 21, 2019	539,000	10	Nil
	Transfer of Equity Shares from the Nareshkumar Vijaykumar Goyal HUF	May 22, 2019	1,047,032	10	Nil
	Total number of Equity Shares held by Navdeep Naresh Goyal as the sole holder				**2,374,666**
	Transfer of Equity Shares from Naresh Vijaykumar Goyal jointly to Navdeep Naresh Goyal and Shubharangana Goyal**	May 13, 2019	6,233,500	10	Nil
	Total number Equity Shares held by Navdeep Naresh Goyal as the first holder jointly with Shubharangana Goyal				**6,233,500**
Shubharangana Goyal	Transfer of Equity Shares from Vijaykumar Goyal	February 17, 2010	136,000	10	Nil
	Bonus issue in the ratio of three Equity Shares for every one Equity Share held	November 3, 2018	408,000	10	Nil

Name of Promoter	Nature of transaction	Date of Allotment/ Transfer / Transmission	No. of Equity Shares	Face value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)
	Transfer of Equity Shares from the Nareshkumar Vijaykumar Goyal HUF	May 22, 2019	1,434,888	10	Nil
	Total number of Equity Shares held by Shubharangana Goyal as the sole holder				**1,978,888**
	Transfer of Equity Shares from Naresh Vijaykumar Goyal jointly to Navdeep Naresh Goyal and Shubharangana Goyal**	May 13, 2019	6,233,500	10	Nil
	Total number of Equity Shares held by Shubharangana Goyal as the second holder jointly with Navdeep Naresh Goyal				**6,233,500**

**C.K. Patel was the first holder of such Equity Shares, while Maniben Patel Charitable Foundation Trust was the second holder of such Equity Shares.*

*** Navdeep Naresh Goyal is the first holder and Shubharangana Goyal is the second holder of such Equity Shares.*

- All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged.

- The details of the Shareholding of the members of the Promoter Group (other than our Promoters) as on the date of filing of this Draft Red Herring Prospectus are set forth in the table below.

S. N.	Name of the Shareholder	Pre-Issue		Post-Issue*	
		No. of Equity Shares	% of total Share-holding	No. of Equity Shares	% of total Share-holding
1.	Naresh Vijaykumar Goyal	5,285,826	16.63	[●]	[●]
2.	Minal Kamal Aggarwal	1,440,000	4.53	[●]	[●]
3.	Rajveer Aggarwal	2,532,800	7.97	[●]	[●]
4.	Parul Gupta	5,000	0.02	[●]	[●]
	Total	**9,263,626**	**29.15**	**[●]**	**[●]**

* *Subject to finalisation of Basis of Allotment.*

- *Except* as disclosed in "*-Build-up of the Promoters' shareholding in our Company*" on page 63 and the transfer of Equity Shares of Aggarwal Kamal R HUF's shareholding of 2,532,800 Equity Shares to Rajveer Aggarwal, none of the members of the Promoter Group, the Promoters, or the Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

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

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

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

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

Name of the Promoter	Date of allotment of the Equity Shares	Nature of transaction	No. of Equity Shares**	Face Value (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in*	Percentage of the post-Issue paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
Kamalkumar Rajendra Aggarwal	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Navdeep Naresh Goyal	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Shubharangana Goyal	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total						[●]	[●]	

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

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

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

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

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

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

- The Equity Shares forming part of the Promoter's Contribution are not subject to any pledge.

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

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

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

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

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

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

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

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

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

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

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

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

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

17. Our Company, the Selling Shareholders, the Promoters, the Directors and the BRLMs have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.

18. Except Kamalkumar Rajendra Aggarwal, Navdeep Naresh Goyal and Rajveer Aggarwal, none of the Directors or Key Managerial Personnel of our Company hold any Equity Shares in our Company. For details, see *"Our Management-Shareholding of Directors in our Company"* on Page 160.

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

20. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates do not hold any Equity Shares of our Company. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

21. Except for one of our Promoters, Kamalkumar Rajendra Aggarwal and one of the members of our Promoter Group, Naresh Vijaykumar Goyal, who are offering Equity Shares in the Offer for Sale, none of our other Promoters or members of our Promoter Group will participate in the Issue.

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

23. ***Employee Stock Option Plan***

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

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

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

Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholder will be entitled to their respective portion of the proceeds of the Offer for Sale, net of their respective portion of the Issue related expenses.

Fresh Issue

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards funding the following objects (collectively, referred to herein as the "**Objects**") :

1. Capital expenditure towards expansion of our Manufacturing Facility ("**Project**");
2. To meet working capital requirements; and
3. General corporate purposes

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

The main objects clause and objects incidental and ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue.

Net Proceeds

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

(₹ in million)

Particulars	Amount
Gross Proceeds from the Fresh Issue [1]	[●]
(Less) Fresh Issue related expenses [1]	[●]
Net Proceeds[1]	**[●]**

[1] *To be finalised upon determination of the Issue Price and updated in the Prospectus at the time of filing with the RoC.*

Utilization of Net Proceeds and Schedule of Implementation and Deployment

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

(₹ in million)

Particulars	Total Estimated Cost	Amount already incurred as on July 31, 2019	Amount which will be financed from Net Proceeds[1]	Estimated Utilisation of Net Proceeds	
				Fiscal 2020	Fiscal 2021
Capital expenditure towards expansion of Manufacturing Facility	460.93[2]	8.38[3]	452.55	150.00	302.55
To meet working capital requirements	900.00	-	900.00	450.00	450.00
General corporate purposes (1)	[●]	-	[●]	[●]	[●]
Issue Expenses	[●]	-	[●]	[●]	[●]
Total(1)	[●]	8.38	[●]	[●]	[●]

[1] *To be finalised upon determination of Issue Price. The amount shall not exceed 25% of the Gross Proceeds of the Fresh Issue*

[2] *Total estimated cost as per certificate dated July 31, 2019 issued by N.G. Vithalani, Chartered Engineer.*

[3] *As certified by K.C. Mehta & Co., Chartered Accountants by way of their certificate dated August 6, 2019.*

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, changes in design and configuration of the Projects, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, start-up costs, interest and finance charges, EPC and non-EPC costs, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. Subject to applicable law, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Fresh Issue in accordance with Regulation 7(2) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated costs of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue . To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals towards the aforementioned objects.

The above fund requirements are based on our current business plan, internal management estimates and have not been appraised by any bank or financial institution and are based on valid quotations received from vendors and suppliers, which are subject to change in the future. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, see "*Risk Factors*" on page 22.

Details of the Objects of the Fresh Issue

1. **Capital expenditure towards expansion of Manufacturing Facility**

As part of our strategy to expand our manufacturing operations and production capacity, we propose to set up three new plants, one warehouse and one laboratory, at our existing Manufacturing Facility at Manjusar, Vadodara. For further details see "*Our Business – Our Strategies*" on page 132.

As of June 30, 2019, our total volumetric reactor capacity at the Manufacturing Facility was 236.65 KL. Our Company is in the process of rebuilding one of the plants which was damaged in a fire accident in Fiscal 2018 and is currently being rebuilt with internal accruals of the Company. Once complete, total volumetric reactor capacity at the Manufacturing Facility would become 249.65 KL.

Our Company intends to build three additional plants with a total volumetric reactor capacity of 376.20 KL and one warehouse and one laboratory, out of the Net Proceeds of this Issue.

We already have arrangements for regular power and water supply at our manufacturing facility together with provision for back-up electric power including using a diesel generator set. Further, the land on which the plants, laboratories and warehouse is proposed to be built, is part of our Manufacturing Facility and owned by our Company.

Means of finance

The total funds required for the Project are approximately ₹ 460.93 million.

(₹ in million)

Particulars	Amount
Total estimated project cost (A)	460.93[1]
(less) Expenses already incurred as of July 31, 2019 (B)	8.38[2]
Balance amount to be incurred (C) = (A-B)	452.55
Amount to be funded from Net Proceeds (D)	452.55
Funding required excluding the Net Proceeds (E) = (C– D)	NA
Stated means of finance excluding the Net Proceeds (F) = 75% of (C-D)	NA
Debt facility (G)	NA

Particulars	Amount
Equity funding (H)	NA
Total amount tied up (G+H)	NA

(1) *Total estimated cost as per certificate dated July 31, 2019 issued by N.G. Vithalani, Chartered Engineer.*
(2) *As certified by K.C. Mehta & Co., Chartered Accountants by way of their certificate dated August 6, 2019.*

A brief description of the project cost is set out below:

Project Cost

The cost of setting up of the proposed plants, warehouse and laboratory includes expenditure towards site development, civil and electrical works, plant and machinery, preliminary and preoperative expenses.

Our Company intends to hire specialised contractors to execute and complete the civil work in relation to the Project. Further, our Company shall be purchasing TOR steel, structure steel and other construction materials such as cement, metal, sand, admixtures etc. for civil works as per requirement.

We have not placed orders for any of the plant and machineries required for the proposed expansion. We have procured quotations from vendors and will be placing the orders with vendors based on the competitive cost and proposed delivery schedule of the equipment. The vendors for the equipments supply have been shortlisted on the basis of the reputation of the vendors, the historical performance of the equipment supplied by them and other factors such as electrical energy consumption, maintenance cost during operation stages, after sales services and support capability of the supplier to assist us during installation and provision of post-sale services.

We shall place orders for the plant and machineries as per the schedule of implementation. Majority of the machineries have a longer delivery schedule and accordingly we have to place orders for the same in advance to avoid any time and cost over-runs in implementation of the project. For further details see "*Risk Factors - We are yet to place orders for the equipment to be procured in relation to the proposed expansion in our Manufacturing Facility. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.*" on page 28.

The total estimated cost of setting up of these plants, warehouse and laboratory is as follows:

(₹ in million)

Sr. No.	Particulars	Total Cost[1]
1.	Plant 7	92.58[2]
2.	Plant 8	90.79
3.	Plant 9	74.21
4.	Warehouse	6.44
5.	Development Lab	26.89
6.	Common Utilities	170.02
	Total	**460.93**

[1] *Total estimated cost as per the certificate dated July 31, 2019 issued by N.G. Vithalani, Chartered Engineer.*
[2] *As of July 31, 2019, our Company had made an expenditure of ₹8.38 million in relation to Plant 7, as certified by K.C. Mehta & Co., Chartered Accountants by way of their certificate dated August 6, 2019.*

1. *PLANT 7*

(₹ million except the units to be purchased)

Sr. No.	Particulars	Units to be purchased	Per Unit Price	Total Cost	Quotation reference	Date of quotation
Equipments, Plant and Machinery						
1.	MSGL Reactor 6.3 KL	4	2.00	8.01	Gmm Pfaudler Limited	June 1, 2019
2.	MSGL Reactor 8 KL	8	2.32	18.58	Gmm Pfaudler Limited	June 1, 2019
3.	SS 321 Reactor 10 KL	2	1.84	3.67	Ambica Industrial Engineers	June 5, 2019
4.	SS 321 Reactor 8 KL	2	1.74	3.48	Ambica Industrial Engineers	June 5, 2019
5.	SS 316 Distilation Column	1	6.00	6.00	Finepac Structures	April 8, 2019

Sr. No.	Particulars	Units to be purchased	Per Unit Price	Total Cost	Quotation reference	Date of quotation
					Private Limited	
6.	SS 316 Storage Tank - 10 KL	2	0.60	1.20	Ambica Industrial Engineers	April 8, 2019
7.	SS 304 / 316 Day Tank - 3 KL	6	0.30	1.80	Ambica Industrial Engineers	April 8, 2019
8.	HDPE Wound Spiral. - 15 KL	2	0.16	0.32	Jet Fibre India Private Limited	April 8, 2019
9.	HDPE Spiral - 2 KL	10	0.07	0.70	Jet Fibre India Private Limited	April 8, 2019
10.	MS Day Tank - 2 KL	5	0.05	0.25	Ambica Industrial Engineers	April 8, 2019
11.	SS 316 Reboiler - 10M2	3	0.35	1.05	Ambica Industrial Engineers	April 8, 2019
12.	SS 316 Condenssor - 15M2	5	0.45	2.25	Ambica Industrial Engineers	April 8, 2019
13.	Graphite HE - 6m2	5	0.23	1.13	Graphicarb Products	April 8, 2019
14.	Graphite Absorber - 20m2	2	0.68	1.35	Graphicarb Products	April 8, 2019
15.	SS 316 Centrifuge - 48"	3	1.87	5.60	Ambica Industrial Engineers	June 5, 2019
16.	SS 321 Centrifuge - 48"	3	2.13	6.38	Ambica Industrial Engineers	June 5, 2019
17.	Contingency @5%			3.09		
Civil Work						
18.	Cost of Civil Work and Building			25.20[1]	Bhakti Construction	April 2, 2019
19.	Contingency @10% of Civil Works			2.52		
	TOTAL – A			**92.58**[2]		

[1] *As of July 31, 2019, our Company had made an expenditure of ₹8.38 million from its internal accruals, as certified by K.C. Mehta & Co., Chartered Accountants by way of their certificate dated August 6, 2019.*

[2] *Total estimated cost as per the certificate dated July 31, 2019 issued by N.G. Vithalani, Chartered Engineer.*

2. *PLANT 8*

(₹ million except the units to be purchased)

Sr. No.	Particulars	Units to be purchased	Per Unit Price	Total Cost	Quotation reference	Date of quotation
Equipments and Machinery						
1.	MSGL Reactor 6.3 KL	4	2.00	8.01	Gmm Pfaudler Limited	June 1, 2019
2.	MSGL Reactor 8 KL	4	2.32	9.29	Gmm Pfaudler Limited	June 1, 2019
3.	SS 316 Reactor 10 KL	4	1.70	6.80	Ambica Industrial Engineers	June 5, 2019
4.	SS 316 Reactor 8 KL	4	1.60	6.42	Ambica Industrial Engineers	June 5, 2019
5.	SS 316 Storage Tank - 10 KL	2	0.60	1.20	Ambica Industrial Engineers	April 8, 2019
6.	SS 316 Storage Tank - 12 KL	2	0.85	1.70	Ambica Industrial Engineers	April 8, 2019
7.	SS 304 / 316 Day Tank - 3 Kl	6	0.30	1.80	Ambica Industrial Engineers	April 8, 2019
8.	HDPE Wound Spiral. - 15 KL	4	0.16	0.64	Jet Fibre India Private Limited	April 8, 2019
9.	HDPE Spiral. - 2 KL	6	0.07	0.42	Jet Fibre India Private Limited	April 8, 2019

Sr. No.	Particulars	Units to be purchased	Per Unit Price	Total Cost	Quotation reference	Date of quotation
10.	MS Storage Tank - 10 KL	3	0.15	0.45	Ambica Industrial Engineers	April 8, 2019
11.	SS 316 Reboiler - 10M2	3	0.35	1.05	Ambica Industrial Engineers	April 8, 2019
12.	SS 316 Condenssor - 15M2	5	0.45	2.25	Ambica Industrial Engineers	April 8, 2019
13.	Graphite HE - 12m2	10	0.38	3.75	Graphicarb Products	April 8, 2019
14.	Graphite Absorber - 20m2	1	0.68	0.68	Graphicarb Products	April 8, 2019
15.	SS 316 Nauta Dryer with Solvent Rec.	2	7.88	15.76	Gansons Limited	June 6, 2019
16.	Contingency @5%			3.01		
Civil Work						
17.	Cost of Civil Work and Building	14,000 sq ft	0.002	25.06	Shreemukh Corporation	June 1, 2019
18.	Contingency @10% of Civil Works			2.51		
	TOTAL – B			**90.79**[1]		

[1] *Total estimated cost as per the certificate dated July 31, 2019 issued by N.G. Vithalani, Chartered Engineer.*

3. *PLANT 9*

(₹ million except the units to be purchased)

Sr. No.	Particulars	Units to be purchased	Per Unit Price	Total Cost	Quotation reference	Date of quotation
Equipments and Machinery						
1.	MSGL Reactor 6.3 KL	6	2.00	12.01	Gmm Pfaudler Limited	June 1, 2019
2.	MSGL Reactor 8 KL	6	2.32	13.94	Gmm Pfaudler Limited	June 1, 2019
3.	SS 321 Reactor 10 KL	2	1.84	3.67	Ambica Industrial Engineers	June 5, 2019
4.	SS 321 Reactor 8 KL	2	1.74	3.48	Ambica Industrial Engineers	June 5, 2019
5.	SS 316 Storage Tank - 10 Kl	2	0.60	1.20	Ambica Industrial Engineers	April 8, 2019
6.	SS 316 Storage Tank - 12 Kl	2	0.85	1.70	Ambica Industrial Engineers	April 8, 2019
7.	SS 304 / 316 Day Tank - 3 Kl	8	0.30	2.40	Ambica Industrial Engineers	April 8, 2019
8.	HDPE Wound Spiral. - 15 KL	4	0.16	0.64	Jet Fibre India Private Limited	April 8, 2019
9.	HDPE Spiral. - 2 KL	4	0.07	0.28	Jet Fibre India Private Limited	April 8, 2019
10.	MS Storage Tank - 10 KL	2	0.15	0.30	Ambica Industrial Engineers	April 8, 2019
11.	SS 316 Condenssor - 15M2	5	0.45	2.25	Ambica Industrial Engineers	April 8, 2019
12.	Graphite HE - 12m2	5	0.38	1.88	Graphicarb Products	April 8, 2019
13.	Graphite Absorber - 20m2	1	0.68	0.68	Graphicarb Products	April 8, 2019
14.	Contingency @5%			2.22		
Civil Work						
15.	Cost of Civil Work and Building	14,000 sq ft	0.002	25.06	Shreemukh Corporation	June 1, 2019
16.	Contingency @10% of Civil			2.51		

Sr. No.	Particulars	Units to be purchased	Per Unit Price	Total Cost	Quotation reference	Date of quotation
	Works					
	TOTAL – B			**74.21**[1]		

[1] *Total estimated cost as per the certificate dated July 31, 2019 issued by N.G. Vithalani, Chartered Engineer.*

4. *WAREHOUSE*

(₹ million except the units to be purchased)

Sr. No.	Particulars	Units to be purchased	Per Unit Price	Total Cost	Quotation reference	Date of quotation
Civil work						
1.	Civil and PEB of Warehouse 975 Sq Mt	-	-	5.85	Shreemukh Corporation	June 6, 2019
2.	Contingency @10% of Civil Works	-	-	0.59	-	-
	TOTAL – D			**6.44**[1]		

[1] *Total estimated cost as per the certificate dated July 31, 2019 issued by N.G. Vithalani, Chartered Engineer.*

5. *DEVELOPMENT LABORATORY*

(₹ million except the units to be purchased)

Sr. No.	Particulars	Units to be purchased	Per Unit Price	Total Cost	Quotation reference	Date of quotation
Equipments						
1.	Furniture	2 Set	2.62	5.23	Labpros India	June 25, 2019
2.	Glass Instruments	1 Lot	5.91	5.91	Swastik Industries	April 8, 2019
3.	Civil	4,750 sq ft (1 Lot)	0.003	14.47	Shreemukh Corporation	May 14, 2019
4.	*Contingency @5%*			1.28		
	TOTAL – E			**26.89**[1]		

[1] *Total estimated cost as per the certificate dated July 31, 2019 issued by N.G. Vithalani, Chartered Engineer.*

6. *COMMON UTILITY*

(₹ million except the units to be purchased)

	Particulars	Units to be purchased	Per Unit Price	Total Cost	Quotation reference	Date of quotation
Equipments, Plant and Machinery						
1.	MEE Equipments - 75KL/Day	1	42.40	42.40	Chem Process Systems P.L	May 18, 2019
2.	MEE Plant Structure	5000 sq ft	0.001	6.00	Shreemukh Corporation	June 6, 2019
3.	MEE Tank Farm - Civil	1	3.64	3.64	Shreemukh Corporation	June 6, 2019
4.	Process Pump (ss316 5 m3/HR)	1	5.74	5.74	Shanghai Aoli Pump Mfg. Co Limited	June 6, 2019
5.	Cooling Tower with Pumps - 400 TR	4	0.80	3.20	Sysmac Cooling Tower Private Limited	April 8, 2019
6.	Brine Chilling Plant with Pumps-150 TR	1	10.62	10.62	Snowcool Systems India Private Limited	April 8, 2019
7.	Diesel Generator Set (1000 KVA)	1	5.83	5.83	C&S Himoinsa (P) Ltd	April 8, 2019
8.	Steam Boiler (5000 KG / Hrs)	1	4.95	4.95	Thermax Limited	April 8, 2019
9.	Pipes & Fittings	1	36.87	36.87	Mahaveer Enterprise	June 26, 2019
10.	Electrification &	1	18.32	18.32	Mars Power	May 21, 2019

	Particulars	Units to be purchased	Per Unit Price	Total Cost	Quotation reference	Date of quotation
	Instrumentation				Engineers	
11.	Insulation	1	10.62	10.62	Rudra Engineering	April 8, 2019
12.	Fire & Safety Design and Equipment	1	11.00	11.00	Unisafe Services	May 30, 2019
13.	Fire & Safety Civil Work	1	3.95	3.95	Shreemukh Corporation	May 10, 2019
14.	Internal RCC Road Construction	1	4.09	4.09	Shreemukh Corporation	June 3, 2019
15.	Fork Lift (3 MT)	2	1.40	2.80	Nilkamal Limited	April 8, 2019
	TOTAL – F			**170.02**[1]		

[1] *Total estimated cost as per the certificate dated July 31, 2019 issued by N.G. Vithalani, Chartered Engineer.*

Other Expenses

Further, any additional costs incurred towards applicable taxes, freight charges, installation charges, exchange rate fluctuations, etc. in relation to any of the Objects or any preliminary and pre-operative expense, will be met from internal accruals of our Company.

The quotations received from vendors in relation to the above-mentioned objects of the Issue are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with these vendors and there can be no assurance that the same vendor(s) would be engaged to eventually supply the machinery and equipment or we will get the machinery at the same costs. The quantity of machinery and equipment to be purchased is based on management estimates. We do not intend to purchase any second-hand machinery or equipment.

2. **Working Capital Requirements**

Our Company requires additional working capital for funding its working capital requirements in the Financial Year 2020 and Financial Year 2021. The funding of the working capital requirements of our Company will lead to a consequent increase in our profitability.

Basis of estimation of working capital requirement

The details of our Company's working capital as at March 31, 2019 and March 31, 2018 and source of funding of the same are provided in the table below:

(₹ in million)

S. No.	Particulars	Amount (As at March 31, 2018)*	Amount (As at March 31, 2019)*
I	**Current Assets**		
1	Inventories	**210.36**	**459.14**
(a)	Raw Material including consumables	169.37	319.92
(b)	Work-in-progress	34.88	84.63
(c)	Finished goods	6.12	54.59
2	Trade receivables	295.56	641.18
3	Bank balances other than cash & cash equivalents	5.62	109.06
4	Other Financial Assets	13.87	13.46
5	Other Current Assets	120.11	81.23
	Total Current Assets (A)	**645.53**	**1,304.07**
II	**Current Liabilities**		
1	Trade Payables	172.76	288.72
2	Other Financial Liabilities	23.63	105.99
3	Other Current Liabilities	15.25	12.73
4	Short Term Provisions	38.29	1.29

S. No.	Particulars	Amount (As at March 31, 2018)*	Amount (As at March 31, 2019)*
	Total Current Liabilities (B)	**249.93**	**408.73**
III	**Working Capital Requirements (A-B)**	**395.60**	**895.34**
IV	**Means of Finance**		
	Short-term borrowings	136.14	297.38
	Internal Accruals	259.46	597.96
	Total Means of Finance	**395.60**	**895.34**

**Pursuant to the certificate dated August 6, 2019, issued by M/s Shah Mehta and Bakshi, Chartered Accountants.*

The details of our Company's expected working capital requirements for the Fiscal 2020 and Fiscal 2021 and funding of the same are as provided in the table below:

(₹ in million)

S. No.	Particulars	Estimated amount as on March 31, 2020*	Holding Period (no of days) in Fiscal 2020*	Estimated amount as on March 31, 2021*	Holding Period (no of days) in Fiscal 2021*
I	***Current Assets***				
1	Inventories	**787.14**		**989.89**	
(a)	Raw Material including consumables	467.40	62	571.06	64
(b)	Work-in-progress	148.50	20	180.66	20
(c)	Finished Goods	171.25	23	238.18	27
2	Trade Receivables	975.95	83	1,243.44	84
3	Bank Balances other than Cash & Cash Equivalents	155.60		233.41	
4	Other Financial Assets	16.82		21.03	
5	Other Current Assets	134.03		329.89	
	Total Current Assets (I)	**2,069.55**		**2,817.73**	
II	***Current Liabilities***				
1	Trade Payables	319.21	42	369.12	41
2	Other Financial Liabilities	7.43		6.31	
3	Other Current Liabilities	17.98		23.36	
4	Short Term Provisions	1.61		2.02	
	Total Current Liabilities (II)	**346.23**		**400.80**	
III	**Total Working Capital Requirements (I - II)**	**1,723.32**		**2,416.93**	
IV	**Funding pattern**				
	Working capital funding from banks	300.00		300.00	
	Net Proceeds from the Fresh Issue	450.00		900.00	
	Internal Accruals	973.32		1,216.93	
	Total	**1,723.32**		**2,416.93**	

**Pursuant to the certificate dated August 6, 2019, issued by M/s Shah Mehta and Bakshi, Chartered Accountants.*

The estimates of incremental working capital requirements for Fiscal 2020 and Fiscal 2021 are set forth below:

(₹ in million)

Particulars	Estimated Amount for Fiscal 2020*	Estimated amount for Fiscal 2021*
Incremental Working Capital Requirement	**827.98**	**693.61**
Funding Pattern		

Particulars	Estimated Amount for Fiscal 2020*	Estimated amount for Fiscal 2021*
Working Capital funding from banks	2.62	0.00
Internal Accruals	375.35	243.61
Net Proceeds from the Fresh Issue	450.00	450.00
Total	**827.98**	**693.61**

**Pursuant to the certificate dated August 6, 2019, issued by M/s Shah Mehta and Bakshi, Chartered Accountants.*

Assumptions for working capital requirements*

Sr No.	Particulars	Assumptions
1.	Inventories	**Raw material**: We procure raw materials essential for manufacturing its products from domestic and international vendors. 50.89% of our cost of raw materials in Fiscal 2019 were on imported raw materials. Our Company had maintained raw material inventory of 78 days and 60 days of its cost of material consumed in Fiscal 2018 and Fiscal 2019, respectively. This is required to ensure uninterrupted production. Accordingly, we have assumed raw material inventory of 62 days and 64 days of cost of material consumed for Fiscal 2020 and Fiscal 2021 respectively. **Work in Progress**: We have assumed work in progress inventory of 20 days of cost of material consumed for Fiscal 2020 and 2021. **Finished Goods**: In order to meet customer requirements, our Company needs to maintain finished goods inventory to meet customer requirements. Accordingly, we have assumed finished goods inventory of 23 days and 27 days of cost of material consumed for Fiscal 2020 and Fiscal 2021, respectively.
2.	Trade Receivable	We had trade receivables of 68 days and 77 days of revenue from operations at the end of Fiscal 2018 and Fiscal 2019, respectively. We have assumed trade receivables of 83 days and 84 days of revenue from operations at the end of Fiscal 2020 and Fiscal 2021 respectively.
3.	Trade Payables	Trade payable days were 79 days and 54 days of cost of material consumed for Fiscal 2018 and Fiscal 2019 respectively. We have assumed trade payables to be 42 days and 41 days of cost of material consumed in Fiscal 2020 and Fiscal 2021 respectively.

**Pursuant to the certificate dated August 6, 2019, issued by M/s Shah Mehta and Bakshi, Chartered Accountants*

3. General Corporate Purposes

We will have flexibility in utilizing the balance Net Proceeds, if any, for general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations, including but not restricted towards strategic initiatives and acquisitions, funding initial stages of equity contribution towards our projects, working capital requirements, part or full debt repayment, strengthening of our marketing capabilities and towards repayment and pre-payment penalty on loans as may be applicable. The quantum of utilisation of funds toward the aforementioned purposes will be determined by our Board based on the amount actually available under the head "General Corporate Purposes" and the corporate requirements of our Company.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above.

In addition to the above, our Company may utilize the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and approved periodically by the Board. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilization of Net Proceeds.

Interim use of Net Proceeds

Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

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. However, depending upon business requirements, our Company may consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers etc. pending receipt of the Issue Proceeds.

Issue Expenses

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

The fees and expenses relating to the Issue shall be shared, upon successful completion of the Issue, in the proportion mutually agreed among our Company and the Selling Shareholders. Further the share of expenses of the Selling Shareholders shall be shared in proportion to the respective Equity Shares offered by each of them in the Issue in accordance with Applicable Law. The Selling Shareholders shall reimburse our Company for all expenses incurred by our Company in relation to the Offer for Sale on each of their behalf. The break-up for the estimated Issue expenses are as follows:

Activity	Amount (1) (₹in million)	As a % of total estimated Issue related expenses (1)	As a % of Issue size (1)
Fees payable to the BRLMs (including underwriting commission)	[●]	[●]	[●]
Selling commission payable to SCSBs for Bids directly procured by them and processing fees payable to SCSBs for Bids (other than Bids submitted by RIBs using the UPI Mechanism) procured by the members of the Syndicate, the Registered Brokers, CRTAs or CDPs and submitted to SCSBs for blocking(2)(3)(4)(5)(7)	[●]	[●]	[●]
Selling commission and Bidding charges payable to members of the Syndicate (including their Sub-Syndicate Members)(3)(5)(6)	[●]	[●]	[●]
Selling commission and bidding charges payable to Registered Brokers, Collecting CRTAs and CDPs (7)	[●]	[●]	[●]
Processing fees payable to the Sponsor Bank(6)(7)	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others: (i) Listing fees; (ii) SEBI, BSE and NSE processing fees;	[●]	[●]	[●]

Activity	Amount (1) (₹in million)	As a % of total estimated Issue related expenses (1)	As a % of Issue size (1)
(iii) Book-building software fees (iv) Other regulatory expenses (v) Fees payable to legal counsel; and (vi) Miscellaneous			
Total estimated Offer expenses	[●]	[●]	[●]

(1) The Offer expenses will be incorporated in the Prospectus on finalization of the Offer Price.

(2) Selling commission payable to the SCSBs on the portion for Non-Institutional Bidder, which are directly bidded by them would be as follows:

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

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

No additional processing / uploading charges shall be payable by our Company to the SCSBs on the Bid cum Application Form directly procured by them.

(3) Selling commission payable to the members of the Syndicate on the portion for Non-Institutional Bidder, which are directly procured by them would be as follows:

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*

SCSBs will be entitled to a processing fees of ₹ [●] (plus applicable taxes) per valid Bid cum Application Form, for processing the Bid cum Application Form procured by the members of the Syndicate, from Non-Institutional Bidders and submitted to the SCSBs for blocking.

The Syndicate will be entitled to bidding charges: ₹ [●] (plus applicable taxes) per valid Bid cum Application Form uploaded by the members of the Syndicate for applications for Non-Institutional Bidders using Syndicate ASBA mechanism. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant member of Syndicate.

(4) Selling commission payable to the SCSBs on the portion for Retail Individual Bidder, which are directly bidded by them would be as follows:

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

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

No additional processing / uploading charges shall be payable by our Company to the SCSBs on the Bid cum Application Form directly procured by them.

For avoidance of doubt, if a Syndicate ASBA Application on the Bid cum Application Form number / series of a member of the Syndicate / Sub-Syndicate Member, is bidded by an SCSB, the Selling Commission will be payable to the SCSB and not to the member of the Syndicate / Sub-Syndicate Member.

(5) Selling commission payable to members of the Syndicate (including their Sub-Syndicate Members) for Retail Individual Bidders using 3-in 1 type accounts- (linked online trading, demat & bank account) provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:

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

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

The Selling Commission payable to the members of the Syndicate / Sub-Syndicate Members will be determined on the basis of the Bid cum Application Form number / series allocated to them, provided that the Bid cum Application Form is also bidded by the respective member of the Syndicate / Sub-Syndicate Member.

SCSBs will be entitled to a processing fees of ₹ [●] (plus applicable taxes) per valid Bid cum Application Form, for processing the Bid cum Application Form procured by the members of the Syndicate, the Registered Broker, CRTAs or CDPs from Retail Individual Bidders and submitted to the SCSBs for blocking.

The Syndicate will be entitled to bidding charges: ₹ [●] (plus applicable taxes) per valid Bid cum Application Form uploaded by the members of the Syndicate for applications made by Retail Individual Bidders using 3-in-1 type accounts. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant member of Syndicate.

(6) Selling commission payable to members of the Syndicate (including their Sub-Syndicate Members) on the portion for Retail Individual Bidders (using the UPI mechanism) which are procured by members of Syndicate (including their Sub-Syndicate Members), would be as follows:

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

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

The Selling Commission payable to the members of the Syndicate / Sub-Syndicate Members will be determined on the basis of the Bid cum Application Form number / series allocated to them, provided that the Bid cum Application Form is also bidded by the respective member of the Syndicate / Sub-Syndicate Member.

The Sponsor Bank will be entitled to processing fees of ₹ [●] *(plus applicable taxes) per valid Bid cum Application Forms of Retail Individual Investors (using the UPI mechanism). The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

The Syndicate will be entitled to bidding charges: ₹ [●] *(plus applicable taxes) per valid Bid cum Application Form uploaded by the members of the Syndicate for applications made by Retail Individual Bidders using the UPI Mechanism. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant member of Syndicate.*

In addition to the selling commission referred above, any additional amount (s) to be paid by our Company and Promoter Selling Shareholders shall be as mutually agreed amongst the BRLMs, the Syndicate Members and our Company before opening of the Offer.

Selling Commission to Registered Brokers, CRTAs and CDPs for applications procured in the Retail Individual Bidder and Non Institutional Bidder categories

(7) Selling commission payable to the Registered Brokers, CRTAs and CDPs on the portion for Retail Individual Bidders (using the UPI mechanism) and on the portion of Non-Institutional Bidders which are procured by the Registered Broker or CRTAS or CDPs, would be as follows:

Portion for Retail Individual Bidders (using the UPI Mechanism)	[●]*% 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*

Further, the Registered Brokers, CRTAs and CDPs will be entitled to Bidding Charges: ₹ [●] *(plus applicable taxes) per valid Bid cum Application Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant Registered Brokers, CRTAs and CDPs.*

SCSBs will be entitled to a processing fees of ₹ [●] *(plus applicable taxes) per valid Bid cum Application Form, for processing the Bid cum Application Form procured by Registered Brokers, CRTAs and CDPs, from Non-Institutional Bidders and submitted to the SCSBs for blocking.*

The Sponsor Bank will be entitled to processing fees of ₹ [●] *(plus applicable taxes) per valid Bid cum Application Forms of Retail Individual Investors (using the UPI mechanism). The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

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

Monitoring Utilization of Funds

Our Company shall appoint [•] as Monitoring Agency for monitoring the utilization of Net Proceeds of the Fresh Issue prior to the filing of the Red Herring Prospectus. Our Board and the Monitoring Agency will monitor the utilization of Net Proceeds and submit its report to us in terms of Regulation 41 of the SEBI ICDR Regulations.

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

Variation in Objects

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

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, our Directors, our Key Managerial Personnel or Group Companies except in the normal course of business and in compliance with applicable law.

There are no existing or anticipated transactions in relation to the utilization of the Net Proceeds with the Promoters, Directors, Key Managerial Personnel or Group Companies.

BASIS FOR THE ISSUE PRICE

The Price Band, Floor Price and Issue Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. Investors should also refer to "*Our Business", "Risk Factors", "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 129, 22, 182 and 232, respectively, to have an informed view before making an investment decision.

Qualitative factors

Some of the qualitative factors which form the basis for computing the Issue Price are:

(a) We are a leading manufacturer globally of the Pharmaceutical Chemicals and we are a leading manufacturer in India of the Oilwell Completion Chemicals *(Source: Frost & Sullivan Report)*;
(b) Diversified customer base coupled with long standing relationships;
(c) The specialty chemicals industry in which we operate has high entry barriers;
(d) Consistent financial performance with a strong financial position;
(e) Manufacturing facility with dedicated plants for each of our products; and
(f) Experienced senior management.

For further details, see "*Our Business –Our Strengths*" on page 130.

Quantitative factors

The information presented below relating to our Company is based on the Restated Financial Statements.

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

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

Fiscal	Basic and Diluted EPS (₹)	Weight
2019	13.54	3
2018	8.30	2
2017	0.89	1
Weighted Average	9.69	-

Basic earnings per share (₹) = Net Profit as restated attributable the owners of our Company divided by the weighted average number of equity shares outstanding during the year.

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

Notes:

1. *Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 'Earnings per Share', notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
2. *Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.*
3. *The earnings per share figure for the year ended March 31, 2018 and March 31, 2017 have been adjusted to give effect to the allotment of the bonus shares, as required by Ind AS-33.*
4. *The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Restated Financial Statements.*

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

Particulars	P/E at the lower end of the Price Band (number of times)	P/E at the higher end of the Price Band (number of times)
Based on basic EPS for Fiscal 2019	[●]	[●]
Based on diluted EPS for Fiscal 2019	[●]	[●]

Industry Peer Group P/E ratio

Particulars	Industry P/E (number of times)
Highest	33.06
Lowest	16.78
Average	26.13

Note:
The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average of P/E for industry peer set disclosed in this section. All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2019, as available on website of stock exchanges.

III. Return on Net Worth ("RoNW")

As per Restated Financial Statements:

Financial Year ended	RoNW (%)	Weight
Fiscal 2019	44.94	3
Fiscal 2018	49.20	2
Fiscal 2017	10.44	1
Weighted Average	40.61	-

Return on net worth (%) = Net Profit as restated, attributable to the owners of our company, divided by Net Worth as restated, including Share Capital and Reserves & Surplus, as restated at the end of the year.

Net Worth means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account, net of pre-issue expenses, as per the restated statement of assets and liabilities of our Company in the Restated Financial Statements.

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

I. Restated Net Asset Value per Equity Share as per the Restated Financial Statements as on March 31, 2019: ₹ 30.14.

II. After the Issue*:

(a) At the Floor Price: ₹ [●]
(b) At the Cap Price: ₹ [●]

III. Issue Price*: ₹ [●]

**To be updated in the Prospectus.*

Note:

Net asset value per Equity Share = Net Worth as restated, including Share Capital and Reserves & Surplus, as restated at the end of the year divided by total number of Equity Shares outstanding at the end of year.

V. Comparison with listed industry peers

Following is the comparison with our peer companies listed in India:

Sr. No.	Name of the Company	For the year ended March 31, 2019							
		Standalone / Consolidated	Face value (₹)	Revenue from operations(1) (₹ in million)	Basic EPS (₹)	Diluted EPS (₹)	P/E (based on Diluted EPS)(2)	Return on net worth (%)(3)	NAV per Equity Share (₹)(4)
1.	Chemcon Speciality Chemicals Limited	Standalone	10	3,041.68	13.54	13.54	N/A	44.94%	30.14
Peer Group									
2.	Aarti Industries Limited	Consolidated	5	47,055.10	60.39	60.39	27.56	18.69%	303.52
3.	Vinati Organics Limited	Standalone	5	11,081.40	54.97	54.97	33.06	26.87%	204.56
4.	Sudarshan Chemical Industries Limited	Consolidated	2	14,765.10	19.52	19.52	16.78	23.80%	82.01
5.	Atul Limited	Consolidated	10	40,378.10	147.00	147.00	24.79	15.97%	912.19
6.	Paushak Limited	Standalone	10	1,395.07	125.64	125.64	17.51	21.94%	576.12
7.	Fine Organic Industries Limited	Consolidated	5	10,603.33	44.44	44.44	31.55	27.23%	163.16
8.	Neogen Chemicals Limited	Consolidated	10	2,390.58	10.43	10.43	31.64	29.84%	30.08

Source: All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2019, as available on website of stock exchanges. The financial information related to our Company are based on the Restated Financial Statements.

Notes:

1. *Excludes other income*
2. *P/E ratio is calculated as closing share price (July 31, 2019 - BSE) / Diluted EPS for year ended March 31, 2019. Diluted Earnings per share mentioned in the above table are as reported by the respective companies in the relevant annual reports/results for Fiscal 2019/Q4FY19*
3. *Return on net worth (%) = Net profit/(loss) after tax available for the equity shareholders / Net worth at the end of the year.*
4. *Net asset value per share (in ₹) = Net worth at the end of the year / Total number of equity shares outstanding at the end of the year*

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", *Management Discussion and Analysis of Financial Position and Results of Operations*" and "*Financial Information*" on pages 22, 129, 232 and 181, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

The Board of Directors
Chemcon Speciality Chemicals Limited
Block Number 355, Manjusar Kunpad Road
Manjusar Village, Taluka Savli
Vadodara 391 775

Dear Sir(s)/Madam(s),

Sub: Statement of possible Special tax benefit ('the Statement') available to Chemcon Speciality Chemicals 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, hereby confirm that the enclosed Annexure 'A' prepared by **Chemcon Speciality Chemicals 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 the Income Tax Act, 1961 (read with the rules, circulars and notifications issued in connection thereto), as amended by the Finance Act, 2019, presently in force in India and under indirect taxation laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and/or its shareholders 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 Issue.

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 the extracts of this certificate and the Statement being used in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus to be filed by the Company in connection with the Issue and other Issue related materials.

Yours faithfully

For K. C. Mehta & Co.
Chartered Accountants

Firm's Registration No.106237W

Chhaya M. Dave
Partner
Membership No. 100434
UDIN: 19100434AAAAEG4681
Place: Vadodara
Date: August 6, 2019

Annexure 'A'

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND TO ITS SHAREHOLDERS UNDER APPLICABLE DIRECT AND INDIRECT TAXATION LAWS.

1. Special tax benefits available to the Company

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

2. Special Tax Benefits to the Shareholders

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

Notes:

1. *We have not considered the general tax benefits available to the Company, or shareholders of the Company.*
2. *The above is as per the prevalent Tax Laws as on date.*
3. *The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.*
4. *This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.*

SECTION VI - ABOUT OUR COMPANY

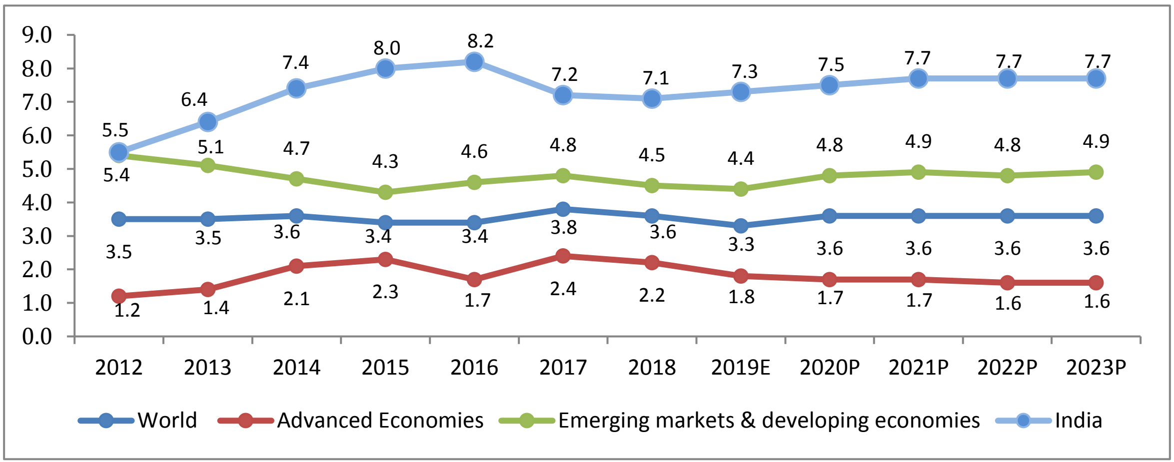
INDUSTRY OVERVIEW

The information in this section is derived from the report titled "INDEPENDENT MARKET REPORT - Global Pharmaceutical Intermediates and Oilfield Chemicals Market" prepared by Frost & Sullivan in June 2019 ("Frost & Sullivan Report"). We commissioned the Frost & Sullivan Report in connection with the Issue for the purpose of confirming our understanding of the industry. Neither we, nor any of the Book Running Lead Managers, any of their associates or affiliates or any other person connected with the Issue have independently verified the information included in the Frost & Sullivan Report. Further, the Frost & Sullivan Report includes data and statistics as of specific dates and may no longer be current or reflect current trends. Frost & Sullivan has advised that while the Frost & Sullivan Report has been prepared through research, involving discussing the status of the industry with leading industry participants and experts and compiling inputs from publicly available sources, including official publications and reports, the quantitative market information being primarily based on such interviews and desk-based secondary research is subject to fluctuations. The industry related information provided in this section does not purport to contain all the information relevant to the recipient. You are advised not to unduly rely on the industry related information provided in this chapter when making your investment decision and industry related information contained in this section should not be construed as advice relating to business, financial, legal, taxation or investment matters.

Global and India Macroeconomic Review

Global Economic Overview - Gross Domestic Product (GDP) Growth

The global economic growth has eased and is projected to plateau at 3.6% in near future, with some downside risks such as financial market stress, escalating trade protectionism and heightened geopolitical tensions. The growth in the advanced economies is expected to remain stable due to the effects of US fiscal stimulus staying constant. However, the emerging market and developing economies are expected to have a fair growth on account of strong growth in commodity importers, with the projected rebound in commodity exporters in future.
Real GDP Growth (%) 2012- 2023P



Source: World Economic Outlook, International Monetary Fund Estimate-April 2019, Frost & Sullivan Analysis

Moreover, the longer-term potential of the global economic growth have downside risks from the extended period of weak investment and low productivity growth that has followed the global financial crisis.

Macroeconomic Overview of India - Gross Domestic Product (GDP) Growth and Outlook

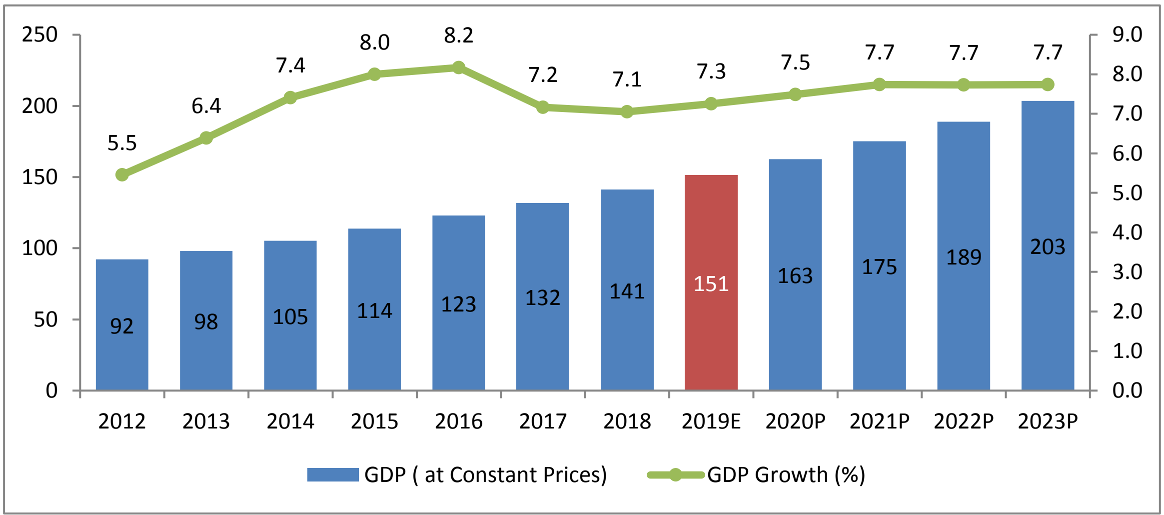
The market-friendly policies that safeguarded the country from the subdued global economy; improved macroeconomic fundamentals and robust capital inflow strengthened the economic growth from 5.5% in 2012 to 8.2% in 2016. However, in 2017 the GDP declined to 7.2% from 8.2% in 2016 due to the external vulnerabilities such as global slowdown, impact of demonetization and the transitory effect of goods and services tax (GST) implementation.

Further, the economic growth continued to slip downwards in 2018 to 7.1%, as a result of the lingering effect of demonetization.

The medium term growth outlook is expected to improve and record a growth of 7.7% during 2023P, on account of strong macroeconomic fundamentals including moderate inflation, implementation of key structural reforms and improved fiscal and monetary policies.

Meanwhile, the recent moves by the government to improve balance sheets of state-owned banks, in part through an augmented re-capitalization plan worth INR 2,110 Bn for public sector banks spread over two years, is expected to support the capital shortages of the public sector banks that have hindered the bank's lending capacity and the overall positive business environment are further expected to support the growth outlook for India.

Real GDP Value (INR 000'Bn) and Growth %, India, 2012 to 2023P



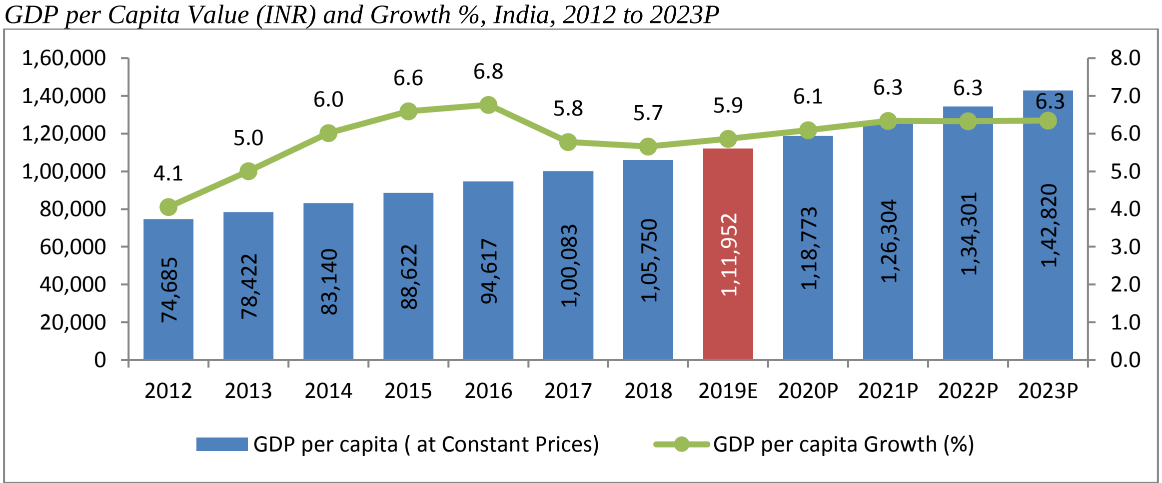
Source: World Economic Outlook, International Monetary Fund Estimate-April 2019, Frost & Sullivan Analysis

GDP per Capita

The GDP per capita at constant prices in India has remained low until 2012 during the economic downturn. Thereafter, growth has gradually picked up for GDP per capita to reach INR 94,617 in 2016 where the growth reached 6.8%. However, it slumped during 2017 and 2018 as a result of demonetization which resulted in cash shortages and implementation of GST.

Further to this, with the economy getting back on track as the business sentiments are improving, the GDP per capita is also expected to get back on track with an estimated CAGR of 6.2% during 2019E to 2023P

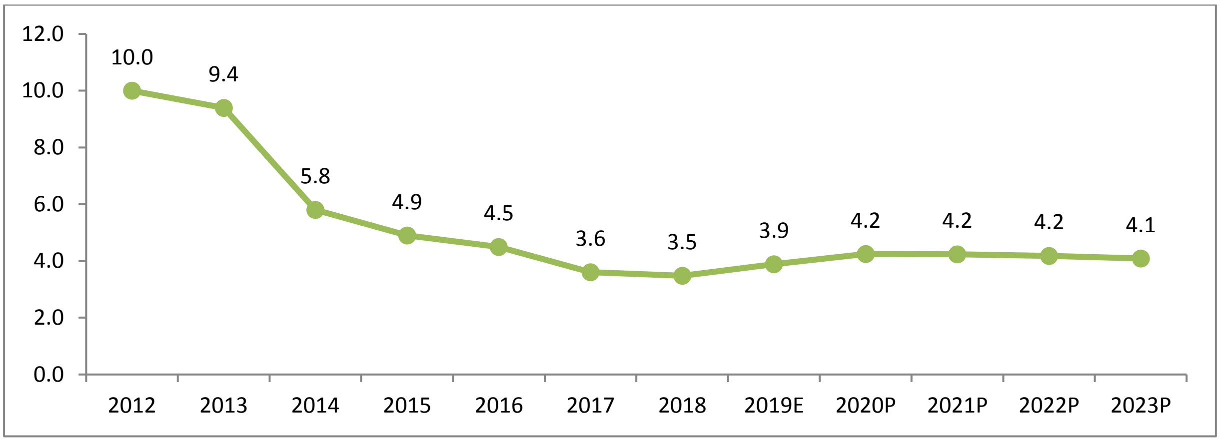
GDP per Capita Value (INR) and Growth %, India, 2012 to 2023P



Source: World Economic Outlook, International Monetary Fund Estimates-April 2019, Frost & Sullivan Analysis

Consumer Price Inflation

Consumer Price Inflation % in India, 2012 to 2023P



Source: World Economic Outlook, International Monetary Fund Estimates-April 2019, Frost & Sullivan Analysis

After years of nearly double-digit inflation, average consumer price inflation has slumped to about 3.5% in 2018. Lower commodity prices, supply-side reforms and a moderately tight monetary policy have all aided in bringing inflation to an acceptable level, despite two consecutive years of sub-par monsoons. Illustratively, consumer price index (CPI) inflation in India eased to 3.5% in 2018 from a high of 10.0% in 2012 and is expected to remain around 4.1% over the medium term on the back of good harvest and favourable monsoons.

The RBI has shifted to a flexible inflation target, which seems to be having been working well in controlling and getting down the inflation and stabilization of inflation expectations.

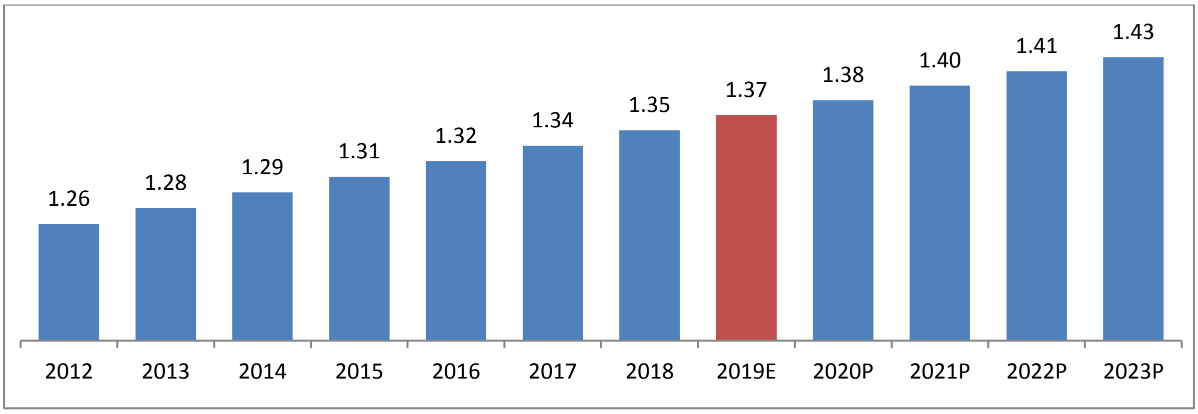
Demographic Overview of India

Population Growth

With a population of 1.35 Bn in 2018, India has the second largest population in the world. The population is estimated to grow at a CAGR of 1% during 2018-2023P replacing China and making it the most populous country in the world.

The country has a relatively young demographic profile, with an average median age of 26.7 years; it is one of the lowest globally as compared to 37.2 years in the US, 45.8 years in Japan and 36.3 years in China (*Print Week*). The median population age in India is estimated to be 29 years by 2020, making it the youngest country in the world.

India Population in Billion, Historical and Projected, 2012-2023P



Source: World Bank: Health Nutrition and Population Statistics: Population estimates and projections

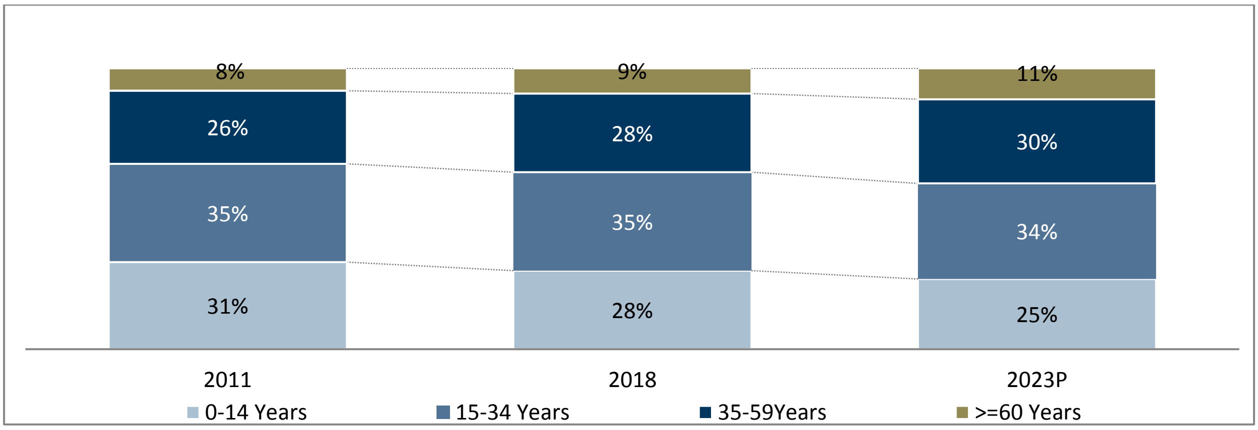
Demographic dividend

Demographic dividend is considered to be an important factor for economic growth as the working age population is usually more productive. India is set to witness a considerable increase in working population over the next decade. The median age in India will be 28.2 years by 2020 and 31.4 years by 2030.

The Indian economy has a potential to grow at a rapid rate as the working age population (15-59 years) comprises almost 63% of the total Indian population in 2018. Moreover, the youth (15-34 years) make up majority of the working-age population.

The demographic dividend can accelerate the development of the nation if implemented with effective policies. And if utilized properly, the demographic dividend of India would further push up the economic growth rate by 2%.

Age Group Classification of the India Population, 2011-2023P



Source: World Bank: Health Nutrition and Population Statistics: Population estimates and projections

Meanwhile the Indian Government is serious about utilizing the potential of demographic dividend and has introduced National Skill Development Corporation (NSDC) which will be contributing significantly (about 30%) to the overall target of skilling/up skilling 500 Mn people in India by 2022, by encouraging private sector initiatives in skill development programmes and providing funds.

Industrial Chemicals Market Overview

Chemicals used as pharma intermediates - Market Overview

Global Market Overview

Pharmaceutical intermediates are the chemical compounds that form the building blocks used in production of active pharmaceutical ingredient (API). **The global market of chemicals used as pharma intermediates was valued at about USD 25 Bn in 2017 and is expected to grow at a CAGR of 4% between 2018 and 2023.**

Pharmaceutical Value Chain

Source: CRISIL Research, Frost & Sullivan Analysis

The major factors that will the drive the requirement of pharmaceutical drugs over the forecast period are the increase in burden of diseases and geriatric population. Patent expiration is also one of the key factors that will drive the growth of the generics drug market. The greater production of APIs is expected to enhance the demand of chemicals used as pharma intermediates.

North America is the biggest and most attractive market and benefits from the presence of major pharmaceutical companies and better infrastructure. It is anticipated to dominate the global market of chemicals used as pharma intermediates over the forecast period.

Europe is expected to be the second largest expanding region over the forecast period due to the rise in research and development activities coupled with high investments on research and development activities by myriad key players. Enhanced demand for advanced pharmaceutical products will also support the growth of market of chemicals used as pharma intermediates.

Asia Pacific is anticipated to be the fastest growing market of chemicals used as pharma intermediates due to presence of large number of contract manufacturing organizations in the region.

Some of the major market players of the chemicals used as pharma intermediates include Vertellus Holdings LLC, A.R. Life Sciences Private Limited, Dishman Group, Midas Pharma GmbH, Lianhetech, Codexis, Inc., Chemcon Specialty Chemicals Pvt. Ltd, Cycle Pharma, Aceto Corporation, Dextra Laboratories Ltd., BASF SE, Sanofi Winthrop Industrie S.A., ZCL Chemicals Ltd. and Easter Chemical Corporation among others.

India Market Overview

Domestic consumption for chemicals used as pharma intermediates is dependent upon bulk drugs manufacturing (domestic consumption as well as captive consumption by integrated players). Majority of large bulk drug players are forward integrated through presence in formulations as well. However, backward integration for large players through intermediates manufacturing is limited.

The players in chemicals used as pharma intermediates domain mostly have footprints in specialty chemicals, which are supplied to pharmaceutical sector in addition to other sectors. CRISIL Research estimates that domestic consumption of chemicals used as pharma intermediates remained at INR ~308 Bn (~USD 4.8 Bn) in fiscal 2018, growing at ~7% CAGR since fiscal 2013. During the same period, bulk drugs production (including exports) also grew at ~7% CAGR.

Imports of Chemicals used as pharma intermediates to India

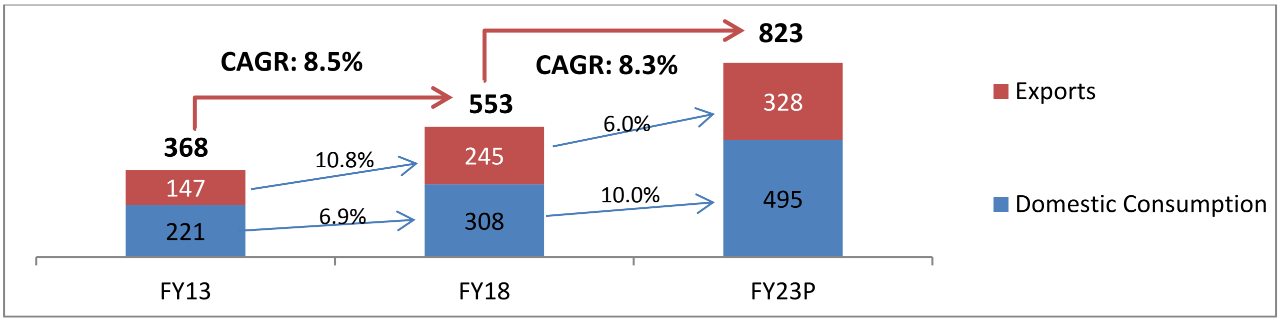
The share of imports in domestic consumption has dropped from ~65% in fiscal 2013 to ~60% in fiscal 2018. The drop in imports is majorly due to expiry of patents and withdrawal of customs duty exemption on drugs and intermediates in fiscal 2017. The imports of bulk drugs and intermediates are dominated by China. Large manufacturing units of China have economies of scale, supplying to several countries at a lower cost. The API/intermediates industry gets support from the government through export subsidy. Moreover, the cost of electricity is cheaper in China, which helps to maintain a cost advantage particularly in fermentation based products which have higher electricity requirements. However, an analysis of chemical exports from China shows that there has been a decline in exports from China in the past 2-3 years. Tougher regulations on the pollution causing industries have impacted the chemicals sector in China adversely.

Exports of Chemicals used as pharma intermediates from India

Exports (in Value) grew at ~11% CAGR between fiscals 2013 and 2018. Indian intermediates players' export competitiveness can be attributed to their greater expertise in specialised intermediates as compared with traditional intermediates. Indian players, with better process chemistry skills, have relative advantage in custom synthesis, intermediates for drug discovery and contract manufacturing etc.

Outlook for Indian Market of Chemicals used as pharma intermediates

India Overall Market of Chemicals used as pharma intermediates (INR Bn)



Source: CRISIL Research, Frost & Sullivan Analysis

India market of Chemicals used as pharma intermediates includes domestic consumption and exports

The overall market of chemicals used as pharma intermediates is anticipated to grow at 7-9% CAGR over the 5 year forecast period. Opportunities for growth of domestic manufacturers are:

- Government initiatives as bulk drugs parks focussing on streamlining the pharmaceutical industry
- Programs such as Jan Aushadhi Scheme: Private players can participate in such schemes through competitive tenders and use their operational GMP compliant sites to supply medicines
- Shut down of Chinese chemical plants due to environmental concerns

Oil Well Completion Chemicals Markets Overview

The global market of Drilling and Completion Fluids is growing rapidly due to increased oil & gas exploration activities around the world. The high demand for crude oil, along with the maturing of onshore oil and gas wells is fostering the growth of Drilling and Completion Fluids market. Moreover, factors such as continuous development of offshore reserves and rising deep water production are likely to influence the growth of the global Drilling and Completion Fluids market positively. **The global clear brine fluids market was valued at about USD 820 Mn in 2018 and is anticipated to grow at a CAGR of slightly above 5% between 2019 and 2023**.

The global clear brine fluids market can be segmented on the basis of products into potassium chloride, calcium chloride, sodium chloride, potassium bromide, sodium bromide, calcium bromide and others. Oil & gas sector is expected to be the most dominating end-user of the global clear brine fluids market and is expected to keep this trend over the estimated period.

North America accounts for ~65% of the total clear brine fluids market and is expected to witness a significant growth in the forecast period. The government is increasing its energy security which will enhance the business growth for the market of the region.

The Asia Pacific accounts for ~15% of total clear brine fluids market and is likely to witness robust growth for clear brine fluids due to the presence of a number of shale reservoirs in the region. Also, the occurrence of various drilling activities in countries like India and China are boosting the growth of the clear brine fluids market.

The Middle East & Africa is a major region for the oil & gas industry. The region has large oil & gas reserves in regions like Libya, Syria, Egypt and others. The large presence of oil & gas reserves has augmented the growth of the market in the region. Latin America is expected to witness a moderate growth over the years to come owing to the emerging markets especially in countries such as Brazil, Argentina etc. in the region.

Some of the major players operating in the global clear brine fluids market are Israel Chemicals Ltd., Albemarle Corporation, Chemtura Corporation (acquired by LANXESS), TETRA etc.

HMDS MARKET OVERVIEW

Product Description and Usage/End-Use Industry

<u>Product Overview</u>

HMDS or hexamethyldisilazane (also known as bis(trimethylsilyl)amine) is an organosilicon compound with the molecular formula $[(CH_3)_3Si]_2NH$. The molecule is a derivative of ammonia with trimethylsilyl groups in place of two hydrogen atoms. This colourless liquid is a reagent and a precursor to bases that are popular in organic synthesis and organometallic chemistry.

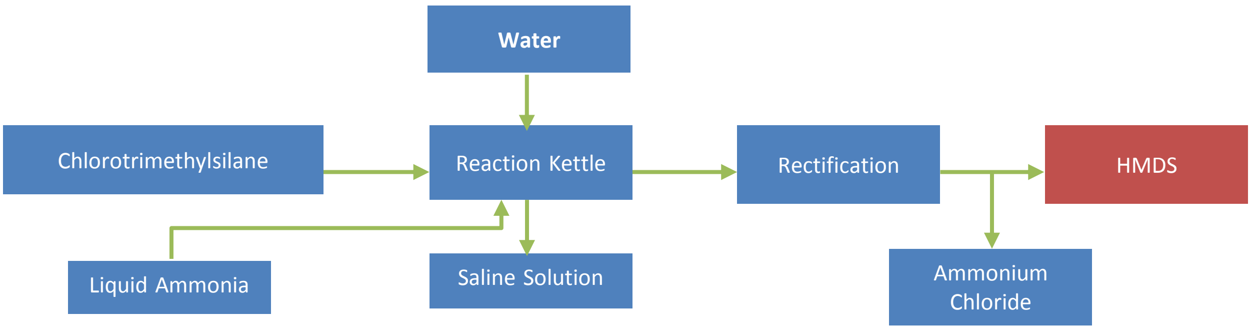
HMDS, a weak trimethylsilyl donor, was the first reagent used to prepare TMS derivatives. It is most often used in silylating mixtures. HMDS has the desirable property of reacting more selectively, in some instances, than other reagents. It is a popular choice for silylating acids, alcohols, amines and phenols. HMDS can be used alone, but derivatization usually will proceed faster with a catalyst. HMDS also is useful for conditioning glassware or silica.

HMDS has a relatively low boiling point (124-127°C). It can be used without solvent, but its silylating power can be increased by various (mostly acidic) catalysts. The only reaction by-product, ammonia, can leave the reaction mixture as the reaction goes to completion. TMS derivatives are thermally stable but more susceptible to hydrolysis than their parent compounds. Hexamethyldisilazane reacts with many carbonyl containing organic compounds to generate gaseous ammonia. It may be incompatible with isocyanates, halogenated organics, peroxides, phenols (acidic), epoxides, anhydrides and acid halides. Flammable gaseous hydrogen may be generated in combination with strong reducing agents, such as hydrides.

<u>Manufacturing Process of HMDS</u>

The process directly synthesizes hexamethyldisilazane by using trimethylchlorosilane and liquid ammonia as raw materials. The method simplifies the production process, improves the product yield, improves the product quality, reduces the production cost and completes the synthesis reaction in a one-step process without solvent and ensures the reaction is completely complete. In the process technology, on the one hand, the strong agitation form is adopted so that the reaction is completely completed in a better flow state. On the other hand, overcoming the product's easy hydrolysis characteristics, the product hydrolysis requires certain conditions to be carried out, using water washing and special solvents to remove salts.

Manufacturing Process of HMDS



Applications of HMDS

Application	Description
Pharmaceutical	Hexamethyldisilane mainly used as methyl silane alkylation (such as amikacin, penicillin, cephalosporins and kinds of penicillin derivatives), hydroxyl protectants of antibiotics. Hexamethyldisilazane is used in the preparation of 5-azacytidine, an antineoplastic drug. Also, it used in preparation of β3-AR agonists used in anti-stress formulations.
Semiconductor	It is used as surface treatment agent of diatomite, white carbon black, titanium and blond additives of photoresist in the semiconductor industry.
Organic Synthesis	Hexamethyldisilazane is primarily used as a precursor to many bases common in organic synthesis and organometallic chemistry.
Others	Hexamethyldisilazane also has applications in photolithography, electron microscopy and pyrolysis-gas chromatography-mass spectrometry. HMDS (Hexamethyldisilazane) can greatly increase the application range of GC and improve the chromatographic results of silanization of sugars and related substances

HMDS Market size (historical) by key geographies

The Global HMDS market in 2018 was valued at 345 USD Mn with a demand of ~24 KT.

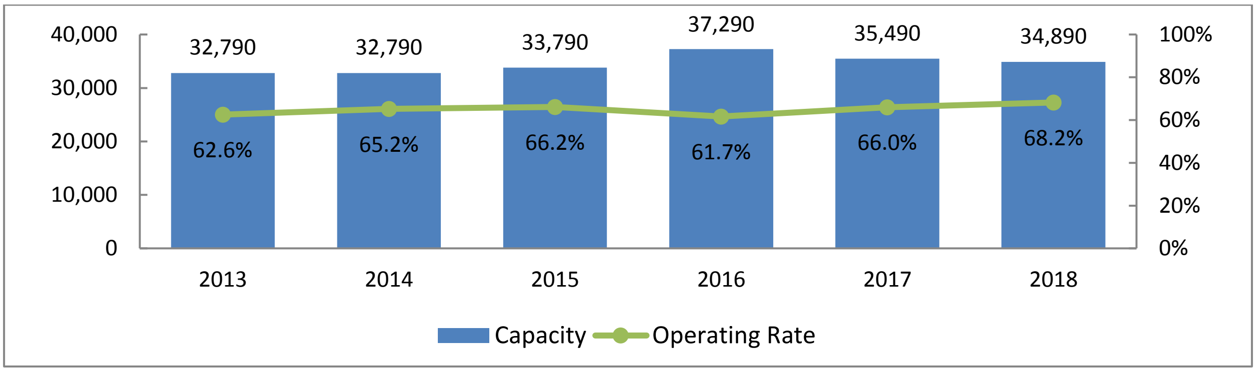
Particulars	2014	2015	2016	2017	2018
Capacity (MT)	32,790	33,790	37,290	35,490	34,890
Production (MT)	21,382	22,360	22,990	23,437	23,800
CIF Price (USD/MT)	4,785	4,407	4,608	5,270	14,505
Value* (USD Mn)	102	99	106	124	345

**Market valuation done at CIF Prices*

- **China currently accounts for 50% of Global HMDS capacity**, thereby paving the way for it being the largest exporter of HMDS in world. *However, the utilization rate of China is considerably low as compared with other regions/countries.* This could be a potential success factor for Chemcon considering the regulatory changes that have been imposed in China.
- Geographically, China accounted for the largest production share of HMDS (42.24%), followed by North America (22.05%), Europe (18.50%), Japan (10.45%), India (6.76%) in 2018.
- North America and Europe are the major consumers of HMDS, together accounting for more than 60% of global HMDS demand.

(a) HMDS Capacity

HMDS Global Capacity (MT) and Utilization Rate (%) Trend, 2013-2018

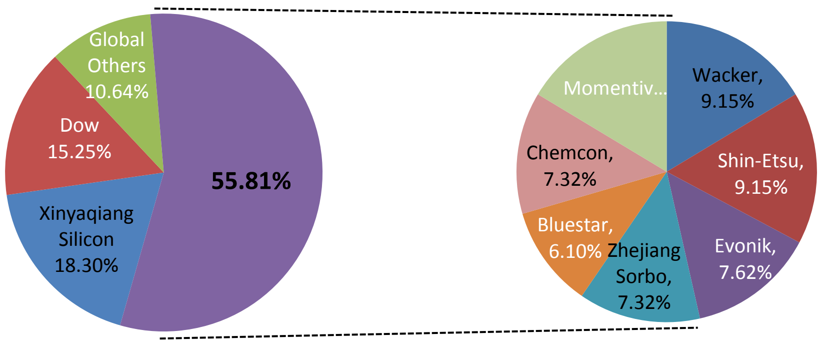


Source: Frost & Sullivan Analysis

Global HMDS Capacity (MT) Split by Region/Country

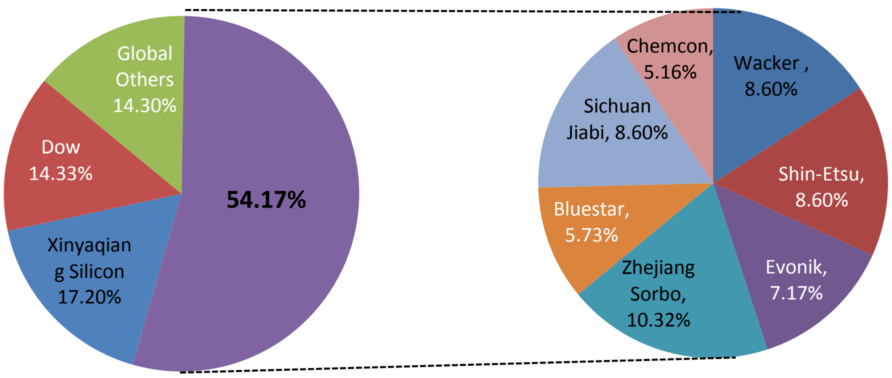
Region/Country	2013	2014	2015	2016	2017	2018
China	11,890	11,890	12,890	16,390	17,590	17,590
North America	10,000	10,000	10,000	10,000	7,000	7,000
Europe	5,500	5,500	5,500	5,500	5,500	5,500
Japan	3,000	3,000	3,000	3,000	3,000	3,000
India	2,400	2,400	2,400	2,400	2,400	1,800
Total	32,790	32,790	33,790	37,290	35,490	34,890

Global HMDS Key Manufacturers Capacity Market Share, 2014



Source: Frost & Sullivan Analysis

Global HMDS Key Manufacturers Capacity Market Share, 2018



Source: Frost & Sullivan Analysis

Xinyaqiang Silicon has the largest capacity of HMDS in the world accounting for ~17% of the total global HMDS capacity. Momentive shut down its HMDS production in 2017, thereby reducing the total global capacity and increasing the global HMDS capacity utilization rate.

Global HMDS Capacity (MT) Split by Manufacturer:

Company	Country	2013	2014	2015	2016	2017	2018
Xinyaqiang Silicon	China	6,000	6,000	6,000	6,000	6,000	6,000
Dow	USA	5,000	5,000	5,000	5,000	5,000	5,000
Zhejiang Sorbo	China	2,400	2,400	2,400	2,400	3,600	3,600
Wacker	Germany	3,000	3,000	3,000	3,000	3,000	3,000
Shin-Etsu	Japan	3,000	3,000	3,000	3,000	3,000	3,000
Sichuan Jiabi	China	--	--	--	3,000	3,000	3,000
Evonik	Germany	2,500	2,500	2,500	2,500	2,500	2,500
Bluestar	China	2,000	2,000	2,000	2,000	2,000	2,000
Chemcon	India	2,400	2,400	2,400	2,400	2,400	1,800*
Momentive	USA	3,000	3,000	3,000	3,000	--	--
Global Others		3,490	3,490	4,490	4,990	4,990	4,990
Total		**32,790**	**32,790**	**33,790**	**37,290**	**35,490**	**34,890**

**Temporary reduction in Capacity due to fire*

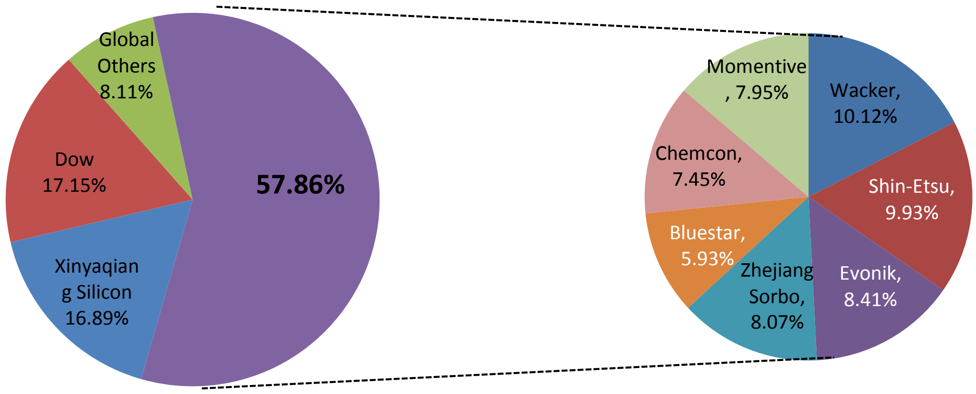
(b) HMDS Production

Global HMDS Production (MT) Split by Region/Country:

Region/Country	2013	2014	2015	2016	2017	2018
China	6,743	7,508	8,533	9,133	9,899	10,380
North America	6,355	6,196	5,784	5,624	5,167	5,212
Europe	3,851	3,961	4,110	4,257	4,336	4,388
Japan	2,059	2,124	2,176	2,386	2,450	2,485
India	1,505	1,593	1,757	1,590	1,585	1,334
Total	**20,513**	**21,382**	**22,360**	**22,990**	**23,437**	**23,800**

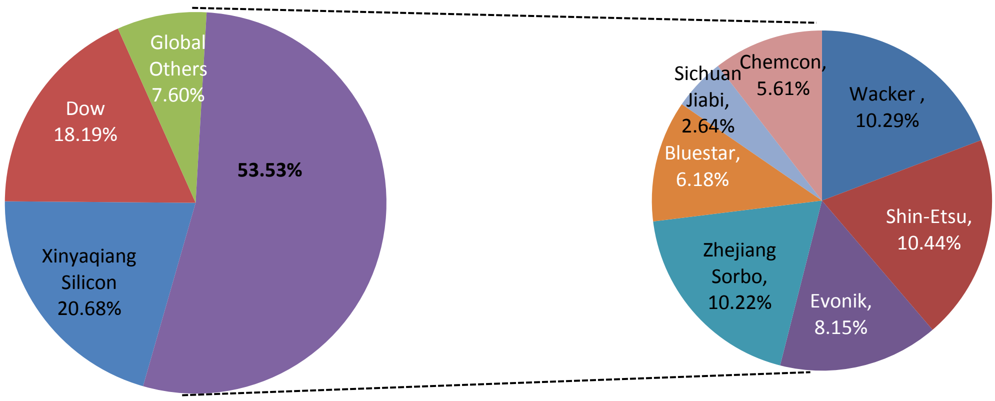
Xinyaqiang Silicon, Dow, Shin-Etsu, Wacker, Chemcon are the major international players in the market of HMDS industry. The reason why these companies dominate the market is their technical know-how, their long-term presence in the market, the relationships they have developed with downstream users over a long period of time and the brand recognition they enjoy.

HMDS Key Manufacturers Production Market Share, 2014



Source: Frost & Sullivan Analysis

HMDS Key Manufacturers Production Market Share, 2018



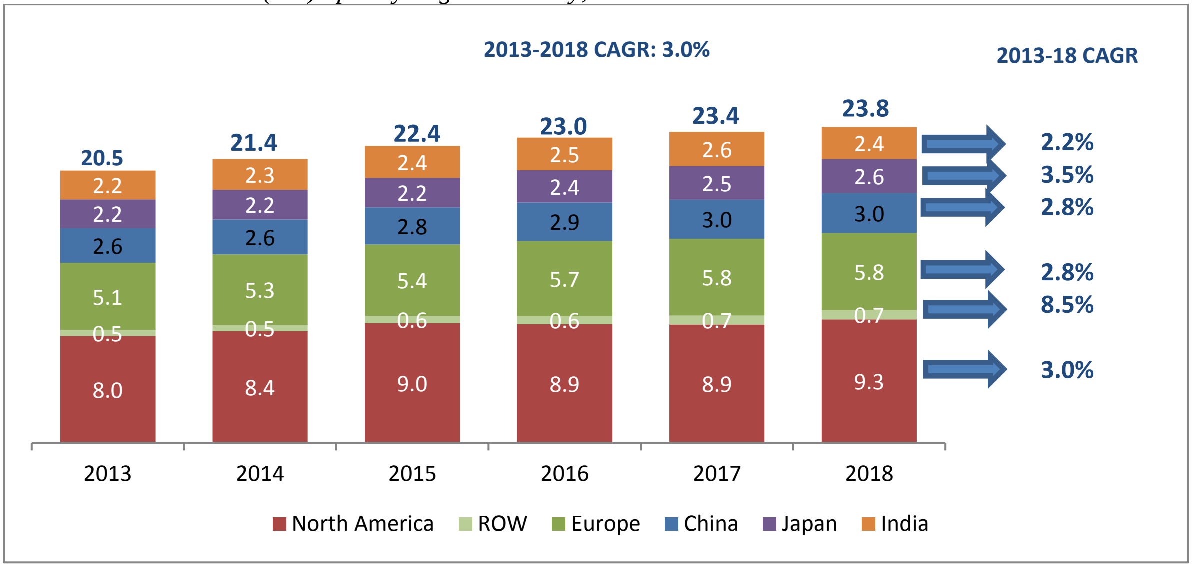
Source: Frost & Sullivan Analysis

Global HMDS Production (MT) Split by Manufacturer

Company	Country	2013	2014	2015	2016	2017	2018
Xinyaqiang Silicon	China	3,395	3,611	4,355	4,639	4,778	4,922
Dow	USA	3,496	3,667	3,854	4,081	4,287	4,330
Shin-Etsu	Japan	2,059	2,124	2,176	2,386	2,450	2,485
Wacker	Germany	2,104	2,163	2,280	2,370	2,419	2,449
Evonik	Germany	1,747	1,798	1,830	1,887	1,917	1,939
Zhejiang Sorbo	China	1,322	1,726	1,960	2,012	2,370	2,431
Chemcon	India	1,505	1,593	1,757	1,590	1,585	1,334
Bluestar	China	1,135	1,268	1,298	1,403	1,458	1,471
Sichuan Jiabi	China	--	--	--	162	364	629
Momentive	USA	2,054	1,700	1,084	677	--	--
Global Others		1,696	1,733	1,766	1,784	1,809	1,808
Total		**20,513**	**21,382**	**22,360**	**22,990**	**23,437**	**23,800**

(c) Regional/Country HMDS Demand [Production + Imports – Exports]

Global HMDS Demand (MT) Split by Region/Country, 2013-2018



Source: Frost & Sullivan Analysis

HMDS Market size by End Use Industry

(a) Key End-Use Applications and Demand Drivers

Pharmaceutical Industry: Hexamethyldisilazane is mainly used as methyl silane alkylation (such as amikacin, penicillin, cephalosporins and kinds of penicillin derivatives), hydroxyl protectants of antibiotics, preparation of 5-azacytidine, an antineoplastic drug, preparation of β3-AR agonists used in anti-stress formulations.

- **Antibiotic Drugs:**

Most of the antibiotic drugs are cheap, off-patent generic medicines which are easily and widely affordable, especially among the low income and lower-middle-income countries. In addition, the generic industries play a major role in the cost reduction of pharmaceutical drugs, which increase the overall higher availability and consumption, worldwide.

Asia-Pacific has observed a trend of increasing antibiotic consumption in countries, such as China and India, having diversified patient population where there is a continuous rise in demand for generic antibiotics. The third and fourth generation broad-spectrum antibiotics, under cephalosporins are consumed heavily in several countries across Southeast Asian countries. These countries are rich with preparations on preclinical and early phase drug candidates in their research laboratories. In countries like Singapore, the government has recently announced a national strategic plan to tackle the antimicrobial resistance. In India, a 5-year strategy for antibiotic resistance was initiated by the Chennai Declaration group. The campaigns and strategic plans are among the national level programs, which raises the awareness in the society and helps private organizations, as well as multinational players to expand in developing countries. Thus, Asia-Pacific countries are expected to generate high opportunities for the growth of the antibiotics market.

The global antibiotics market was valued at about USD 42.8 Bn in 2018, which is estimated to register a CAGR of 4.7%, over the forecast period, 2019 to 2023. Cephalosporins have the largest market share among all antibiotics at ~25% in 2018.

Drug - End Use of HMDS	Drug Description / Application
Cefprozil	Second-generation cephalosporin antibiotic - used to treat bronchitis, ear infections, skin infections and other bacterial infections
Cefadroxil	Antibiotic of the cephalosporin type, effective in Gram-positive and Gram-negative bacterial infections

Drug - End Use of HMDS	Drug Description / Application
Cefaclor	Second-generation cephalosporin antibiotic - used to treat certain bacterial infections such as pneumonia and infections of the ear, lung, skin, throat and urinary tract

- **Anti-viral Drugs:**

The global market for antiviral drugs was worth USD 58.2 Bn in 2018 and is projected to reach a valuation of USD 79.3 Bn by 2023. **The market is estimated to register a ~6.40% CAGR between 2019 and 2023**. The global market for antiviral drugs is expected to gain traction from developed economies, especially from North America. The rising focus of the players on technological advancements and innovations in this field are projected to support the growth of the overall market in the next few years. Several emerging economies, such as China, Japan and India are estimated to offer potential growth opportunities for the market players, thus accelerating the growth of the overall market in the next few years. In addition to this, the rising government support is predicted to enhance the growth of the market in the next few years.

Drug - End Use of HMDS	Drug Description / Application
Sofosbuvir	Direct Acting Antiviral (DAA) medication used as part of combination therapy to treat chronic Hepatitis C
Lamivudine	Antiretroviral medication used to prevent and treat HIV/AIDS. It is also used to treat chronic hepatitis B when other options are not possible. It is effective against both HIV-1 and HIV-2
Emtricitabine	Nucleoside Reverse Transcriptase Inhibitor (NRTI) for the treatment of HIV infection in adults
Efavirenz	Antiretroviral medication used to treat and prevent HIV/AIDS
Gemcitabine	Chemotherapy medication used to treat a number of types of cancer

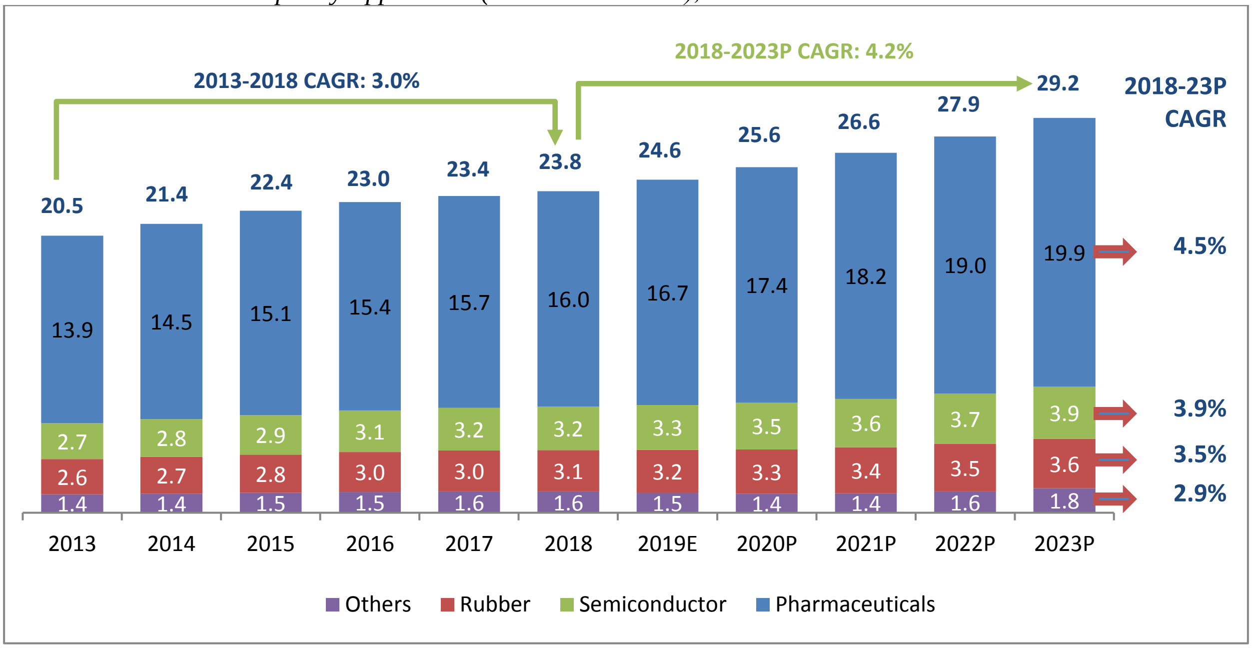
Semiconductor Electronics Industry: HMDS is used heavily in the semiconductor electronics industry as CVD (Chemical Vapor Deposition) /ALD (Atomic Layer Deposition) precursors and photoresist adhesion promoters mainly for ultra-low K dielectrics, low temperature oxides and litho spacers. With the use of HMDS, companies have been able to enable powerful yet small chips inside computers, tablets and smartphones to work better on a consistent basis.

Rubber Industry: Used in vinyl silicone rubber in order to improve the tearing strength.

(b) Global and India HMDS Demand Split by Application:

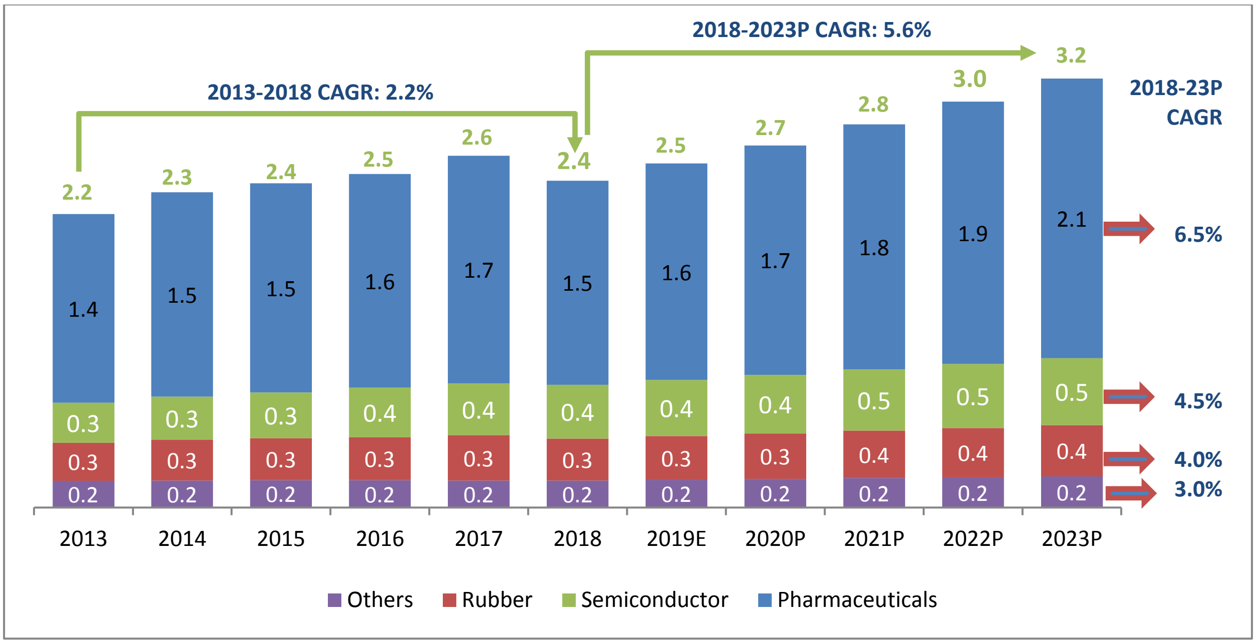
Pharmaceuticals accounts for ~69% of HMDS Global demand. Due to the easy availability of drugs in the region and high healthcare expenditure from both the private and public sector, North America is predicted to contribute largely to the drugs market globally. Apart from that, established players are entering China and India due to high prevalence making the market attractive.

Global HMDS Demand Split by Application (Volume - '000 MT), 2013-2023P



Source: Frost & Sullivan Analysis

India HMDS Demand Split by Application (Volume - '000 MT), 2013-2023P

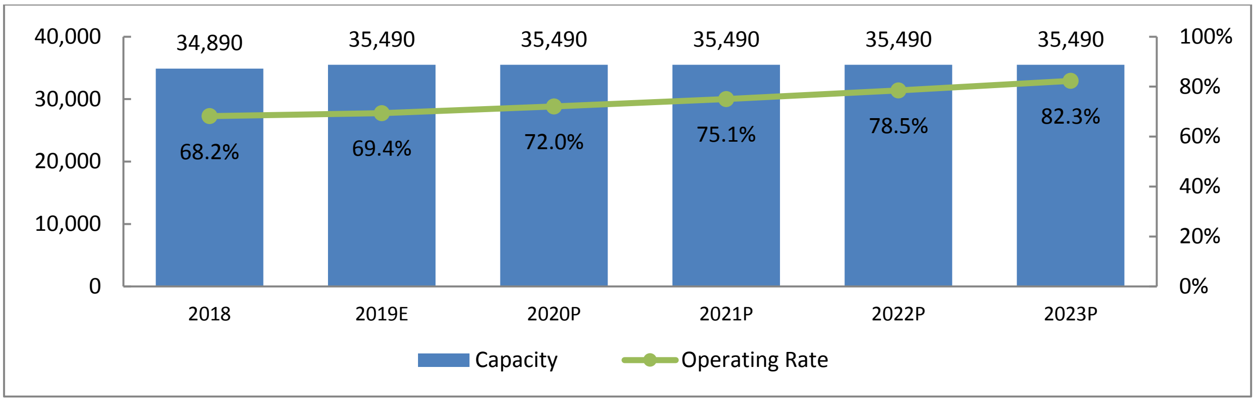


Source: Frost & Sullivan Analysis

HMDS Market Projected growth (5 years) by key geographies

(a) HMDS Capacity Outlook

HMDS Global Capacity (MT) and Utilization Rate (%) Trend, 2018-2023P



Source: Frost & Sullivan Analysis

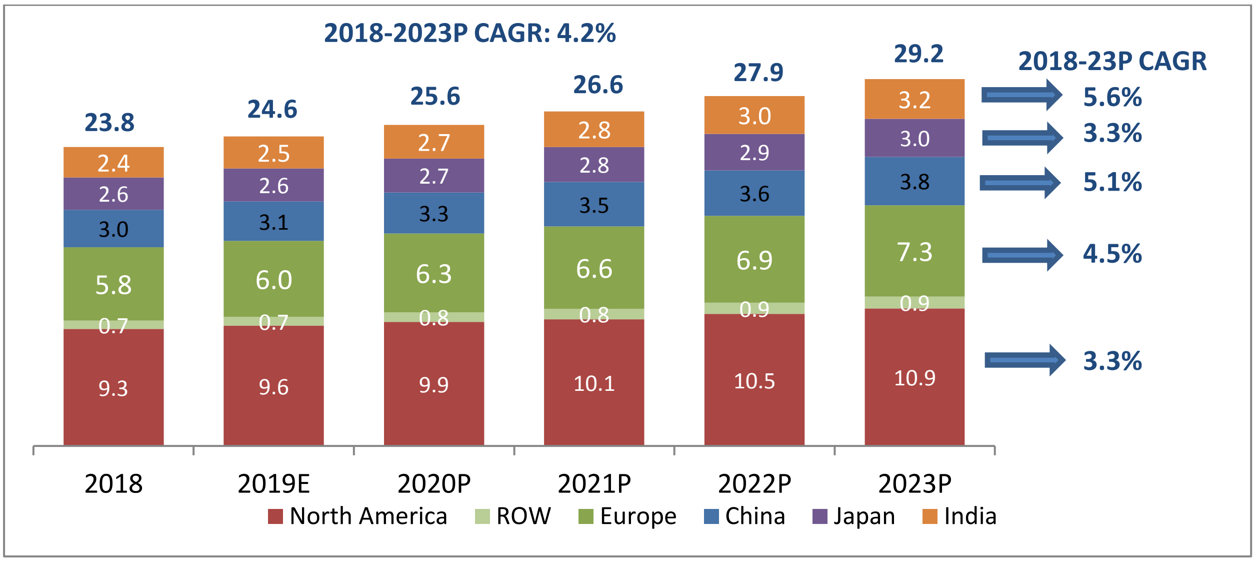
China is currently operating at 59% Capacity Utilization rate while the Global Capacity utilization rate in 2018 was at ~68%.

Going forward, HMDS producing regions are expected to focus on ramping up their production to cater to the increase in global HMDS demand. China will continue to be the major exporter whereas North America and Europe will continue to be the leading consumer markets for HMDS.

(b) Regional/Country HMDS Demand [Production + Imports – Exports]

The HMDS Global Demand is expected to grow at a CAGR of 4.2% through the projected 5 year period. The growth in demand will be driven majorly by the increased customer spending in healthcare segment and growth in use of semiconductors in electronics industry.

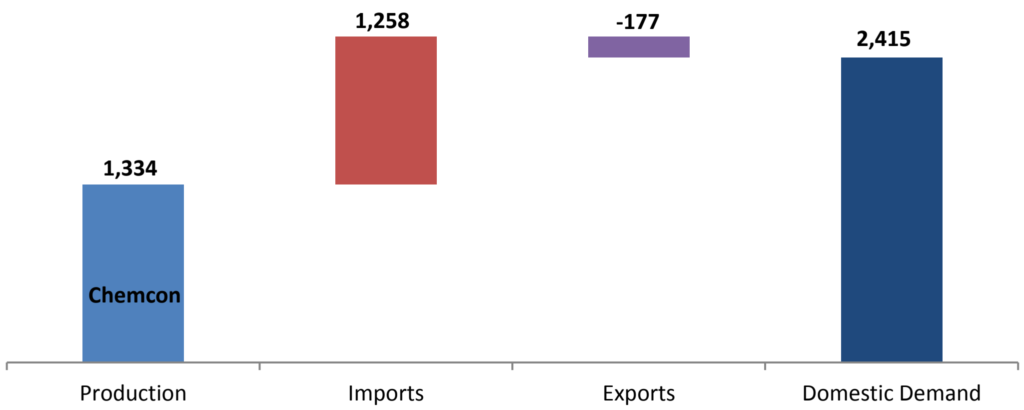
Global HMDS Demand Split ('000 MT) by Region/Country, 2018-2023P



Source: Frost & Sullivan Analysis

Currently, India is a net importer of HMDS**. About 52% of India's current domestic demand is catered by imports majorly from China and Germany.**

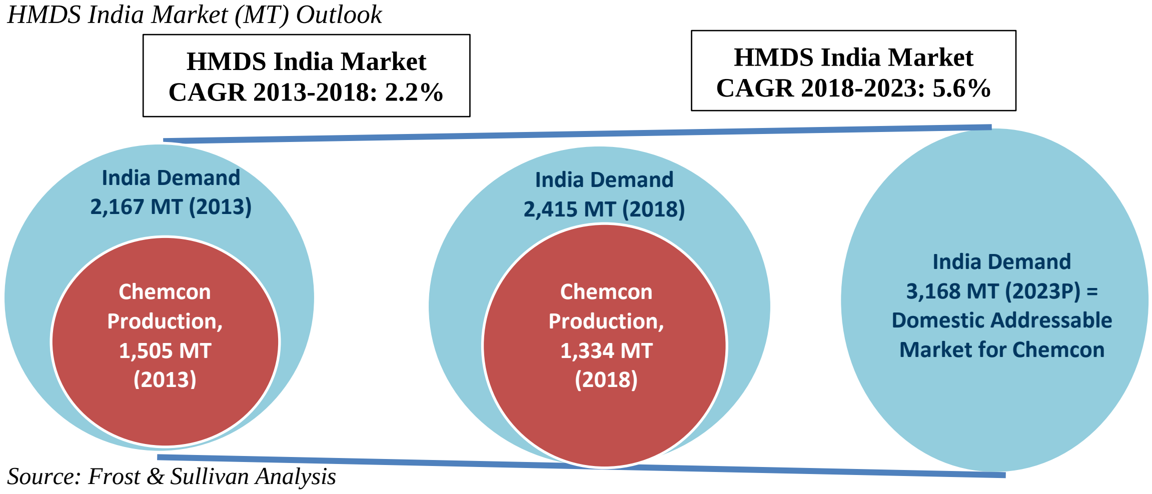
HMDS India Market (MT), 2018



Source: Frost & Sullivan Analysis

India is expected to witness a demand growth of 5.6% CAGR fuelled by increase of end use customers and growing population base who can afford quality healthcare.

HMDS India Market (MT) Outlook



Source: Frost & Sullivan Analysis

Chemcon is the only HMDS manufacturer in India**.** Hence, by substituting imports and catering to India's HMDS market, **Chemcon has an opportunity to grow at a CAGR of ~20% between 2018 and 2023**.

Impact of China and the recent regulatory changes in China

Environmental challenges have become a top concern among Chinese government and legislative organizations. Since the new China Environment Protection Law (EPL) came into effect on January 1st, 2015, the Ministry of Ecology and Environment (MEE) has taken measures to uphold the EPL's basic principles of ensuring public health and enforcing information disclosure. Local governments have followed suit by formulating or updating their own environmental regulations.

In China, companies have experienced the steady tightening of environmental regulatory requirements over the past 3-5 years. This is expected to last until 2020 to ensure the 13th Five-Year Plan targets are met. To remain compliant, companies should upgrade their environmental systems accordingly. Companies with professional environmental management systems, teams and resources will more easily adapt and cope with regulatory changes as well as win future projects.

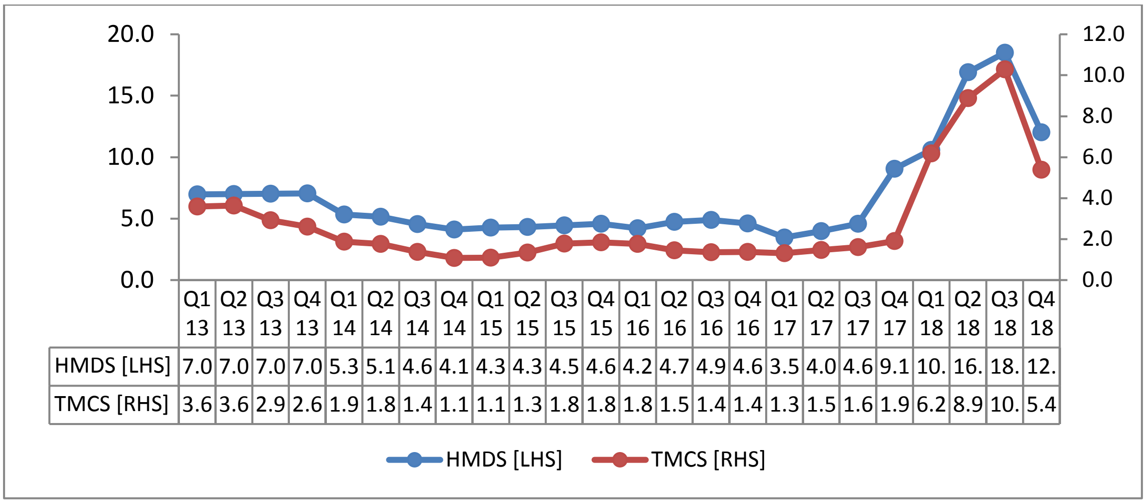
A series of changes in environmental protection policies have led to a sharp rise in raw material prices. It is foreseeable that this situation would not improve for a long time. This may influence China HMDS industry.

Chemcon's production technology in India is absolutely mature. In addition, the US-China dispute may influence China's HMDS exports to the US and may indirectly help India boost its exports. Chemcon has already started supplies to US based on opportunity created due US-China disputes.

Quarterly Price trend of HMDS and Trimethylchlorosilane (TMCS – Key Raw Material)

TMCS, being the key raw material for manufacture of HMDS, influences the HMDS price. The approximate cost for manufacture of HMDS ($/kg) = 1.5 * TMCS Price ($/kg) + 2.5 $/kg (Conversion Cost)

HMDS and TMCS Price (CIF) Trend, $/kg, 2013-2018



Source: Frost & Sullivan Analysis

CMIC MARKET OVERREVIEW

Product Description and Usage / End-Use Industry

Product Overview

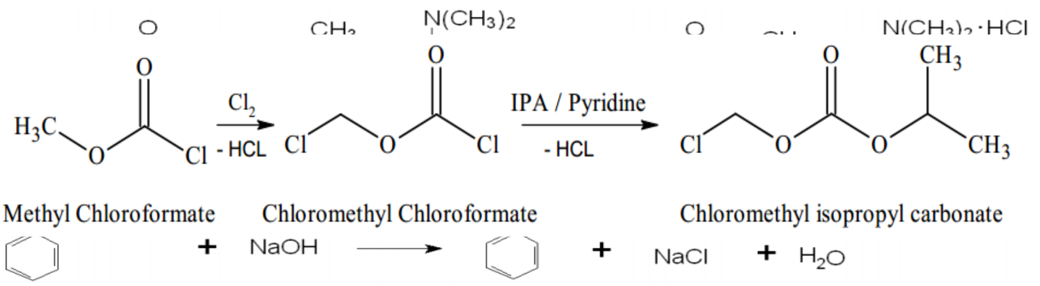
The CMIC (chloromethyl isopropyl carbonate), is also known as chloromethyl (1-methylethyl) carbonate. It belongs to the product category of chemicals used as pharma intermediates.

Chloromethyl isopropyl carbonate is an antiviral drug intermediate product, which is a key intermediate for anti-AIDS and anti-hepatitis B drug Tenofovir. The downstream product of chloromethyl isopropyl carbonate, Tenofovir is a nucleotide antiviral drug developed by Gilead Corporation of the United States.
In 2001, it was approved by the US FDA for the treatment of human immunodeficiency virus (HIV) infection. Because of its precise therapeutic effect, good applicability and appropriate dosage, it is the first-line anti-HIV drug recommended by multiple treatment guidelines. Tenofovir and its combination preparations have become the largest sales of anti-AIDS drugs.

In April and August 2008, the European Union and the US FDA approved Tenofovir for the treatment of hepatitis B (hepatitis B) based on a large number of clinical trial results and were praised by experts as one of the best anti-hepatitis B drugs.

Manufacturing Process of CMIC

Reaction Equation in Manufacturing Process of CMIC



Reaction Equation in Manufacturing Process of CMIC

Applications of CMIC

Application	Description
Chemicals used as pharma intermediates	CMIC is mainly used in pharmaceutical industry as a key intermediate for anti-AIDS anti-hepatitis B drug Tenofovir.
Others	In addition to above applications, CMIC can also be used in synthesis of other antiviral drugs.

CMIC Market size (historical) by key geographies

The Global CMIC market in 2018 was valued at 31 USD Mn with the global demand of ~3.9 KT.

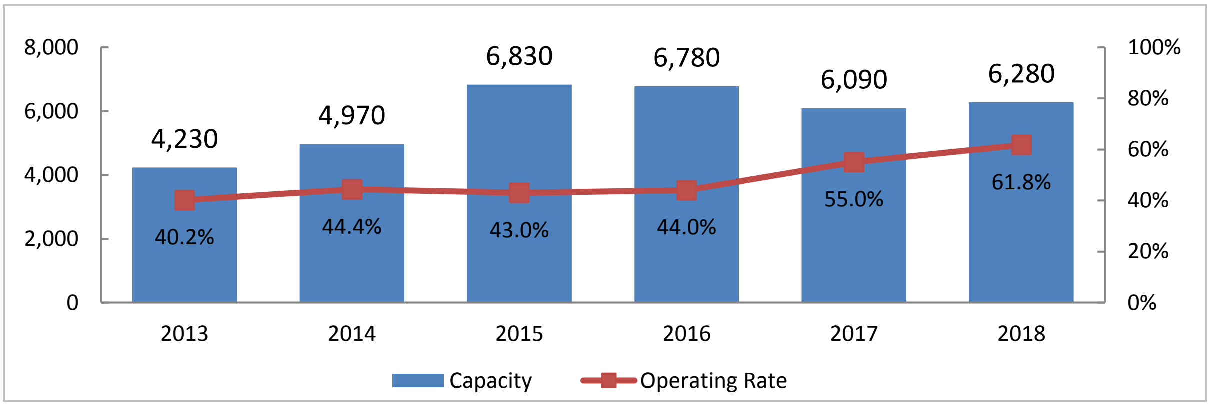
Particulars	2013	2014	2015	2016	2017	2018
Capacity (MT)	4,590	5,090	6,830	6,780	6,330	6,280
Production (MT)	1,700	2,205	2,938	2,985	3,353	3,880
CIF Price (USD/MT)	8,640	8,365	7,585	6,868	6,336	7,903
Value* (USD Mn)	15	18	22	21	21	31

**Market valuation done at CIF Prices*

- Chemcon is one of the leading players in the market of CMIC industry. Other major players are Shanghai Twisun, Inner Mongolia Saintchem, Anshul Specialty, Huangshi Fuertai and Paushak.
- India and China are the only countries that produce CMIC. In 2018, India and China accounted for 45% and 55% of the global production share respectively.
- China is the leading exporter of CMIC, catering majorly to Indian and North American markets.
- India, the largest consumer of CMIC in the world, accounts for ~65% of the global CMIC demand. The market for chemicals used as pharma intermediates in India is expanding day by day. This is mainly due to the fact that people are now turning towards specialty chemicals for the manufacturing of products like medications. In the last few years, India has seen a huge growth in production of chemicals used as pharma intermediates like Chloromethyl Isopropyl Carbonate. In Gujarat alone, the demand for specialty chemicals is huge and companies like CHEMCON are manufacturing these intermediates on a large scale to meet the demand.

(a) CMIC Capacity

CMIC Global Capacity (MT) and Utilization Rate (%) Trend, 2013-2018

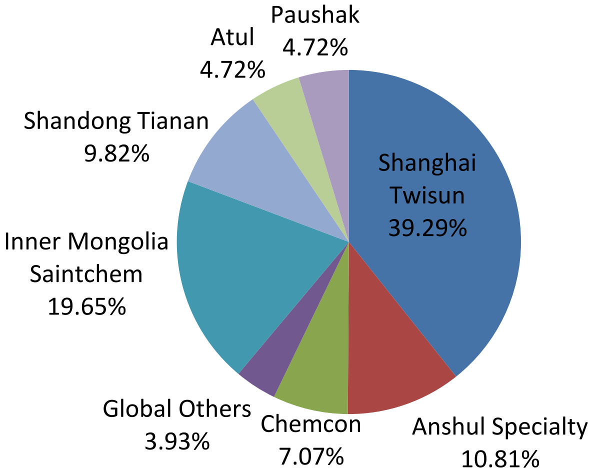


Source: Frost & Sullivan Analysis

CMIC Global Capacity (MT) Split by Region / Country

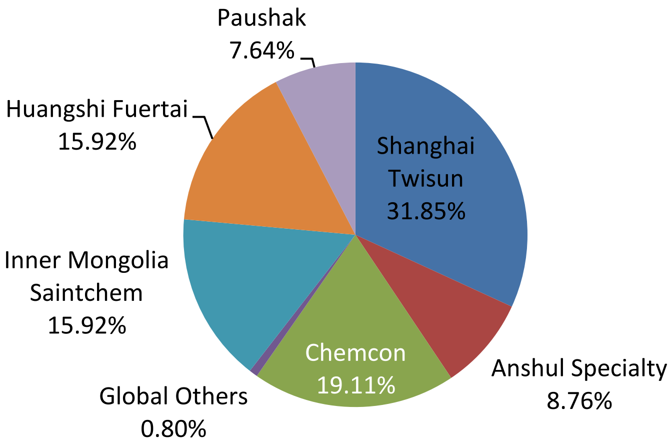
Region/Country	2013	2014	2015	2016	2017	2018
China	3,200	3,700	5,200	5,150	4,100	4,050
India	1,390	1,390	1,630	1,630	2,230	2,230
Total	**4,590**	**5,090**	**6,830**	**6,780**	**6,330**	**6,280**

CMIC Global Key Manufacturers Capacity Market Share, 2014



Source: Frost & Sullivan Analysis

CMIC Global Key Manufacturers Capacity Market Share, 2018



Source: Frost & Sullivan Analysis

CMIC Global Capacity (MT) Split by Manufacturer

Company	Country	2013	2014	2015	2016	2017	2018
Shanghai Twisun	China	2,000	2,000	2,000	2,000	2,000	2,000
Chemcon	India	360	360	600	600	1,200	1,200
Inner Mongolia Saintchem	China	1,000	1,000	1,000	1,000	1,000	1,000
Huangshi Fuertai	China	--	--	1,000	1,000	1,000	1,000
Anshul Specialty	India	550	550	550	550	550	550
Paushak	India	240	240	240	240	240	480
Shandong Tianan	China	--	500	500	500	--	--
Pingyuan Xinda	China	--	--	500	500	--	--
Atul	India	240	240	240	240	240	--
Global Others		200	200	200	150	100	50
Total		**4,590**	**5,090**	**6,830**	**6,780**	**6,330**	**6,280**

To cater to the increasing demand of CMIC, Chemcon expanded its capacity over the past 5 years. The encouraging growth in CMIC demand will create opportunities for new capacity / expansion. Large players are well positioned to capitalise on the increasing demand.

(b) CMIC Production

CMIC Global Production (MT) Split by Region / Country

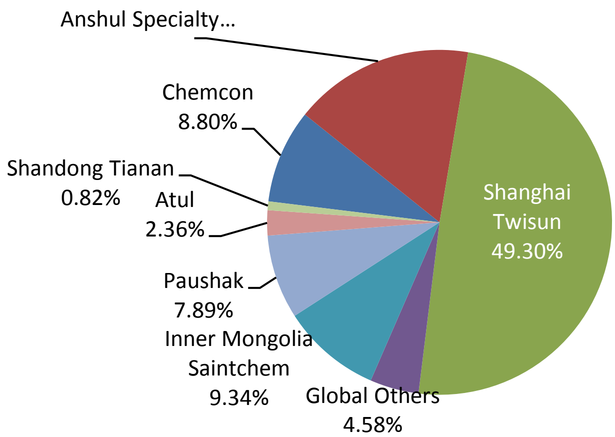
Region/Country	2013	2014	2015	2016	2017	2018
China	1,145	1,412	1,710	1,800	1,862	2,139
India	555	793	1,227	1,186	1,491	1,740
Total	**1,700**	**2,205**	**2,938**	**2,985**	**3,353**	**3,880**

CMIC Global Production (MT) Split by Manufacturer

Company	Country	2013	2014	2015	2016	2017	2018
Shanghai Twisun	China	984	1,087	1,157	1,202	1,252	1,298
Chemcon	India	--	194	590	507	777	1,086
Inner Mongolia Saintchem	China	74	206	338	309	377	574
Anshul Specialty	India	358	373	385	403	422	437
Huangshi Fuertai	China	--	--	22	117	185	251
Paushak	India	166	174	180	188	197	217
Atul	India	31	52	72	87	95	--
Shandong Tianan	China	--	18	69	58	--	--
Pingyuan Xinda	China	--	--	12	34	--	--
Global Others		87	101	112	80	48	16
Total		**1,700**	**2,205**	**2,938**	**2,985**	**3,353**	**3,880**

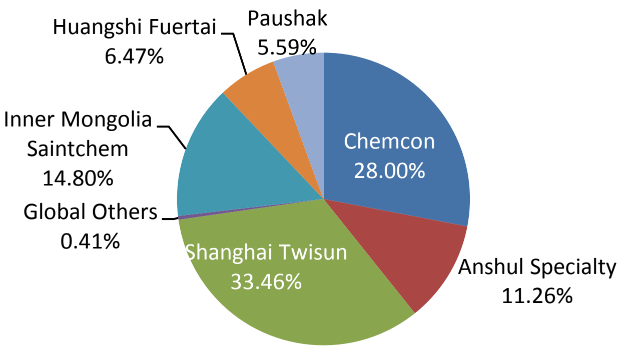
Chinese players - Shandong Tianan and Pingyuan Xinda stopped their CMIC production in 2016, Atul in India stopped its CMIC production in 2017. With consolidation of CMIC manufacturers, the capacity utilization rate over the last 2 years has improved.

CMIC Global Key Manufacturers Production Market Share, 2014



Source: Frost & Sullivan Analysis

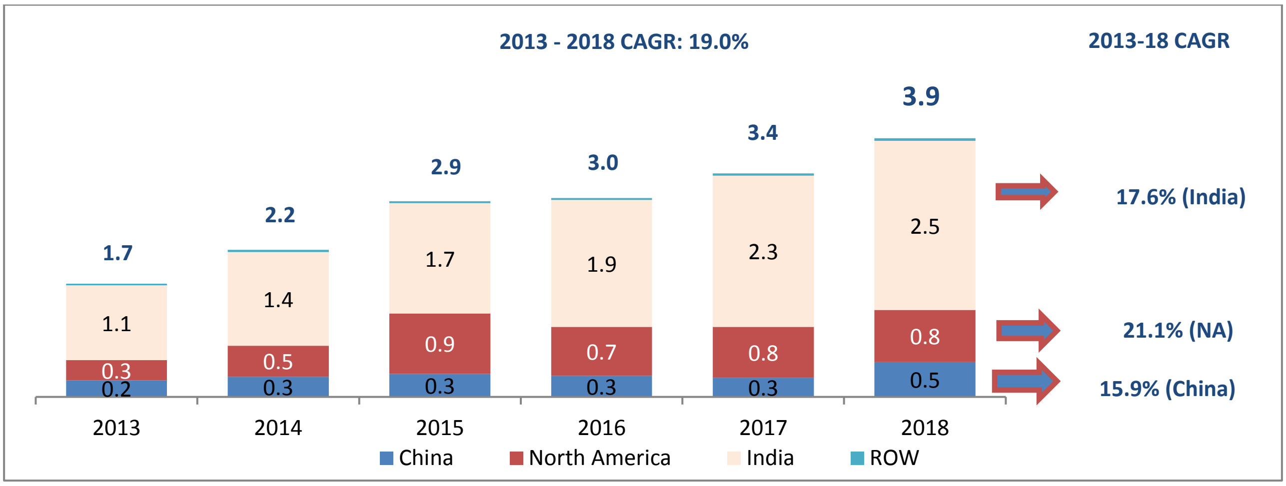
CMIC Global Key Manufacturers Production Market Share, 2018



Source: Frost & Sullivan Analysis

(c) Regional / Country CMIC Demand [Production + Imports – Exports]

CMIC Global Demand ('000 MT) Split by Region / Country, 2013-2018



Source: Frost & Sullivan Analysis

CMIC Market size by End Use Industry

Key End-Use Applications and Demand Drivers

<u>Pharmaceutical Industry – HIV & HBV Intermediate</u> (>99% of CMIC Demand):
Tenofovir is regarded as a revolutionary drug for curing and preventing AIDS/HIV. Tenofovir disoproxil has been used worldwide as an antiretroviral medication and has also proven to be helpful in fighting against another chronic disease named hepatitis B. One of the most important facts that make this medication an important one is the fact that it is on WHOs list of essential medications. CMIC is an important pharma intermediate which is used in the manufacturing of Tenofovir.

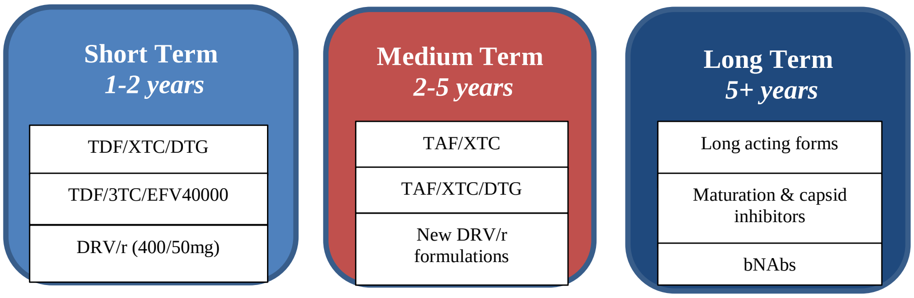
Tenofovir is medically indicated in addition to other antiretroviral medications for the treatment of HIV-1 infection. It is even known to treat paediatric patients that are at least 12 years in age. This medically proven medication is in huge demand nowadays due to the fact that chronic diseases are also becoming very common. This on the other hand has made way for a huge increase in demand for CMIC. Due to this, various CMIC manufacturers have started manufacturing various batches of CMIC to meet the regular demand.

<u>HIV Diagnosis and Treatment Market</u>: The global Human Immunodeficiency Virus (HIV) diagnosis & treatment market is expected to grow at a CAGR of 7.6% during 2018-2023.

According to world health organization (WHO), it is a main global public health issue. In 2017, approximately 36.9 million people were suffering from HIV. The global HIV diagnosis and treatment market is rapidly growing and continuously working on trials for the proper diagnosis followed by treatment. Nearly 21 million adults were on treatment in 2017. The number of adults on ART has more than tripled since 2010 in some LMICs, such as D R Congo, Mozambique, Myanmar, Uganda and Tanzania. At current ART scale-up rates, over 23 million adults in GA LMICs can be expected to be on ART by 2022.

In December 2017, the third Conference on ARV Drug Optimization (CADO3) was held in Johannesburg, South Africa. One of the key outputs from the meeting was a prioritized list of optimized products and formulations desired for treating adults.

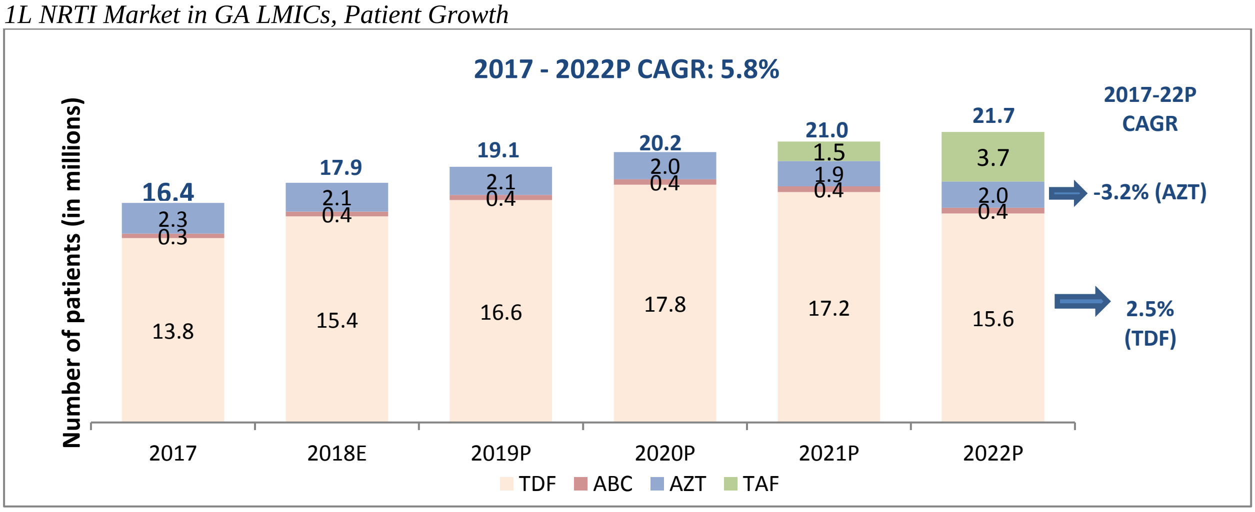
Prioritized List of Optimized Products and Formulations for Adults on ART



Source : CHAI

TAF is a tenofovoir pro-drug that could replace TDF in formulations such as TLD. Interest in TAF is largely based on potential cost savings relative to TDF-based regimens given a lower required dose (TAF 25mg vs. TDF 300mg). Mylan received tentative US FDA approval for its TAF/FTC/DTG (25/200/50 mg) product in Q1 2018, but is expected to be the sole supplier until at least mid-2019.

1L NRTI Market in GA LMICs, Patient Growth



Source: CHAI

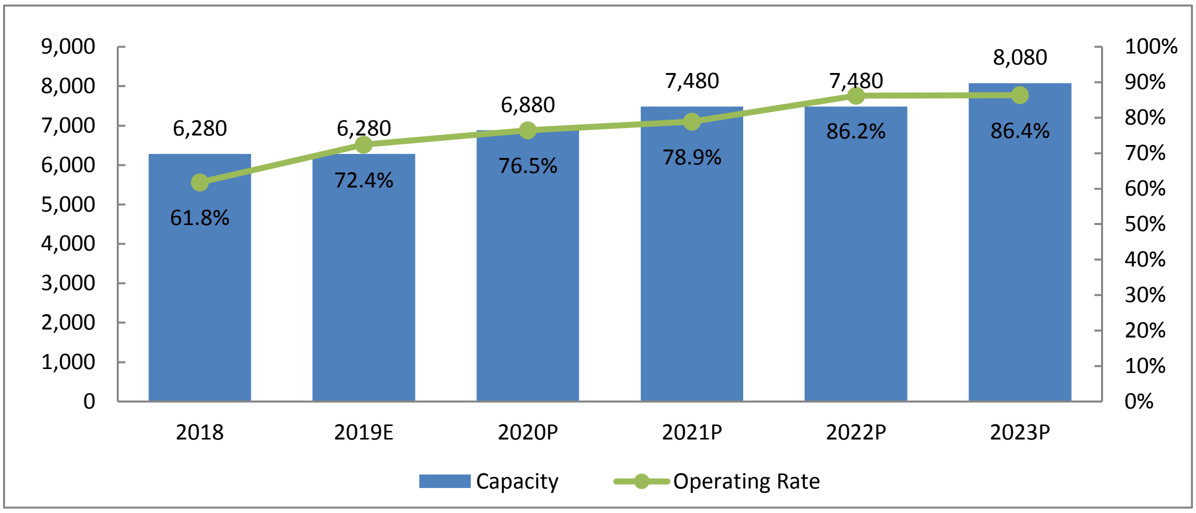
The WHO guidelines currently do not recommend TAF-based regimens for treatment at all, whether as preferred or alternate. Although TAF has been shown to be as effective as TDF, studies on use in some key populations, such as pregnant women, are on-going. Full data to inform WHO review and inclusion in guidelines is not expected until 2020. Thus, uptake of TAF-regimens is only forecasted to begin in 2021

<u>New Developments to increase CMIC consumption</u>: TDF-based oral pre-exposure prophylaxis (PrEP) is a prevention offering for individuals at high risk of infection. Over 350,000 individuals have started oral PrEP globally. A vast majority of these initiations were in the US and other high-income countries (HICs) and primarily in urban settings such as London, New York City and San Francisco. In May 2018, the US FDA approved Truvada (TDF/FTC offering) for adolescents between the ages of 15 and 17, which should help promote access in this key population. Less than two percent of oral PrEP users in the US were 17 years old or younger, with most of this use driven by adolescent girls. LMICs are also building momentum around oral PrEP. As of March 2018, over 50 countries were offering oral PrEP, including LMICs such as Botswana, Kenya, Lesotho, Nigeria South Africa, Uganda, Zambia and Zimbabwe. A benefit of TDF-based oral PrEP is that generic formulations, such as TDF/FTC, are already in supply chains at relatively low prices. Further, generic TDF/FTC has been specifically approved for prevention use in many of these countries to date. **People who use PrEP must commit to taking the drug every day and seeing their health care provider for follow-up every 3 months.**

CMIC Market Projected growth (5 years) by key geographies

(a) CMIC Capacity Outlook

CMIC Global Capacity (MT) and Utilization Rate (%) Trend, 2018-2023P



Source: Frost & Sullivan Analysis

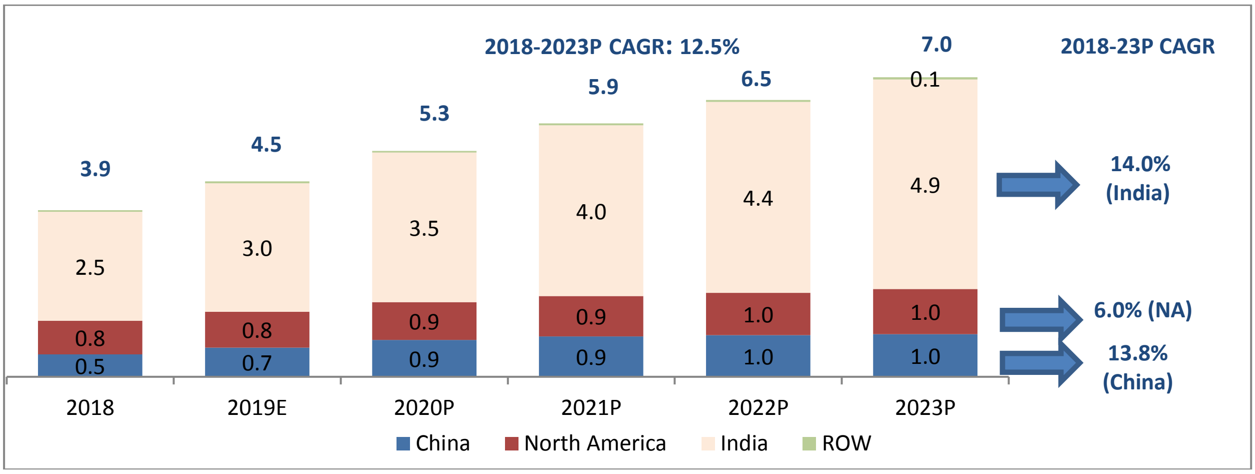
Global Capacity utilization rate in 2018 was at 62%. Going forward, the increase in CMIC demand will enhance the utilization rate of existing capacities and provide opportunities for capacity expansions.

There is an opportunity for Chemcon / Chinese Players (such as Shanghai Twisun) to expand their existing capacity by 2021.

(b) Regional / Country CMIC Demand [Production + Imports – Exports]

The CMIC Global Demand is expected to grow at a CAGR of 12.5% through the projected 5 year period.

CMIC Global Demand ('000 MT) Split by Region / Country, 2018-2023P



Source: Frost & Sullivan Analysis

Currently, India is a net importer of CMIC**. About 50% of India's current domestic demand is catered by imports from China.** Exports majorly consist of Deemed Exports done by Chemcon to Indian Pharmaceutical companies.

CMIC India Market (MT), 2018

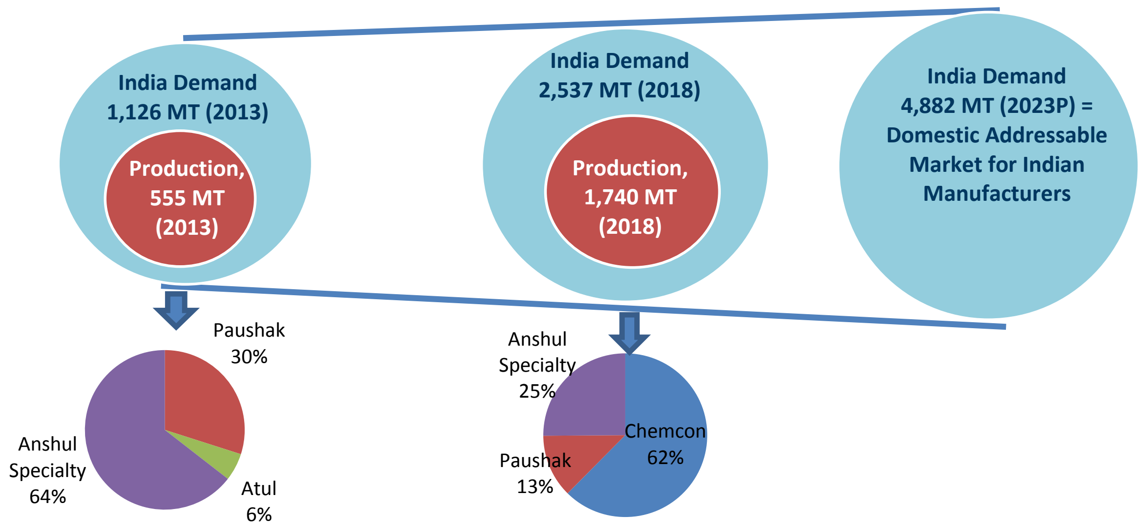
Source: Frost & Sullivan Analysis

Exports include both Physical Exports and Deemed Exports

With HIV & HBV Intermediates helming the important task of saving lives, the future of CMIC looks quite bright in the upcoming years. India, a major CMIC consumer market, is expected to witness a demand growth of 14.0% CAGR.

CMIC India Market (MT) Outlook

India Market CAGR 2013-2018: 17.6%	India Market CAGR 2018-2023: 14.0%



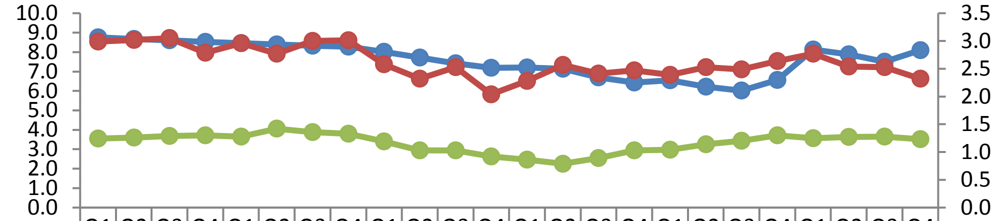
Source: Frost & Sullivan Analysis

Chemcon is the leading CMIC manufacturer in India**. It is well positioned to substitute the imports from China and hence, has an opportunity to grow at a CAGR of more than 25% between 2018 and 2023.**

Quarterly Price trend of CMIC and Key Raw Materials (MCF and IPA)

MCF (Methyl Chloroformate) and IPA (Isopropyl Alcohol) are the key raw materials used for manufacture of CMIC.

CMIC, MCF, IPA Price (CIF) Trend, $/kg, 2013-2018



	Q1 13	Q2 13	Q3 13	Q4 13	Q1 14	Q2 14	Q3 14	Q4 14	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18
CMIC [LHS]	8.8	8.7	8.6	8.5	8.5	8.4	8.3	8.3	8.0	7.7	7.4	7.2	7.2	7.1	6.7	6.4	6.5	6.2	6.0	6.6	8.1	7.9	7.5	8.1
MCF [RHS]	3.0	3.0	3.1	2.8	3.0	2.8	3.0	3.0	2.6	2.3	2.5	2.0	2.3	2.6	2.4	2.5	2.4	2.5	2.5	2.6	2.8	2.5	2.5	2.3
IPA [RHS]	1.2	1.3	1.3	1.3	1.3	1.4	1.4	1.3	1.2	1.0	1.0	0.9	0.9	0.8	0.9	1.0	1.0	1.1	1.2	1.3	1.3	1.3	1.3	1.2

Source: Frost & Sullivan Analysis

OIL WELL COMPLETION CHEMICALS (BROMIDES) OVERVIEW

Description of the different types of Oil Well Completion Chemicals

Well completion is a critical stage in oil well construction and consists of a systematic process that begins with drilling into the oil containing layers, running casing, injecting cement and proceeds through perforation and the running of production string. The well completion string is run as a final step to allow for hydrocarbon flow to the surface. When the hydrocarbon reservoirs have been tested and the oilfield is considered ready for commercial development, the wells that have been drilled and explored need to be completed in order to be able to achieve optimal commercial production. Protecting the hydrocarbon reservoir and prolonging the life of hydrocarbon deliverability are the core targets of well completion.

Oil Well Completion Chemicals are used to complete the well and is normally a salty solution made up of chlorides or bromides. Completion Chemical should be compatible with the innate formation fluids and rock, as other type of fluids (e.g. drilling fluids) can damage the productive zones. In addition to cleaning the wellbore, after the drilling is finished, completion chemical is used to control the pressure down-hole, prior to and while well-completion operations are in progress.

Different types of Oil Well Completion Chemicals are:

- Water-Based Fluids – Drilling muds which contain solids have been modified to be used as completion fluids, as they are relatively economical and easily available.

- Oil-Based Fluids – These fluids are generally selected to protect water sensitive clays against chemical formation damage. Oil-based fluids contain varying amounts of both dissolved and suspended solids. These solids can plug formation pores, for a precipitate, or settle over time. These are less damaging and more expensive than water-based muds.

- Clear Brine Fluids – Clear brine fluids are saline liquids which are used in various oil well drilling completion operations. They are various classes of brines such as bromides, chloride brines and formats. Today, most completion fluids are designed to be solids-free. To achieve the higher density fluid, for deeper, more hostile environments, clear brines have been formulated using inorganic salts. These solids-free clear brines can minimize formation damage yet control reservoir pressures. Density ranges from 8.5 to 19.2 lb./gal.

  The global clear brine fluids market size is primarily driven by increasing product usage in the oil & gas industry. It is widely used in drilling activities and completion processes. These fluids are used in the conventional drilling to control the high-pressure and high-temperature formed in the reservoir and thus reduces the damage risk. Bromides are however popular due to their higher densities and a popular choice as drilling fluids. Sodium Bromide liquid (NABr) and Zinc Bromide Liquid ($ZnBr_2$) are heavily used clear brines for oil well activities. These are stable at surface and downhole conditions and are preferred over traditional drilling muds.

__Historical CapEx incurred on exploring oil well in last 5 years__

Capital expense in global oil production, including Greenfield and Brownfield projects and maintenance, recorded 11% p.a. growth between 2010 and 2014, hitting an all-time high of ~USD 520 billion before the oil price crash. 2 years on, capital expenditure has declined by more than 60% to an estimated ~USD 200 billion in 2016.

The collapse was driven by 2 main factors:

- The reduction in drilling activity for projects deferrals and cancellations as companies struggled to conserve cash
- Lower service costs as oversupply on the services supply side led to 20-50% reductions (e.g., rig rates).

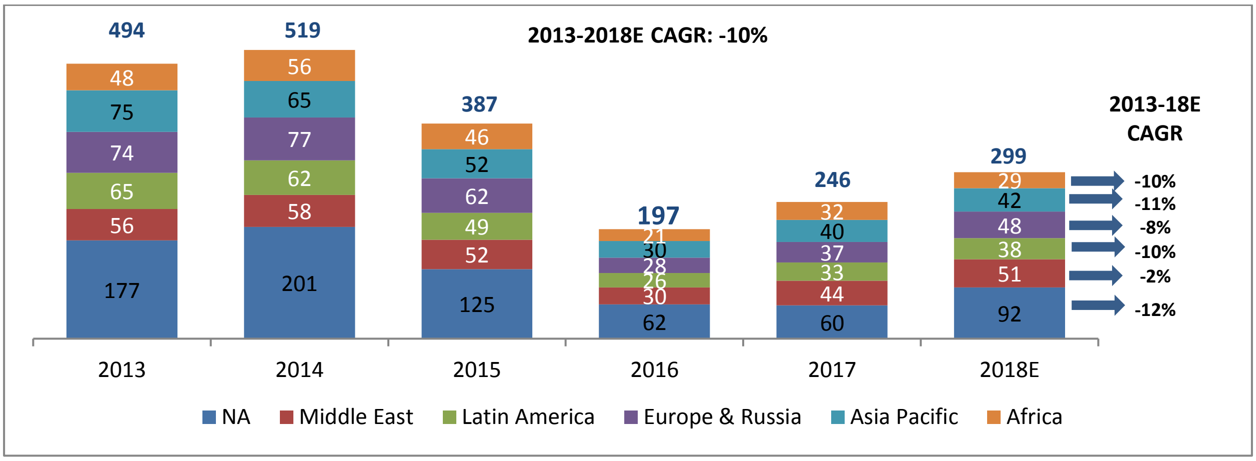
Two-thirds of the oil production CapEx reduction was estimated due to the first driver, while factor costs explained the remaining third. However, this split was not even across all resource types.

The decline in drilling activity was particularly visible in North American light tight oil (LTO) basins where it accounts for almost 80% of the estimated USD 65 billion reductions in development CapEx between 2014 and 2016. The short development cycles of LTO wells allowed producers to respond to the price collapse quickly. The North American horizontal rig count went down by 50% in only 9 months after the price collapse as the LTO producers became some of the first producers to stop drilling new wells.

The effect of the two drivers was closer to 50/50 in offshore capital expense. 3+ year-long development cycles in deep water projects make offshore production relatively inelastic to changes in oil prices in the short term. On the flip side, CapEx deflation/compression affects deep water production CapEx more than onshore as, on average, the share of development CapEx in total cost is higher in deep-water.

During the fourth quarter of 2016, OPEC reversed its loose supply policy and the oil price recovered slightly. This encouraged upstream activity, especially in the US onshore, which reflected in a higher onshore rig count and marked rise in upstream capital expenditure through 2017 and 2018.

Historical Oil Production CapEx, USD Billion, 2013-2018E



Source: McKinsey Energy Insight's Global Liquids and North American supply models, Rystad Energy, Frost & Sullivan Analysis

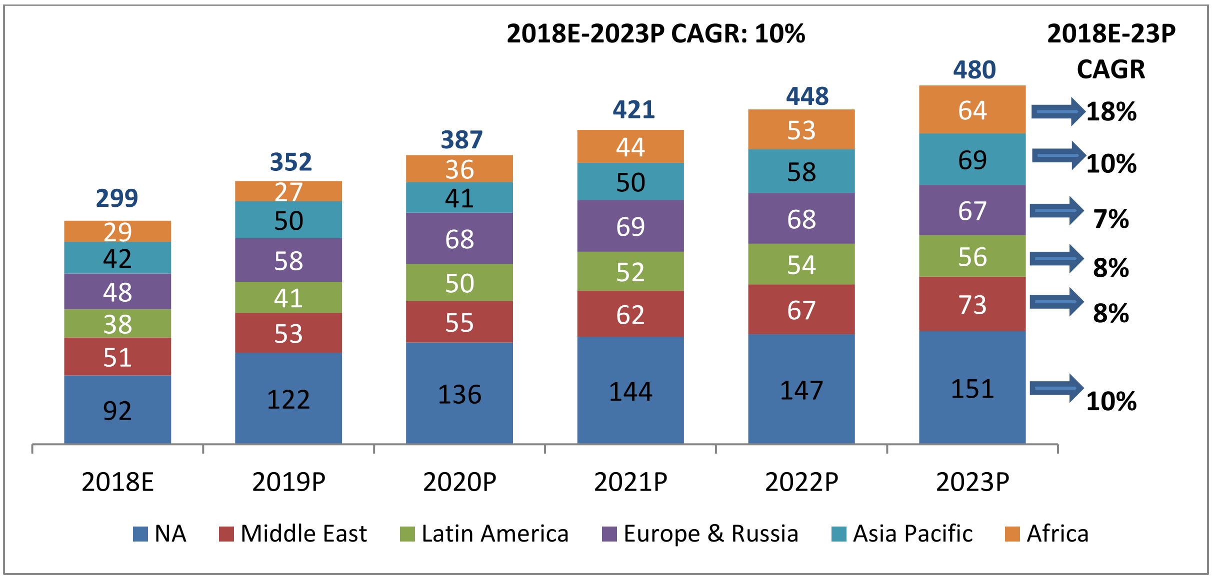
__Estimated CapEx to be incurred on exploring oil wells__

Continued and sufficient upstream investment remains critical to ensuring future supply. Drilling activity levels are expected to rebound to 2014 levels by 2023, except for the US. However, despite growing strongly during the forecast period, global oil production CapEx spending is expected to stay 8% short of 2014 highs and hover around USD 480 billion in 2023. The main reason is cost compression as oil prices are likely to be lower than they were before the price collapse, keeping a lid on rig rates and other factor costs.

Regionally, capital expenditure in oil production in the Middle East will recover the fastest and reach 2014 levels by 2020. Growth in spending is driven by a forecast 10% p.a. increase in drilling activity between 2019 and 2023 reflecting the production growth of OPEC Gulf members, in particular Saudi Arabia, Iran and Iraq. Oil production

CapEx in North America is expected to grow during the forecast period. This is driven mostly by a rebound in LTO accounting for 80% of the total increase in USD terms, whereas oil sands and conventional spending growth stays relatively low. On the deep-water side, oil production CapEx in both Africa and Latin America will catch up with 2014 levels towards the end of the forecast period. Capex in Angola and Nigeria deep water developments will nearly double between 2016 and 2021 from USD4 billion to USD8 billion in both countries. Mexico is expected to drive the majority of the deep water capital spending growth in Latin America. Brazil, on the other hand, is expected to grow at a slower pace - drilling activity to be lower than previously expected due to Petrobras cash constraints and serious FPSO delays in pre-salt projects.

Projected Oil Production CapEx, USD Billion, 2018E-2023P



Source: McKinsey Energy Insight's Global Liquids and North American supply models, Rystad Energy, Frost & Sullivan Analysis

Specific Product Description and usage - Sodium Bromide, Zinc Bromide and Calcium Bromide

Sodium Bromide liquid (NaBr): The salt is used alone or in a combination with sodium chloride or zinc bromide to form clear workaround and drilling fluids with densities of 8.4-12.5 lbs./gal. Non-damaging to the formation, it can be mixed with other solutions of bromide and chlorides. It is especially useful when used in formations that are known to have sensitivity towards calcium. When chloride ion is not desirable and when calcium may not be the preferred choice. It is extensively used in situations where formation of waters contains high levels of sulphate or carbonate that may precipitate with the calcium ion.

Zinc Bromide liquid (ZnBr2): It is a clear, solid-free brine fluid with minimum density of 19.2 lbs./gal. It can be used with other bromides and chlorides to prepare non-damaging liquids with densities ranging from 15.1 lbs./gal to 19.2 lbs./gal.

Both, NaBr and $ZnBr_2$ can be used as single-salt brines or can be mixed with other bromides and chlorides to form better brines as required. Amongst the popular multi-salts prepared, the blend of Zinc Bromide and Calcium Bromide ($CaBr_2$) and Sodium Bromide and Sodium Chloride (NaCl) are popular blends used to form excellent drilling, completion and packer fluids.

Calcium Bromide (CaBr2): Calcium bromide 52% solution is used as a completion and work-over fluid to control wellbore pressures in upstream oil & gas operations. However, in addition to this, the salt can very well be used individually or in collaboration with other salts viz: calcium chloride and zinc chloride for a clear and solid free fluid based on various crystallization temperatures and densities. It is also used in oil drilling, completion, work over and other operations that are associated with chemical cutting fluid. The main advantage is to avoid pollution of the oil bearing.

Zinc Bromide / Calcium Bromide Blend: It is a clear, solids free brine fluid of 19.2 lbs./gal density, with 53-58% $ZnBr_2$ and 20.0-23.0% $CaBr_2$. It can be blended with other solutions containing bromides and chlorides. This blend is used primarily when higher densities are required.

Sodium Chloride/Sodium Bromide Blend: It is a clear brine fluid that is formulated to meet and crystallization temperature requirements and individual density, covering the density range from 8.4 lb./gal to 12.7 lb./gal. This blend is often used when the calcium ion is not desirable and costs are a concern, as it is less expensive than pure sodium bromide brines.

Geographical Distribution of Oil Wells

Bromides find most of their applications in Medium Pressure and High pressure/high temperature (HP/HT) wells. HP/HT wells are those where the undisturbed bottom hole temp at prospective reservoir depth or total depth is greater than 300°F or 150°C and either the maximum anticipated pore pressure of any porous formation to be drilled through exceeds a hydrostatic gradient of 0.8 psi/ft., or a well requiring pressure control equipment with a rated working pressure in excess of 10,000 psi

High-pressure, high-temperature fields exist in the Gulf of Mexico, North Sea, Southeast Asia, Africa and the Middle East.

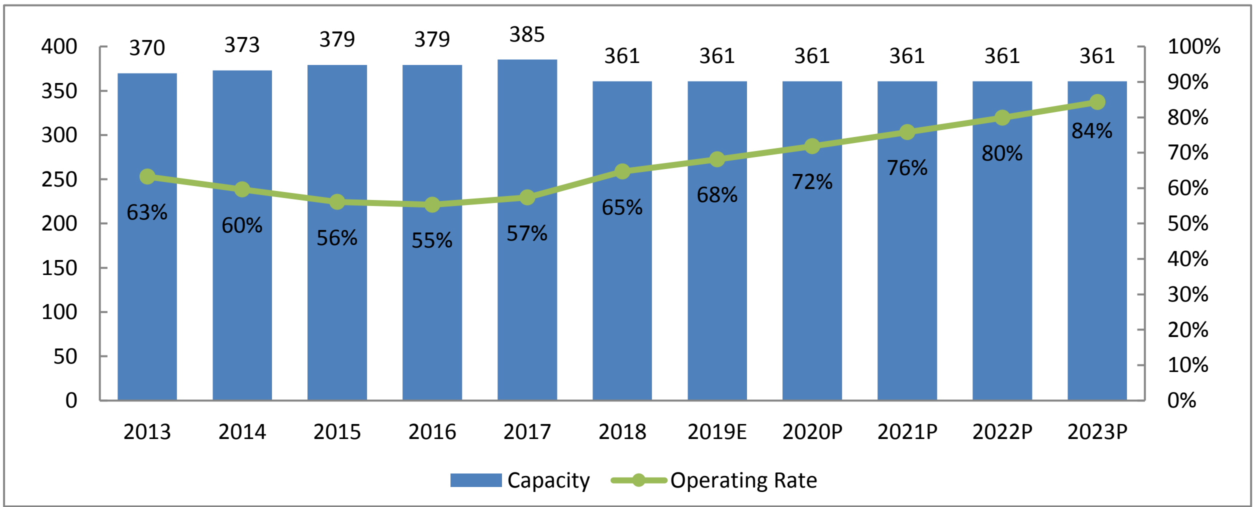
Oil Well Completion Chemicals (Bromides) Market

The Global market for Bromides (Calcium, Sodium, Zinc) used as Oil Well Completion Chemicals in 2018 was valued at 397 USD Mn with the global demand of 233 KT.

	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2023P**
Calcium Bromide (KT)	120	115	111	112	118	125	164
Sodium Bromide(KT)	96	90	86	82	86	91	118
Zinc Bromide (KT)	18	17	16	15	16	17	22
Total Bromides (KT)	**234**	**222**	**213**	**210**	**221**	**233**	**304**
Total Bromides (USD Mn)	**339**	**319**	**301**	**299**	**321**	**397**	**517**

Established global behemoths like Israel Chemical Ltd. (ICL), Albemarle Corporation, Chemtura Corporation, TETRA etc. wield a substantial control over the bromides market, worldwide. Their dominant position is a result of their massive manufacturing capacities and significant geographical outreach. Armed with substantial technological and financial resources, the companies have been nimbly adapting to various market changes. In order to bolster their positions further, these companies have been leveraging astute pricing policies and product development.

Bromides Global Capacity ('000 MT) and Utilization Rate (%) Trend, 2013-2023P

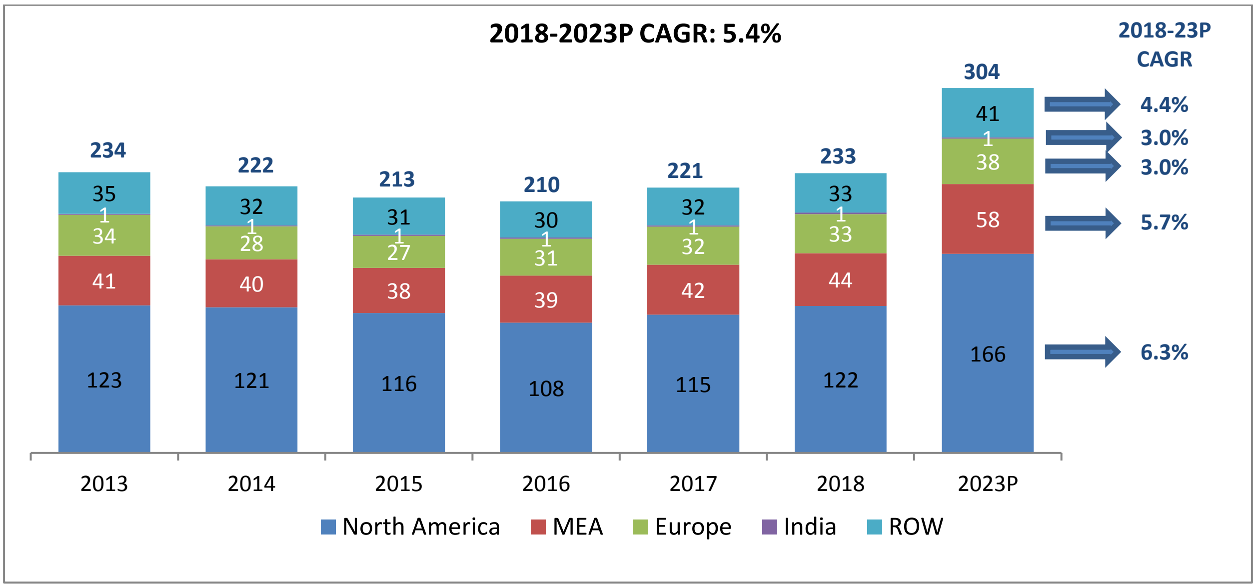


Source: Frost & Sullivan Analysis

China's largest bromine producer Gulf Resources Inc. (GURE) and smaller competitors were ordered to idle all bromine operations in Shandong Province in 4Q 2017 for environmental and safety rectification.

North America has captured major bromines and its derivative market share owing huge product demand in the U.S. market. The country has also emerged as major bromine and its derivatives producer and consumer

Bromides Global Demand (‘000 MT) Split by Region/Country, 2013-2023P



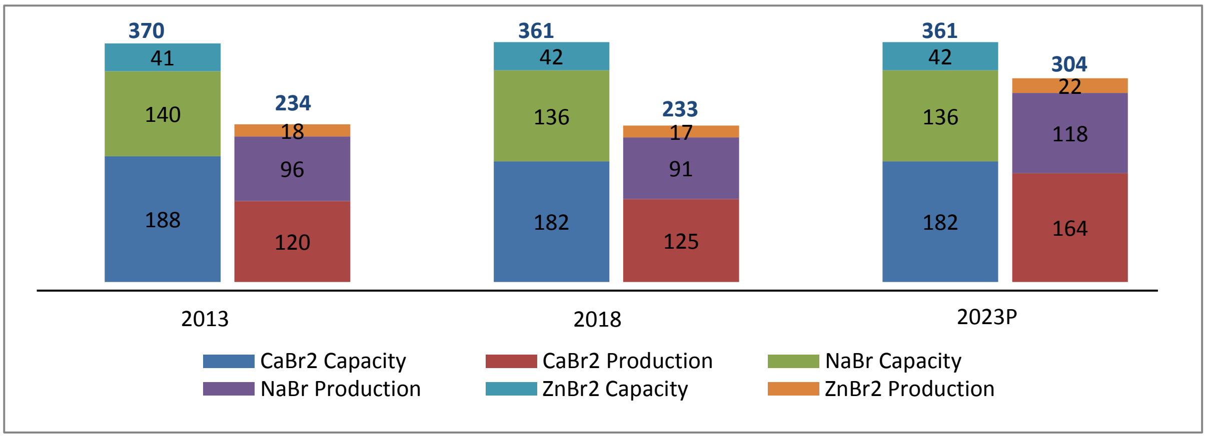
Source: Frost & Sullivan Analysis

With oil and gas drilling activities showing little signs of slowing down in the near future, despite over-supply, the segment is slated to clock continued growth as they are used in the completion process of oil and gas extraction. The segment is expected to register a CAGR of 5.4% from 2018 to 2023.

Bromides Market by Product Type: Key players, their capacities and market share

(a) *Calcium* Bromide/Sodium Bromide/Zinc Bromide Capacity

Bromides Global Capacity (‘000 MT) and Production (‘000 MT) Trend; 2013, 2018, 2023P



Source: Frost & Sullivan Analysis

Calcium/Sodium/Zinc Bromide Global Capacity (‘000 MT) Split by Region/Country, 2018 –

Region/Country	CaBr2 (52%)	NaBr (45%)	ZnBr2 (70%)	Total
North America	64	36	26	126
Israel	50	38	10	98
Jordan	40	20	--	60
Europe	10	22	5	37
India	12	11	1	24
China	6	10	--	16

Region/Country	CaBr2 (52%)	NaBr (45%)	ZnBr2 (70%)	Total
Total	**182**	**136**	**42**	**361**

Israel Chemicals Ltd. (ICL) – Plants in Israel (Liquid Bromides) and Netherlands (Solid Bromides)

- Israel**:** Produces 52% $CaBr_2$ 14.2 lbs./gal, 45% NaBr 12.5 lbs./gal and $ZnBr_2$ 19.2 lbs./gal
- Netherlands**:** Produces only solid NaBr (98%) and solid $CaBr_2$ (95%) in Terneuzen

Albemarle Corporation – Plants in USA and Jordan (Liquid Bromides), China (Solid Bromides)

- USA: Produces 52% $CaBr_2$ 14.2 lbs./gal, 45% NaBr 12.5 lbs./gal and $ZnBr_2$ 19.2 lbs./gal in Magnolia, Arkansas.
- Jordan: Produces 52% $CaBr_2$ 14.2 lbs./gal and 45% NaBr 12.5 lbs./gal in Jordan. Doubled bromine and clear brines plant capacity 2012-2013.
- China: Produce solid NaBr (98%) and solid $CaBr_2$ (95%) at their Shandong Sinobrom Albemarle Bromine Chemicals Co., Ltd. JV in Weifang City, Shandong.

LANXESS (Chemtura) – Chemtura was formed in July, 2005 from merger of Crompton and Great Lakes Chemical Corporation (GLK); LANXESS acquired Chemtura in April, 2017. Location of plants:

- USA: Produces 52% $CaBr_2$ 14.2 lbs./gal, 45% NaBr 12.5 lbs./gal and $ZnBr_2$ 19.2 lbs./gal
- Germany: Produces 70% $ZnBr_2$ 19.2 lbs./gal via their Leverkusen facility (former Saltigo plant), as purified by-product from agricultural chemical product production.

TETRA: Produces 52% $CaBr_2$ 14.2 lbs./gal, 45% NaBr 12.5 lbs./gal and ZnBr2 19.2 lbs./gal in West Memphis, Arkansas. Sources Bromine from LANXESS El Dorado, Arkansas under long-term bromine supply contract

PPC S.A.S. (Weylchem): Produces 98-99% NaBr powder at their plant in Thann, France (former Albemarle plant), using bromine from ICL-Israel and/or Albemarle-Jordan

In India, Chemcon is the major manufacturer of Bromides ($CaBr_2$, NaBr, $ZnBr_2$). Agrocel and OC Specialties are the other manufacturers of $CaBr_2$ and NaBr respectively in India.

Calcium/Sodium /Zinc Bromide Global Capacity ('000 MT) Split by Key Manufacturer, 2018 –

Company	Country	CaBr2 (52%)	NaBr (45%)	ZnBr2 (70%)	Total
ICL	Israel	50	38	10	98
ICL	Netherlands	10	10	--	20
Albemarle	Jordan	40	20	--	60
Albemarle	USA	19	25	10	54
Albemarle	China	6	10	--	16
LANXESS (Chemtura)	USA	25	6	6	38
LANXESS (Chemtura)	Germany	--	--	5	5
TETRA	USA	20	5	10	35
PPC (Weylchem)	France	--	12	--	12
Chemcon*	India	9	5	1	14
Agrocel	India	4	2	--	5
OC Specialties	India	--	5	--	5
Total		**182**	**136**	**42**	**361**

**Chemcon Bromides Capacity of 14.4KT is common for Calcium, Sodium and Zinc Bromide*

(a) Calcium Bromide/Sodium Bromide/Zinc Bromide Production

Calcium/Sodium/Zinc Bromide Global Production ('000 MT) Split by Region/Country –

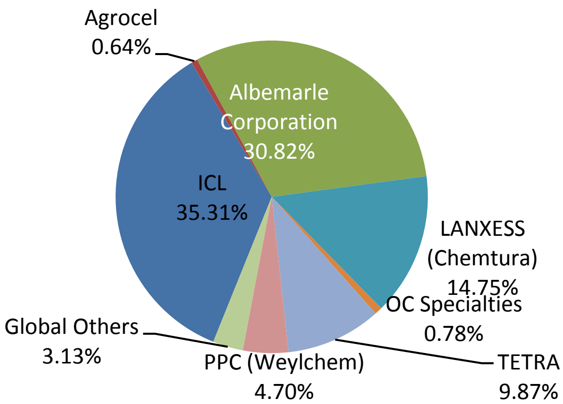
Region/Country	2013				2018			
	CaBr2 (52%)	NaBr (45%)	ZnBr2 (70%)	Total	CaBr2 (52%)	NaBr (45%)	ZnBr2 (70%)	Total
North America	48	30	12	89	50	29	11	90

Region/Country	2013				2018			
	CaBr2 (52%)	NaBr (45%)	ZnBr2 (70%)	Total	CaBr2 (52%)	NaBr (45%)	ZnBr2 (70%)	Total
Israel	40	32	1	72	40	30	1	71
Jordan	21	11	--	32	20	10	--	30
Europe	5	17	5	27	5	15	5	25
India	1.5	1.8	--	3.3	8.1	5.0	0.1	13.2
China	7	5	--	11	2	2	--	4
Total ('000 MT)	**120**	**96**	**18**	**234**	**125**	**91**	**17**	**233**
Value (USD Mn)	**172**	**125**	**42**	**339**	**225**	**122**	**51**	**397**

Calcium/Sodium/Zinc Bromide Global Production ('000 MT) Split by Key Manufacturers –

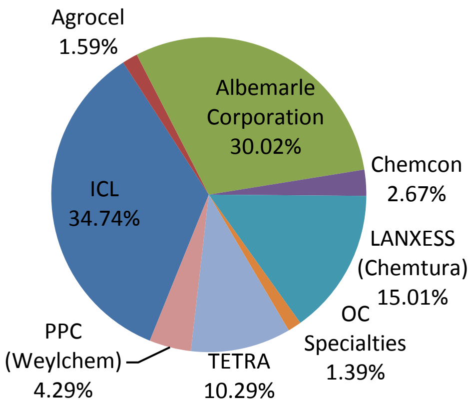
Company	2013				2018			
	CaBr2 (52%)	NaBr (45%)	ZnBr2 (70%)	Total	CaBr2 (52%)	NaBr (45%)	ZnBr2 (70%)	Total
ICL	44	38	1	83	45	35	1	81
Albemarle Corporation	37	34	1	72	37	32	1	70
LANXESS (Chemtura)	19	5	11	35	20	5	10	35
TETRA	14	4	5	23	15	4	5	24
PPC (Weylchem)	--	11	--	11	--	10	--	10
Chemcon	--	--	--	--	5.6	0.5	0.1	6.2
Agrocel	1.5	--	--	1.5	2.5	1.2	--	3.7
OC Specialties	--	2	--	2	--	3	--	3
Global Others	5	2	--	7	--	--	--	--
Total	**120**	**96**	**18**	**234**	**125**	**91**	**17**	**233**

Bromides ($CaBr_2$, NaBr, $ZnBr_2$) - Global Key Manufacturers Production Market Share, 2013



Source: Frost & Sullivan Analysis

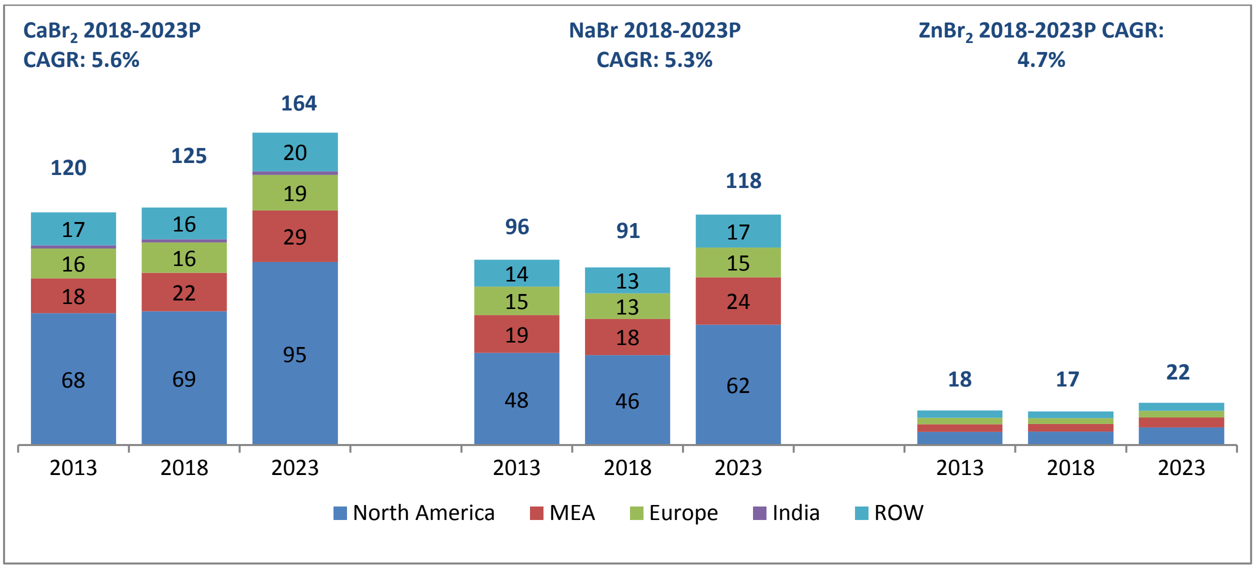
Bromides (CaBr2, NaBr, ZnBr2) - Global Key Manufacturers Production Market Share, 2018



Source: Frost & Sullivan Analysis

(b) Regional/Country-wise Bromides Demand [Production + Imports – Exports]

Bromides Global Demand (‘000 MT) Split by Region/Country, 2013-2023P



*Rest of the World (ROW) demand comprises majorly Bromides demand from South America, Russia

Source: Frost & Sullivan Analysis

India is a net exporter of Bromides. Chemcon is the leading manufacturer of $CaBr_2$ and $ZnBr_2$ whereas OC Specialties is the leading manufacturer of NaBr.

Calcium/Sodium/Zinc Bromide India Production (‘000 MT) Split by Key Manufacturers –

Company	2013				2018			
	CaBr2 (52%)	NaBr (45%)	ZnBr2 (70%)	Total	CaBr2 (52%)	NaBr (45%)	ZnBr2 (70%)	Total
Chemcon	--	--	--	--	5.6	0.5	0.1	6.2
Agrocel	1.5	--	--	1.5	2.5	1.2	--	3.7
OC Specialties	--	1.8	--	1.8	--	3.3	--	3.3
Total - India	**1.5**	**1.8**	**--**	**3.3**	**8.1**	**5.0**	**0.1**	**13.2**

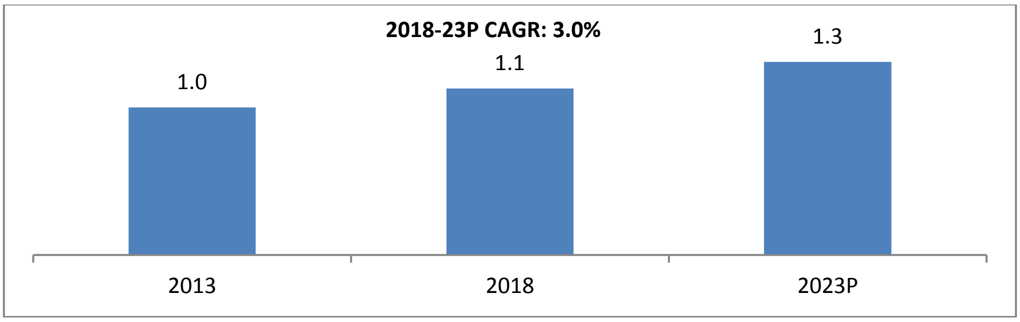
India Trade Flows: Imports and Exports

<u>$CaBr_2$</u>: Chemcon and Agrocel export their production majorly to MEA, NA and Asia Pacific regions. India's demand of about 1.1 KT of $CaBr_2$ (52%) in 2018 constitutes majorly of imports by companies such as Baker Hughes and Halliburton.

<u>NaBr</u>: OC Specialties exports its entire production, Middle East is its major export market.

<u>$ZnBr_2$</u>: Chemcon, the only manufacturer of $ZnBr_2$ in India, exports majorly to Middle East.

Calcium Bromide (52%) India Demand ('000 MT), 2013-2023P



Source: Frost & Sullivan Analysis

Indian manufacturers can benefit from the growth in global demand of Bromides and target to enhance export sales and explore potential export markets to fuel their growth.

Impact of Shale Gas on Oil Well Exploratory Activity and on the demand for Bromides

Shale gas is an unconventional natural gas explored from shale rocks or deposits underneath earth through multistage hydraulic fracturing and horizontal drilling. The major drivers for shale gas market are identified as proved abundance of shale gas resources across the globe, improving supply and distribution infrastructure, decline in natural gas prices and improvements in drilling technology. The capital intensive nature of shale gas projects and water contamination and usage issues for fracturing requirements hinder shale gas development. The opportunities are cited in probable increase in ethylene volumes through shale gas and new basins discovered in countries like Poland, China and Australia.

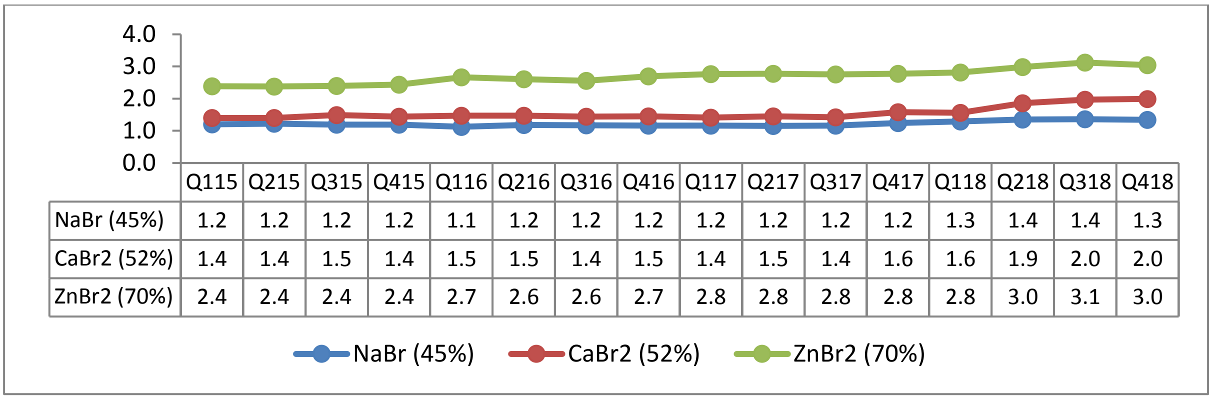
The global shale gas production is expected to grow at a CAGR of 5.4% during the 5 year forecast period. North America is expected to remain the largest shale gas market in terms of production volumes with a share of 78% due to technological expertise and availability of resources; followed by EMEA (13%), Asia Pacific (7%) and ROW (2%). The current exploration and production activities by major oil and gas companies in Europe and Asia Pacific indicate the commercialization of shale gas in these regions. The markets representing high growth rate in shale gas production from 2018 to 2023 are China (6.2%), Poland (6%), France (5.4%), South Africa (5.1%) and U.S. (5%).

Impact on oilfield chemicals market due to soaring Shale Gas production

Availability of large amount of offshore shale reserves is likely to be a major key driving factor for global oilfield chemicals market. There are various unexplored reserves of shale gas globally with China, Argentina, United States, Algeria and Canada holding the largest recoverable reserves. United States is the leading producer of natural gas and oil from Shale globally. Australia, China, India and Indonesia are also taking tentative steps to explore their potential shale gas and oil reserves and to further develop exploration in these reserves. Hence, this would result in higher demand for drilling, stimulation and cementing chemicals.

Quarterly Price trend of Bromides

Bromides Average FOB Price Trend, $/kg, 2015-2018



	Q115	Q215	Q315	Q415	Q116	Q216	Q316	Q416	Q117	Q217	Q317	Q417	Q118	Q218	Q318	Q418
NaBr (45%)	1.2	1.2	1.2	1.2	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.4	1.4	1.3
CaBr2 (52%)	1.4	1.4	1.5	1.4	1.5	1.5	1.4	1.5	1.4	1.5	1.4	1.6	1.6	1.9	2.0	2.0
ZnBr2 (70%)	2.4	2.4	2.4	2.4	2.7	2.6	2.6	2.7	2.8	2.8	2.8	2.8	2.8	3.0	3.1	3.0

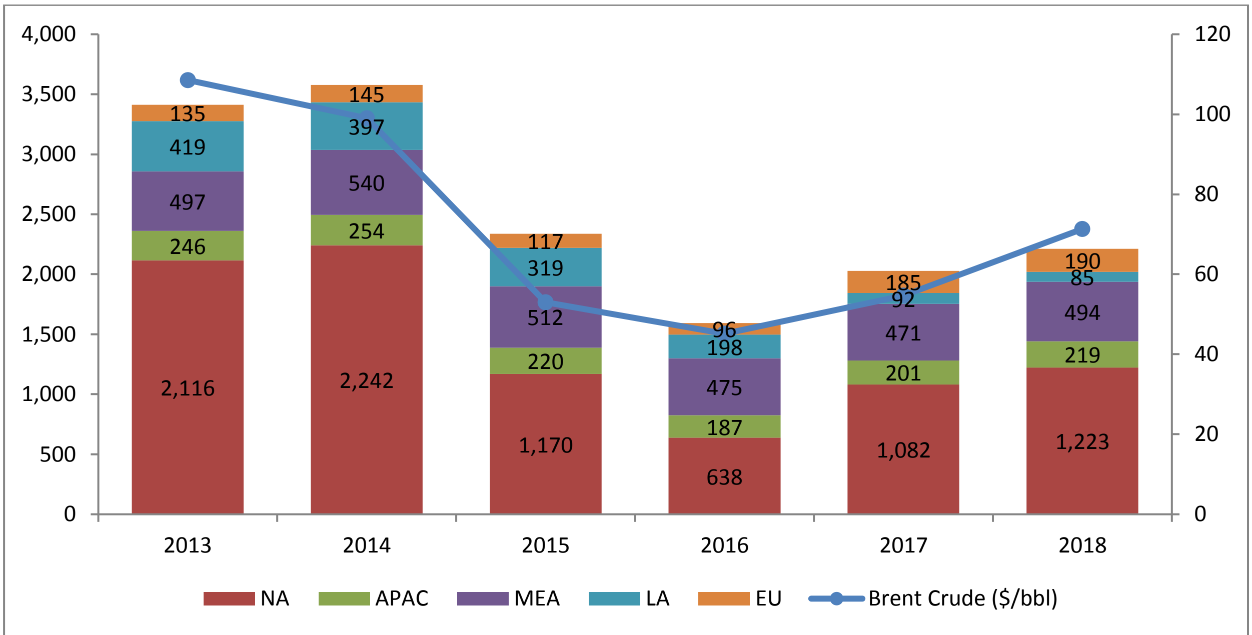
Source: Frost & Sullivan Analysis

Linkage of price of Bromides with Crude Oil prices

There is no established direct correlation between Bromides and Crude Oil prices. However, Bromides are used largely as oil well completion chemicals and hence, the active rig count can act as a leading indicator of demand for products used in drilling, completing, producing and processing hydrocarbons. When drilling rigs are active they consume products and services produced by the oil service industry.

Oil rigs have a positive relationship with crude oil prices and oil production. The number of rigs in play will loosely follow prices with a lag. Oil producers keep increasing the number of rigs drilling for oil as long crude oil prices make production profitable.
As prices increase, rig additions may accelerate. When prices fall, rig additions may slow.

Average Yearly Rig Count Trend against Brent Crude Prices

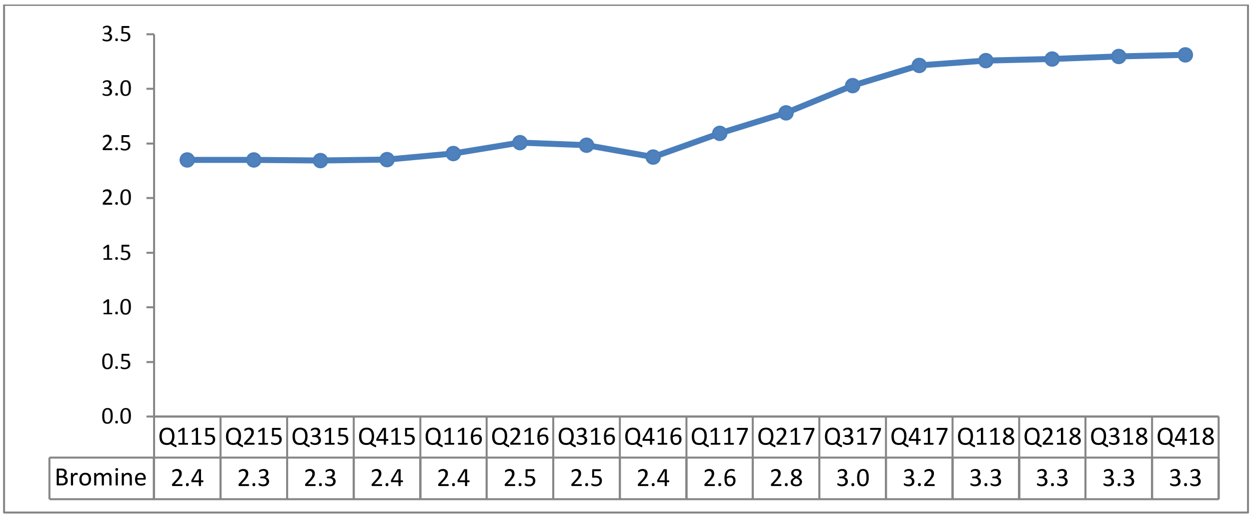


Source: Baker Hughes Worldwide Rig Count, Frost & Sullivan Analysis

Global Price trend for the key raw material used in the manufacture of Bromides

The key raw material used for the manufacture of bromides is Hydrobromic acid. The price of Hydrobromic acid depends on the price of **liquid Bromine**. Also, the costliest component in manufacturing bromine derivatives is liquid bromine. However, it is difficult to predict prices of liquid bromine as the market is highly volatile. It depends on the dilution of bromine reserves and also on global demand supply gap for bromine and bromide derivatives.

Bromine Average FOB Price Trend, $/kg, 2015-2018



Source: Frost & Sullivan Analysis

CHEMICALS USED IN MANUFACTURING OF ANTI-VIRAL PHARMACEUTICAL DRUGS

Global Anti-Retroviral (ARV) Market Overview

Scale-up of antiretroviral therapy is on a fast-track trajectory. In 2017, the number of people living with HIV receiving antiretroviral therapy (ARTs) has increased to about 21.7 million with the global coverage of ARTs reaching to about 59%. The drugs used to treat HIV are called antiretroviral drugs (ARVs). **The global ARV market was valued at about USD 21 billion in 2017.**

Europe ARV Market (Regulated Market)

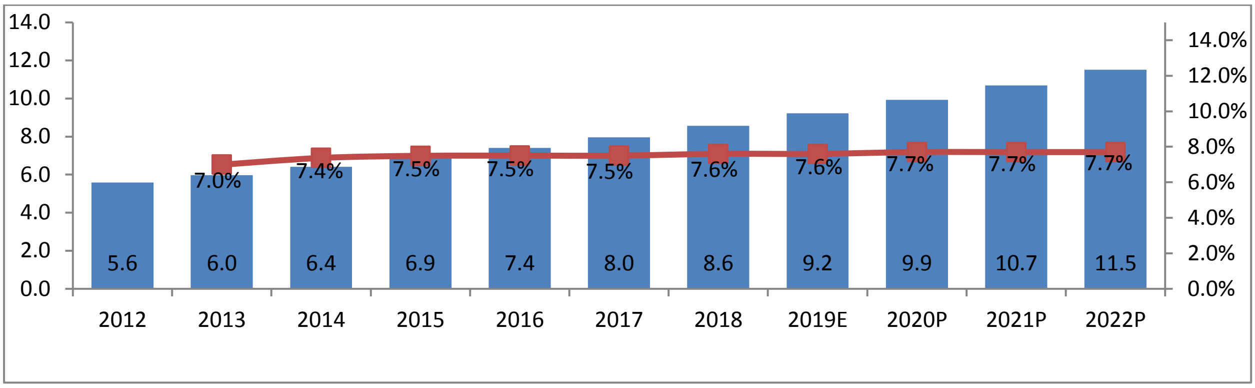
The European ARV market was valued at USD 8 billion in 2017 and is estimated to generate USD 9.2 billion in 2019.

Atripla and Truvada continue to be successful products in the European market, accounting for 14% and 28%, respectively, of the total patient share.

Stribild, the second most prescribed HIV regimen, after Atripla, in treatment-naive patients as well as those switching from other therapies, has been launched in the Big Five countries (the UK, Germany, France, Spain and Italy) as well as 18 additional countries in Europe. Stribild has captured about 17% of all treatment-naive patient shares in the Big Five countries.

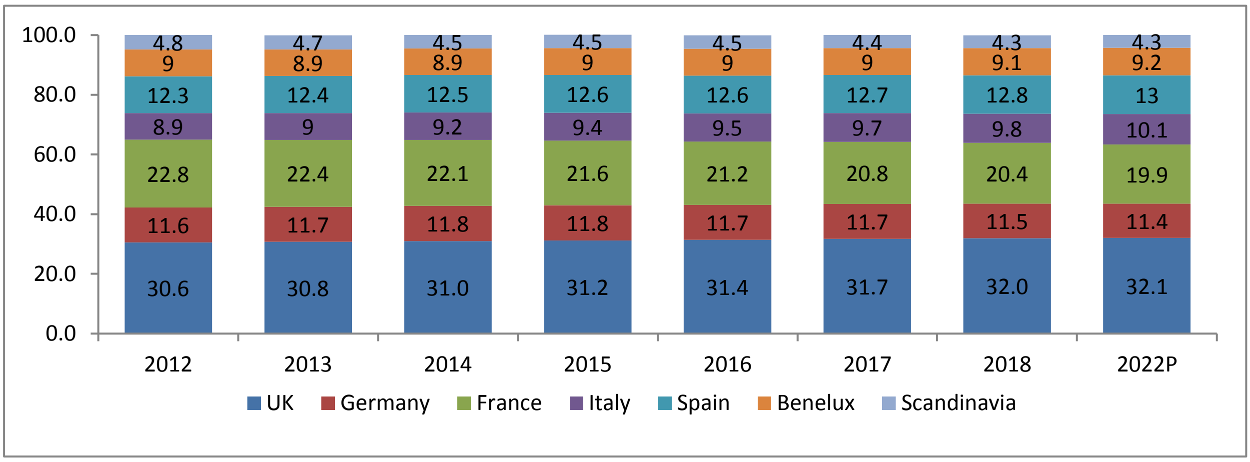
Eviplera, also called Complera, has captured 22% of all treatment-naive patient shares in Big Five countries. The drug is also the most switched-to HIV regimen in these countries. This is attributed mainly to the preferred status attributed to the drug in France, Germany, Italy and the UK. Eviplera’s acceptance in these countries means that health insurers will likely offer reimbursement for the drug.

Total ARV market: Revenue (USD Billion) and Growth Rate, Europe, 2012-2023P



Source - Frost & Sullivan analysis

Total ARV market: Per cent revenue split by Region, Europe, 2012-2023P (%)



Source: Frost & Sullivan analysis

ARV drugs were introduced in late 1980's when the number of HIV patients grew at a tremendous rate. The market is growing at a faster pace in Nucleoside reverse transcriptase inhibitor segment followed by protease Inhibitors.

The sales of anti-retroviral drugs have shown an increasing pattern in the 5 biggest European markets in the past and would see a nominal growth in the future. The past has bought costlier medicine but with the government aid the price has averaged out to meet out to the poor ones as well. European biggest five countries such as Italy, France, Germany, Spain and Britain would see huge growth till 2019 and then it would slow down.

Competitive Scenario

Gilead Sciences leads the HIV market with leading drugs like Atripila, Complera, Emtriva and Truvada along with strong pipeline candidates. GSK closely follows the market leader by competing with Atripila through its latest market addition Triumeq.

GSK and Pfizer's HIV specific joint venture ViiV Healthcare contributes extensively towards the HIV drug market.

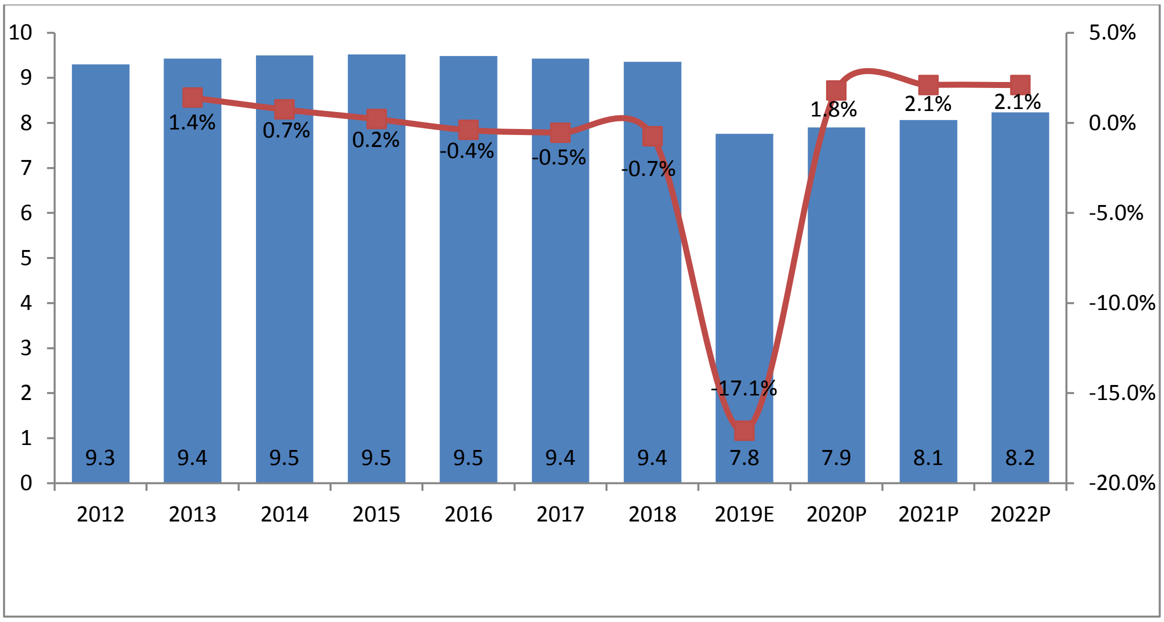
Bristol-Myers, due to discontinuation of its 'Sustiva', lost a small per cent of market share. It is expected to revive, with pipeline candidates being developed in the maturation inhibitor and attachment inhibitor types of ARV drugs.

Roche, Abbott and Boehringer Ingelheim make small contributions through their existing and new drugs. Others include candidates developed by market participants like Janssen Cilag, Pfizer, Tibotec (Janssen Research and Development) and Merck.

USA ARV Market (Regulated Market)

The ARV market in the USA generated sales of around USD 9.3 billion in 2012; however, this number is estimated to decline to around USD 8.2 billion by 2022 due to patent expirations and decreased incidence rates through more efficacious regimens.

Total ARV Market: Revenue (USD Bn) and Growth Rate, USA, 2012-2022P



Source: Frost & Sullivan analysis.

Market Dynamics

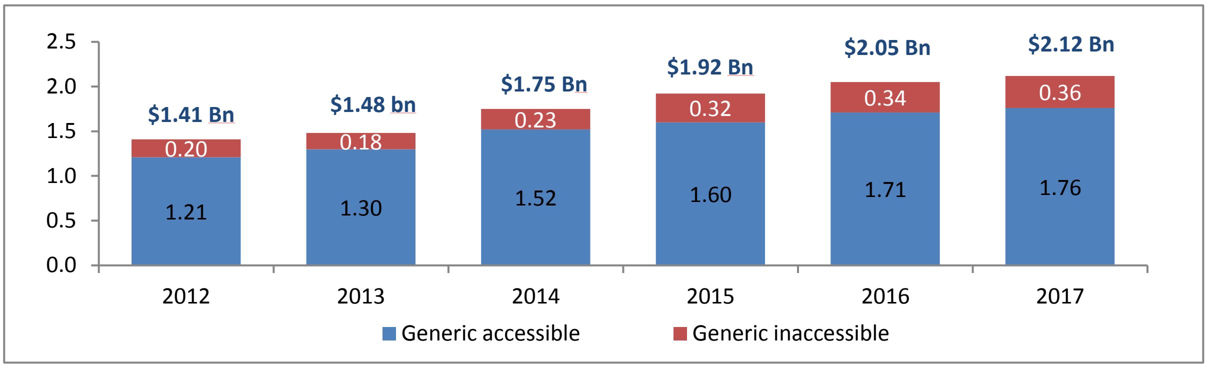
Atripla is the most prescribed HIV regimen in the country, as it is prescribed to about 22% of all patients treated. Stribild is the second most prescribed HIV regimen across all patients in the USA and has managed to capture 28% of the treatment-naive patient share. It is followed by Complera, which is the third most prescribed HIV regimen across all patients and accounts for 20% of the treatment-naive population. However, compared to Stribild and Complera, Atripla, had only 14% of the treatment-naive patient share, indicating that it might be losing new market share.

Truvada is used by about 29% of all treated HIV patients in the US, including 14% of the treatment-naïve patient share. Truvada is the first drug approved by the FDA that can be used to prevent HIV in high-risk individuals.

LMICs (Low- to middle-income countries) ARV Market

The generic-accessible (GA) ARV market, which represents 94% of patients in LMICs, grew from USD 1.3 billion in 2013 to USD 1.76 billion in 2017, at a growth rate of 8%.

LMICs ARV Market Size (USD Bn) In Generic-Accessible Vs. Generic-Inaccessible Countries

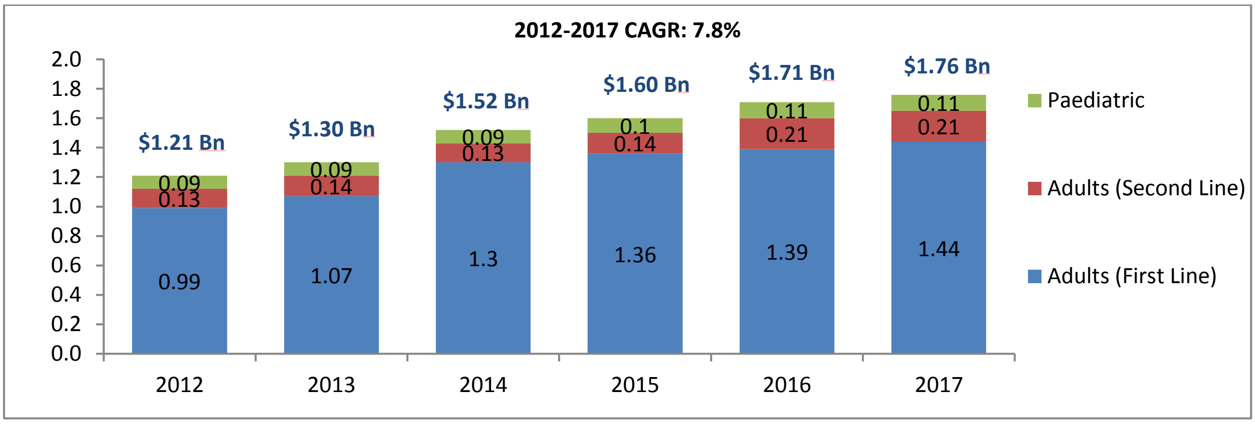


Source: CHAI, Frost & Sullivan Analysis

Generic Accessible Market

Low- to middle-income countries (LMICs) bear the overwhelming burden of the HIV-1 epidemic in terms of the numbers of people living with HIV/AIDS. There has been continued success in scale-up and access to HIV/AIDS treatment in LMICs over the past decade. At the LMIC-level, the estimated total resources available for HIV increased from USD 19.1 billion in 2016 to USD 21.3 billion in 2017. Access to ART has increased rapidly in LMICs, over 17 million adults and about 900,000 paediatric patients were on ART in 2017 in GA LMICs.

ARV Market Size (USD Bn) in Generic Accessible LMICs by Line of Therapy



Source: CHAI, Frost & Sullivan Analysis

India ARV Market (Private Market)

According to National AIDS Control Organisation (NACO), the total number of people living with HIV in India was estimated to be around 2.12 Million with around 86,000 new HIV infections reported in 2015. It was also estimated that around 67,600 people died of AIDS-related causes nationally. However, in 2014, the ART coverage was very poor with only around 8 lakh people living with HIV receiving ART from the government sector and around 1.5 to 2 lakh from other sources like private sector and NGOs. With the new guidelines in place, it is anticipated that the ART coverage will increase the next 5-6 years. However, in India, as in many other parts of the world, people living with HIV and AIDS face stigma and discrimination in a variety of settings including households, the community and workplaces which acts as a major barrier for people accessing the treatment. However, this factor contributes to the growth of the private sector since people from middle and high income group would not prefer the government sector for HIV treatment. **The Indian market for ART was valued at around USD 28.5 million (INR 195 Crores) in 2018.**

Indian government has taken progressive steps towards making the advanced therapies of HIV more accessible to the infected population and in line with this thought process, in February, 2014, the government announced about access to third-line drug therapy for people living with HIV/AIDS and extended free anti-retroviral therapy (ART) to more of them by revising the eligibility norm. During the same time for receiving free ART, the minimum CD4-count limit had been reduced from 500 to 350.

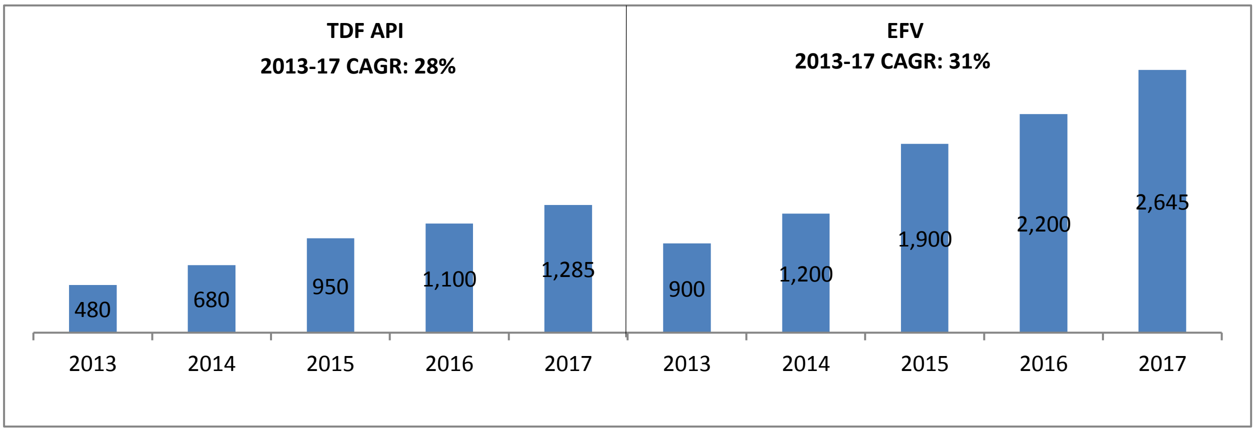
APIs (Active Pharmaceutical Ingredients) for ARVs

The world requires a reliable supply of greater volumes of HIV products in order achieve the scale required to achieve global targets. The world is pursuing the UNAIDS 90–90–90 treatment target: by 2020, 90 percent of all people living with HIV will know their HIV status, 90 percent of all people diagnosed with HIV infection will receive sustained antiretroviral (ARV) therapy and 90 percent of all people receiving ARV therapy will have viral suppression.

The global market size for 11 key ARV APIs was INR 102 Bn (~USD 1.6 Bn) **in 2017**. Of these, four APIs have a market size of more than INR 10 Bn each and INR 66 Bn (~USD 1 Bn) collectively.

APIs (Market Size: INR 10 Bn – 20 Bn)	APIs (Market Size: Below INR 10 Bn – 20 Bn)
EFV	LPV
ZDV	DRV
TDF	FTC
3TC	NVP
	RTV
	ABC
	Atazanavir

Historical Consumption of Select APIs in GA LMICs by Volume (MT) (2013-2017)



Source: WHO, CHAI, Frost & Sullivan Analysis

The demand for ARV APIs will see continued growth in the coming years owing to a steady rate of new HIV patients, higher detection and coverage rate, decline in cost of treatment and increase in ARV tenders. However, the introduction of low-dosage DTG will lead to a decline in volumes (required DTG dosage is relatively small: ~16%).

Hepatitis-C India Market Overview

Currently, different types of treatment options are available for Hepatitis-C in in the market including multiple types of medication, surgery and alternative medicines. Novel medical treatment which claim to have a cure rate of 90 per cent and above is the primary driving force for the hepatitis C market in India. The availability of these drugs at a fraction of the cost, compared to the developed world is complementing the growth of this market. The high patient base of Hepatitis-C in India tends to make this all the more attractive for the pharmaceutical companies.

In absolute value terms North America is one of the leading markets for hepatitis C treatment; however, in the longer run, the Asian region is expected to be the sustainable growth engine for these novel products. On account of high patient load, China and India emerge out as the two most prospective markets for hepatitis C treatment in the Asian region.

The introduction of direct-acting antiviral drugs (DAAs) has brought about a paradigm shift in the treatment of hepatitis C. Though DAAs are considered as a revolutionary treatment, the prices of DAAs in the developed world is very high (over USD 50,000) for a 12-week course and with majority of HCV patients residing in low- or middle-income countries, affordability of this drug acts as a major restraint for market access.

To counter the challenges of affordability-related access issues, multinational companies, through novel mechanisms i.e. licensing, technology transfers and other partnership models, are trying to make the drugs more accessible in countries like India, one of the chief objectives of these partnership deals being bringing down the prices of the medicines.

In 2016, the Indian patent office approved Gilead's hepatitis C drug, Sovaldi. However, Gilead had earlier signed non-exclusive-licencing agreement with 11 Indian generic companies including Natco Pharma Ltd, Hetero Drugs Ltd, Cadila Healthcare Ltd, Cipla Ltd, Mylan Laboratories Ltd, Sun Pharma, Laurus Labs, Strides to name a few, to provide generic versions of Sovaldi and Harvoni to around 101 developing nations. This philanthropic move of Gilead turned out to be the transition point for making these drugs available to a larger section of the Indian population, who in absence of this mechanism would have been deprived of the beneficial effects of the drug. Moreover, the approval to Indian companies to sell these drugs in 100+ other countries would be another revolutionary step to make these drugs accessible to other parts of the world.

This move of Gilead was followed by Bristol Myers Squibb, which through Medicine Patient Pool, a non-profit body, allowed access to its drug daclatasvir under similar conditions to other Indian companies.

Additionally, the apex committee of the Central Drugs Standard Control Organisation, India (CDSCO) granted a waiver of local trials for crucial new direct-acting antiviral drugs treating the disease. The waiver allows quicker introduction of generic versions of daclatasvir and sofosbuvir-ledipasvir co-formulation in the market and will cost much lower thus providing a great relief to the HCV infected patients in India.

This unique partnership model has ensured that these drugs that normally cost over USD 50,000 for total therapy in the USA will cost less than USD 1,000 in India. The high level of competition amongst generic manufacturers is expected to bring down the prices even further and it's widely anticipated that these therapies will be available for less than 500 USD in a years' time. This has given new hope to Indian patients and it's also anticipated that a huge number of international patients seeking high quality and cost efficient treatment for Hepatitis –C will come to India, however it's too early to predict about the actual number of patients coming to India as it will also be a function of declining prices and increasing access to these drugs in the other parts of the world.

India Market Growth Drivers

Key Drivers:

Increasing Generics Penetration: Increasing numbers of licensing agreements have been signed between the pharmaceutical companies and the Indian manufacturers to make generic versions of hepatitis C drugs. This has made the competition extremely fierce in India, thereby leading to a decline in the drug price. Example: Gilead has signed agreements with 11 companies in India, to manufacture generic versions of sofosbuvir which has led to the reduction in prices of the generic drugs from USD 10 per tablet to USD 4.29, within a year of launch thus making it much more affordable. The reducing prices of the generic medicines in India is not only contributing to the market growth, by increasing the number of patients in India affording the treatment, but is also attracting hepatitis C patients from outside India who are seeking high quality and cost efficient treatment, thereby making India a hub for medical tourism. This is on account of almost an equivalent prevalence rate of Hepatitis-C in the rest of the world albeit on a lower population base. Licensing arrangement in countries like Egypt has also led to patients flocking from all parts of Middle East to Egypt for availing the latest treatment.

Improved Formulations: The newer drug formulations have 90% cure rates with lower treatment duration and negligible side effects. In addition, these drugs are complemented with convenient dosage and dose forms like fixed dose combinations, once-daily all oral formulations etc. which significantly improves patient compliance levels. These factors directly contribute to the growth of the market by increasing the rate of prescriptions by not only the gastroenterologists, but also at the level of General Physicians (GPs: Physicians with an MBBS degree only) and Consulting Physicians (Physicians with MBBS and MD degree), especially in rural India.

Increased Screening/Diagnosis and novel ways for access to treatment: Rising competition in the generic industry and dropping prices have forced the pharmaceutical companies to design innovative ideas which help them widen their customer base and deepen the market reach. Some of the pharmaceutical companies are involved in increasing the patient pool by sponsoring screening devices, free test kits etc. to the hospitals, while some companies are also involved in providing bulk discounts to entire villages for getting screened for hepatitis C. These factors contribute to additional market creation.

For example:

- Dr. Reddy's has set up a venture with lender Arogya Finance to offer no-interest loans for patients

- Abbott has collaborated with a French medical equipment company, Echosens SAS, to supply 13 ultrasound machines to the Indian hospitals to determine the level of fibrosis, or hardening, without a liver biopsy.

- The overall cost of diagnosis has been coming down steadily e.g. a hepatitis c test kit which used to cost upwards of INR 6000 has come down to INR 2500-3000, additionally the physical access to these tests has increased drastically due to the hub and spoke and franchisee model of labs like Dr. Lal, Metropolis, SRL and Thyrocare

Other Drivers:

Population and Demographic Factors: Owing to the huge population of India prevalence rate of 1.2-1.5% translates into a high number of reported cases of hepatitis C infection. Migration and urbanization place people in situations of easy contact, thus increasing the spread of such communicable diseases. Increased population densities and undesirable living conditions in urban slums have increased the transmission of such diseases.

Rising Income Levels: There has been a significant growth in the income levels of mid-income population in India, which also increases the affordability for treatments of hepatitis C infections. Rising income levels and the decreasing price of the medicines will make treatment affordable for a larger section of the population.

Rising Awareness Levels: Due to a rising number of cases of hepatitis C and its harmful effects, people have an increased awareness level. Hence, there's a significant rise in the number of screening tests to detect the disease at an early stage. Moreover, a number of public health partners are involved in creating awareness about the disease and are encouraging the population for early screening.

Rising Healthcare Spend and Government Initiatives: A number of companies have joined hands with the Government to sell hepatitis C drugs in India at affordable costs. Drug giant Roche has reduced the price of its drug "Exxura" by 65% in all the Government institutions across India. India has actually become a medical tourism destination for hepatitis C treatments, since the treatment costs almost one-fourth the price as compared to that in other developed nations. Sofosbuvir is one of the patented drugs in the US and costs between USD 50,000 to USD 65,000 for 12 weeks treatment; however, in India, it costs less than USD 1000, for the same 12 week treatment.

Hepatitis-C Formulations India Market

The total number of patients receiving DAAs (Directly Acting Anti-viral drugs) in India in 2018 was approximately 0.44 Mn. The Formulations Market in India was valued at about INR 20 Bn in 2018. About 80% of the total formulations market comprises of plain Sofosbuvir (INR 10 Bn), Harvoni - Sofosbuvir/Ledipasvir combination (~INR 4 Bn) and Daclatasvir (~INR 2 Bn).

Sofosbuvir has been a backbone of the hepatitis-c therapy and majority of the clinicians either tend to prescribe either sofosbuvir in isolation or in combination with daclatasvir, going forward this trend is expected to continue, however there will be an increasing trend of combination therapy and daclatasvir is expected to benefit out of this phenomenon.

It's also anticipated that going forward pegylated interferons will be completely knocked off from the treatment regimen of hepatitis-c and almost 100% of the treatment would be with direct acting antivirals, with a very small proportion of difficult to treat patients being treated with ribavirin along with one the DAA combinations. This will happen on account of side effects of pegylated interferons and the falling prices of DAA's which when compared to pegylated interferon is very innocuous.

Immediately after the launch of the DAAs, there was a spurt in the growth rate of DAA's which was estimated to be around 100% plus due to a large number of patients in the waiting list, also referred to as the reservoir effect.

However, with the depletion of the reservoir, in the subsequent years, the growth rate is estimated to be around 15-18% along with some further correction in the prices.

Sofosbuvir is the most preferred treatment regimen not only due to its first mover advantage but it also being the backbone of other therapies e.g. sofosbuvir+daclatasvir, sofosbuvir+ledipasvir, followed by daclatasvir which is pan-genotypic in nature. In contrast, Harvoni is expected to have a slow growth since it is indicated only for genotype 1 which comprises 25% of the total hepatitis C population.

Interaction with clinicians indicated that going forward Sofosbuvir along with daclatasvir will be a preferred option for treating hepatitis as it has proven to be more effective in treating genotype 3, which is a more prevalent form of hepatitis-c in India. However, an equally high number of clinicians also opined that due to cost considerations they might be forced to offer only one drug which as per their opinion would be Sofosbuvir.

Due to this interplay amongst efficacy, outcome and cost considerations it’s anticipated that daclatasvir will grow at a higher pace (albeit on a smaller base), however due to economic considerations monotherapy will be more prevalent and the beneficial impact of that phenomenon would be on Sofosbuvir.

Hepatitis-C Key APIs India Market

The growth in APIs Market is driven by increasing generic formulation companies penetrating the market, thereby increasing the consumption of APIs.

Sofosbuvir API Market (includes both Sofosbuvir mono-therapy as well as the API in generic Harvoni):

The consumption of Sofosbuvir API is estimated to grow from approximately 9,500 Kg in 2016 to around 27,300 Kg by 2021, at a CAGR of 22 to 23%.

The API market of Sofosbuvir by value is estimated to grow from approximately INR 0.7 Bn in 2016 to around INR 1.85 Bn by 2021, at a CAGR of 21%. However, the growing volumes have led to declining prices, having fallen from between USD 5,000 and USD 2,500 per Kg, to between USD 1,250 to USD 1,000 per Kg in 2015. Further, the price from 2016 to 2021 is estimated to fall another two percent.

Ledipasvir API Market:

The consumption of Ledipasvir API is estimated to grow from approximately 400 Kg in 2016 to around 900 Kg by 2021, at a CAGR of 17.6%.

The API market of Ledipasvir by value is estimated to grow from approximately INR 0.18 Bn in 2016 to around INR 0.36 Bn by 2021, at a CAGR of 15.0%. The price movement from 2016 to 2021 is estimated to fall approximately three percent.

Daclatasvir API Market:

The consumption of Daclatasvir API is estimated to grow from approximately 535 Kg in 2016 to around 1,387 Kg by 2021, at a CAGR of 21%.

The API market of Daclatasvir by value is estimated to grow from approximately INR 0.04 Bn in 2016 to around INR 0.09 Bn by 2021, at a CAGR of 18 to 19%.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section entitled "Forward-Looking Statements" on page 17 for a discussion of the risks and uncertainties related to those statements and the section entitled "Risk Factors" on page 22 for a discussion of certain risks that may affect our business, financial condition or results of operations.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements included in this Draft Red Herring Prospectus, on page 182.

Overview

We are a manufacturer of specialised chemicals, such as HMDS and CMIC which are predominantly used in the pharmaceuticals industry (the "**Pharmaceutical Chemicals**"), and inorganic bromides, namely Calcium Bromide, Zinc Bromide and Sodium Bromide, which are predominantly used as completion fluids in the oilfields industry (the "**Oilwell Completion Chemicals**"). We were the only manufacturer of HMDS in India and were the eighth largest manufacturer of HMDS worldwide in terms of production in the calendar year 2018 (*source: Frost & Sullivan Report*). We were the largest manufacturer of CMIC in India and the second largest manufacturer of CMIC worldwide, in terms of production and capacity in calendar year 2018 (*source: Frost & Sullivan Report*). Further, we were the only manufacturer of Zinc Bromide and the largest manufacturer of Calcium Bromide in India, in terms of production in calendar year 2018 (*source: Frost & Sullivan Report*).

We supply our products to domestic customers and also export our products to countries including United States of America, People's Republic of China, Japan, United Arab Emirates, Azerbaijan, Serbia, Russia and Malaysia. In Fiscals 2019, 2018 and 2017, our revenue from exports (including Deemed Exports) contributed 32.23%, 48.06% and 65.09% respectively of our revenue from operations. Our revenues from exports (including Deemed Exports) have grown at a CAGR of 29.44% between Fiscals 2017 and 2019.

The key customers of our Pharmaceutical Chemicals include Hetero Labs Limited, Laurus Labs Limited, Aurobindo Pharma Limited, Sanjay Chemicals (India) Private Limited, Lantech Pharmaceuticals Limited, Ind-Swift Laboratories Limited, Vivin Drugs & Pharmaceuticals Limited, Macleods Pharmaceuticals Limited and the key customers of our Oilwell Completion Chemicals include Shree Radha Overseas, Water Systems Specialty Chemical DMCC, Universal Drilling Fluids and CC Gran Limited Liability Company.

We are an ISO 9001:2015 certified company for the "Manufacture and supply of Organosilicon Compounds, Heterocyclic Compounds, Fine Chemicals and their Derivatives". Our manufacturing facility is located at Manjusar near Vadodara in Gujarat (our "**Manufacturing Facility**"). As on the date of this Draft Red Herring Prospectus, within our Manufacturing Facility, we currently have five operational plants of which one plant is dedicated to the manufacturing of HMDS and ancillary products, two plants are dedicated to the manufacturing of CMIC and two plants dedicated to the manufacturing of our Oilwell Completion Chemicals, along with three warehouses for the storage of our products and raw materials. We also have an in-house laboratory at our Manufacturing Facility to test our raw materials procured, as well as our products at the various stages of the manufacturing process. Further, we have two leased warehouses located outside our Manufacturing Facility, in Manjusar, Vadodara. Our Corporate Office is located in Vadodara and sales and marketing offices are located in Hyderabad and Mohali.

For Fiscals 2019, 2018 and 2017, our revenue from operations was ₹3,041.68 million, ₹1,583.07 million and ₹898.92 million, respectively, growing at a CAGR of 83.95% between Fiscal 2017 and Fiscal 2019. Our EBITDA for Fiscals 2019, 2018 and 2017 was ₹679.21 million, ₹456.81 million and ₹86.60 million respectively, growing at a CAGR of 180.06% between Fiscal 2017 and Fiscal 2019, while our profit after tax for Fiscals 2019, 2018 and 2017 was ₹430.41 million, ₹263.81 million and ₹28.24 million respectively, growing at a CAGR of 290.39% between Fiscal 2017 and Fiscal 2019.

In Fiscals 2019, 2018 and 2017, our Pharmaceutical Chemicals, contributed 62.99%, 61.97% and 46.89% of our total revenue from operations respectively, while our Oilwell Completion Chemicals, contributed 35.42%, 35.86% and 50.23% respectively of our total revenue from operations.

Our strengths:

We are a leading manufacturer globally of the Pharmaceutical Chemicals and we are a leading manufacturer in India of the Oilwell Completion Chemicals

We were the only manufacturer of HMDS in India and were the eighth largest manufacturer of HMDS worldwide in terms of production in calendar year 2018 (*source: Frost & Sullivan Report*). We were the largest manufacturer of CMIC in India and the second largest manufacturer of CMIC worldwide, in terms of production in calendar year 2018 (*source: Frost & Sullivan Report*).

India is currently a net importer of HMDS, with about 52% of India's current domestic demand being catered by imports majorly from China and Germany. India is expected to witness a demand growth for HMDS of 5.6% CAGR between calendar year 2018 and calendar year 2023 (*source: Frost & Sullivan Report)*. Our Company was the only manufacturer of HMDS in India, and we believe that our Company is well positioned to capitalise on the potential growth of the HMDS market. Frost & Sullivan further estimates that by substituting imports and catering to India's HMDS market, our Company has the opportunity to grow at a CAGR of 20% between calendar year 2018 and calendar year 2023 (*source: Frost & Sullivan Report*).

India and China are the only countries that produce CMIC (*source: Frost & Sullivan Report*). Our share in the global CMIC manufacturing capacity has increased from 4.83% in calendar year 2014 to 19.11% in calendar year 2018 (*Source: Frost & Sullivan Report*). India is a net importer of CMIC, with about 50% of India's current domestic demand being catered to by imports from China. India, a major CMIC consumer market, is expected to witness a demand growth at a CAGR of 14.0% between 2018 and 2023 (*source: Frost & Sullivan Report*). Frost & Sullivan further estimates that our Company is well positioned to substitute the imports from China and hence, has an opportunity to grow at a CAGR of more than 25% between 2018 and 2023 (*source: Frost & Sullivan Report*).

We were the only manufacture of Zinc Bromide and the largest manufacturer of Calcium Bromide in India, in terms of production in calendar year 2018. Further, while we commenced the sales of our Oilwell Completion Chemicals in calendar year 2014, our share in the global production of the Oilwell Completion Chemicals has grown to 2.67% in calendar year 2018 (*source: Frost & Sullivan Report*).

We believe that our positioning in the markets in which we operate and our established relationships with our customers and suppliers, will enable us to benefit from any growth opportunities in the markets in which we operate and continue to expand our operations.

Diversified customer base coupled with long standing relationships

We supply our products to customers in India and also export our products to countries including United States of America, People's Republic of China, Japan, United Arab Emirates, Azerbaijan, Serbia, Russia, and Malaysia. In Fiscals 2019, 2018 and 2017, our exports (including Deemed Exports) contributed 32.23%, 48.06% and 65.09% respectively of our total revenue from operations. Our revenue from exports (including Deemed Exports) have grown at a CAGR of 29.44% between Fiscals 2017 and 2019.

We have been expanding our customer base, which has resulted in a decrease in our customer concentration, year-on-year. Our top five customers and our top ten customers contributed 45.81% and 67.37%, respectively of our total revenue from operations in Fiscal 2019, as compared to 59.76% and 75.35%, respectively of our total revenue from operations in Fiscal 2018, and 61.66% and 77.88%, respectively of our total revenue from operations in Fiscal 2017.

We have established relationships with our key customers. For instance, we conduct business with Aurobindo Pharma Limited on the basis of purchase orders and they have been our client for over 20 years. 58.24% of our total revenue from operations in Fiscal 2019 was contributed by customers who have been consistently purchasing our products over the last five years. Our top six customers for Fiscal 2019 have been our customers for over four years.

We believe that as a result of our diversified customer base and our long standing relationships with our customers, we are well equipped to retain our presence in the market and build upon these relationships to increase our product base and reach out to new customers.

The specialty chemicals industry in which we operate has high entry barriers

The specialty chemicals industry in which we operate has high entry barriers due to *inter alia: (a)* the involvement of complex chemistry in the manufacture of our Products, which is difficult to commercialize on a large scale and; (b) a long gestation period to be enlisted as a supplier with the customers, particularly with the customers of our Pharmaceutical Chemicals.

We believe that the specialty chemicals industry is highly knowledge intensive. Our Products have application in the pharmaceutical, oil-well drilling, semi-conductor and electronic-chemical industries where they are used to manufacture high value proprietary and specialised products. Given the nature of the application of our products, our processes and products are subject to, and measured against, high quality standards and stringent impurity specifications. Further, end products manufactured by our customers, where our products are used, and where such use has been formally recognised in filings with regulatory agencies, any change in the vendor of the product may require significant time and cost for the customer. Hence, customer acquisition involves a long gestation period, resulting in a very few players being involved in manufacturing of the products. We believe that we have, over the years, built strong relationships with our customers, who recognise our technical capabilities and timely deliveries and associate our Company with good and consistent quality products.

Moreover, some of the raw materials that we use such as bromine, MCF and TMCS are highly corrosive and toxic chemicals. Therefore, handling these chemicals requires a high degree of technical skill and expertise, and operations involving such hazardous chemicals ought to be undertaken only by personnel who are well trained to handle such chemicals. We believe that the level of technical skill and expertise that is essential for handling such chemicals can only be achieved over a period of time, creating a further barrier for new entrants.

Consistent financial performance with a strong financial position

We have a track record of operations of over two decades and have a strong balance sheet with stable cash flows. We have experienced sustained growth in various financial indicators including our revenue and PAT, as well as a consistent improvement in our balance sheet position in the last three Fiscals, wherein we have seen an increase in our net worth.

The table below sets forth some of the key financial indicators for Fiscals 2019, 2018 and 2017:

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Revenue from operations (in ₹million)	3,041.68	1,583.07	898.92
EBITDA (in ₹million)	679.21	456.81	86.60
EBITDA/revenue from operations (in %)	22.33%	28.86%	9.63%
Profit after tax (“**PAT**”) (in ₹million)	430.41	263.81	28.24
PAT/revenue from operations (in %)	14.15%	16.66%	3.14%
Earnings per share (basic and diluted)	13.54	8.30	0.89
Return on capital employed (%)*	55.47%	62.91%	13.63%
Return on equity (%)**	44.94%	49.20%	10.44%

Return on capital employed is calculated as Earnings before interest and taxation (“EBIT**")/ Capital employed (Net of cash and bank balances) at the end of the year/ period. EBIT is calculated as EBITDA net of depreciation and amortisation.*
*** Return on equity is calculated as Net Profit after taxes as restated/ Net worth at the end of the year as restated*

We believe that we have been able to maintain and improve our financial performance by regular capacity augmentation, diversification of our customer base and optimizing costs of sourcing raw materials and other fixed costs.

Further, because of our strong business performance, we have been able to maintain a low debt position. As on March 31, 2019, our total borrowing was ₹331.09 million, while our debt to equity ratio was 0.35 and our interest coverage ratio was 16.26.

Manufacturing facility with dedicated plants for each of our products

We are an ISO 9001:2015 certified company with respect to the Manufacture and supply of Organosilicon

Compounds, Heterocyclic Compounds, Fine Chemicals and their Derivatives. Our Manufacturing Facility is located in Manjusar, near Vadodara in Gujarat.

As on the date of this Draft Red Herring Prospectus, within our Manufacturing Facility, we have five operational plants of which one plant is dedicated to manufacturing of HMDS and ancillary products, two plants are dedicated to manufacturing of CMIC and two plants are dedicated to manufacturing of our Oilwell Completion Chemicals, along with three warehouses for the storage of our products and raw materials. As of June 30, 2019, our installed capacity for: (a) HMDS was 2,400 MT per annum; (b) CMIC was 1,800 MT per annum and; (c) Oilwell Completion Chemicals was 14,400 MT per annum, while our total volumetric reactor capacity was 236.65 KL.

We are currently rebuilding one plant, which was destroyed due to a fire accident on January 9, 2018 and are also in the process of setting up three new plants, within our Manufacturing Facility. For further details see "*Our Business- Our Manufacturing Facility*" on page 136.

We believe that having each of our plants at our Manufacturing Facility dedicated to the manufacture of specific products enables us to tailor each plant to the needs of the relevant product, thereby improving efficiency, while also being better placed to manage the production process and quantum produced of each product depending on *inter alia* demand for the products in the market.

Experienced senior management

We have a strong and experienced management team which we believe has positioned our business well for continued growth and development. Our management team has significant experience in the areas of finance, manufacturing, quality control, strategy, raw material sourcing, process re-engineering and business development. Two of our Wholetime Directors (who are not members of the Promoter Group) have been associated with our Company for over 20 years and have played a key role in developing our business and we benefit from their significant experience in their respective areas of expertise.

We believe that the knowledge and experience of our management team provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new segments and geographies. Our experienced management team has enabled us to improve our financial results over the years and increase portfolio of our products as well as our markets. We believe our management team has demonstrated its ability to execute our business plan and has the skills and experience needed to implement our strategic objectives related to our business and expansion in the future.

Strategies

Expansion of our total installed production capacity

We aim to expand our manufacturing operations and production capacity. As on the date of this Draft Red Herring Prospectus, we have five operational individual plants for the production of our Products, within the Manufacturing Facility. Our total volumetric reactor capacity as on June 30, 2019 was 236.65 KL.

Our Company intends to build three additional plants with a total volumetric reactor capacity of 376.20 KL. These additional plants shall be utilised for the manufacturing of chemicals which are principally used pharmaceutical industry. For further details, see ""*Objects of the Issue- Details of the Objects of the Fresh Issue-Capital expenditure towards expansion of Manufacturing Facility*" on page 70.

Further, we are also in the process of rebuilding one plant, which was destroyed due to a fire accident on January 9, 2018. This plant with a volumetric reactor capacity of 13.00 KL, shall be used for the production of high purity HMDS, which finds application in the pharmaceuticals, semiconductors and rubber industries.

With the completion of such expansion, our total volumetric reactor capacity at the Manufacturing Facility shall increase from our volumetric reactor capacity of 236.65 KL to 625.85 KL and will enable us to significantly benefit from economies of scale.

Augmenting growth in the current geographic markets and expanding into new geographic markets

India is currently a net importer of HMDS, with about 52% of India's current domestic demand being catered by imports majorly from China and Germany. India is expected to witness a demand growth for HMDS of 5.6%

CAGR between 2018 and 2023 (*source: Frost & Sullivan Report)*.

Further, India and China are the only countries that produce CMIC (*Source: Frost & Sullivan Report*). India is a net importer of CMIC, with about 50% of India's current domestic demand being catered to by imports majorly from China. India, a major CMIC consumer market, is expected to witness a demand growth at a CAGR of 14.0% between 2018 and 2023 (*source: Frost & Sullivan Report*).

Our Company, the only manufacturer of HMDS in India and the largest manufacturer of CMIC in India in terms of production in calendar year 2018, aims to capitalise on the potential growth of the HMDS and CMIC market in India by expanding our manufacturing and sales of HMDS and CMIC. India is a net importer of CMIC and HMDS (*source: Frost & Sullivan Report*) and our Company aims to expand our manufacturing and sales operations of CMIC and HMDS to substitute such imports.

We currently supply the Oilwell Completion Chemicals largely to customers in India, the Middle East and Azerbaijan. We aim to expand the sales of the Oilwell Completion Chemicals in existing and new geographies including Russia, Serbia, Nigeria, Malaysia and China and Ghana. To access newer markets, we regularly participate in trade exhibitions in different geographies. In the recent past, we have participated in trade exhibitions, including CPHI Worldwide 2019 (in Frankfurt, Germany), CPHI India 2018, Adipec 2018 (in Abu Dhabi, United Arab Emirates), CPHI Japan 2019 and CPHI & ICSE China 2019.

Accordingly, we intend to further consolidate our position in the geographic markets where we sell our products as well as expand into additional geographic markets.

Exploring newer applications of our existing products as well as focusing on new products that are in synergy with our current operations

Our Company aims to expand the sale of our products to other industries where such products have application. For instance, while we currently supply HMDS largely to the pharmaceuticals industry, we aim to market our products for end-use applications in other industries including the rubber and semiconductor manufacturing industry.

Further, we have a product development team which seeks to identify additional products which we can venture into. We believe that we have, over the years, built strong relationships with our customers, who recognise our technical capabilities and ability to deliver products on a timely basis and associate our Company with good and consistent quality products, and we can benefit from such relationship to expand our product portfolio.We aim to undertake the development and manufacture of newer products, largely focusing on chemicals used in the pharmaceuticals, semiconductors and rubber industries.

Continue to strive for cost efficiency

We intend to continue to be cost efficient in the production of our products. This efficiency is achieved through strategies like having a large single location manufacturing facility, dedicated plants for each product, process re-engineering for efficient raw material consumption and being a sizeable player in the industry in each of our products. Economies of scale will also enable us to continuously improve our operational efficiencies.

Our Products

Our Company has an experience of over two decades in manufacturing and export of different types of specialised chemicals. As on the date of this Draft Red Herring Prospectus, we are engaged in the manufacture of following products:

A. **Pharmaceutical Chemicals**: These comprise of the chemicals which are utilised in the process of producing *inter alia* anti-viral and anti-bacterial drugs. Currently we principally manufacture two products, namely:

    1. HMDS and ancillary products
    2. CMIC

B. **Oilwell Completion Chemicals**: These comprises of inorganic bromides which are utilised *inter alia* as completion fluids in the oil and gas exploration process. Currently we manufacture a range of inorganic bromides, namely:

1. Calcium Bromide (solution and powder)
2. Zinc Bromide (solution)
3. Sodium Bromide (solution and powder)

Set forth below is the product-wise distribution of the revenue generated by our Company from our products:

Particulars		**Fiscal 2019**		**Fiscal 2018**		**Fiscal 2017**	
		Amount (₹ in million)	**% of revenue from operations)**	**Amount (₹ in million)**	**% of revenue from operations)**	**Amount (₹ in million)**	**% of revenue from operations)**
Income							
Revenue from operations							
Revenue from sale of products							
- Pharmaceutical Chemicals	*A = B + C + D*	*1,827.76*	*60.09%*	*934.02*	*59.00%*	*353.31*	*39.30%*
- HMDS (including ancillary Products)	B	1,224.62	40.26%	607.06	38.35%	239.48	26.64%
- CMIC	C	475.92	15.65%	326.96	20.65%	113.82	12.66%
- Others Pharmaceutical Chemicals	D	127.22	4.18%	-	0.00%	-	0.00%
- Oilwell Completion Chemicals	E	1,077.31	35.42%	567.64	35.86%	451.52	50.23%
- Others	F	42.07	1.38%	28.09	1.77%	22.51	2.50%
Total Revenue from Sales of Products	**G = A + E + F**	**2,947.13**	96.89%	**1,529.75**	96.63%	**827.34**	92.04%
Revenue from sale of services – Jobwork charges							
- *Pharmaceutical Chemicals*	*H = I + J + K*	*88.30*	*2.90%*	*46.96*	*2.97%*	*68.24*	*7.59%*
- HMDS (including ancillary Products)	I	80.05	2.63%	45.73	2.89%	68.24	7.59%
- CMIC	J	-	0.00%	-	0.00%	-	0.00%
- Others Pharmaceutical Chemicals	K	8.25	0.27%	1.23	0.08%	-	0.00%
- Oilwell Completion Chemicals	L	-	0.00%	-	0.00%	-	0.00%
Total Revenue from Sales of Services	**M = H + L**	**88.30**	**2.90%**	**46.96**	**2.97%**	**68.24**	7.59%
Other operating revenue	N	6.24	0.21%	6.35	0.40%	3.34	0.37%
Total Revenue from operations	**O = G + M + N**	**3,041.68**	100.00%	**1,583.07**	100.00%	**898.92**	100.00%
Break up of Total Revenue from Operations							
- *Total Revenue from Pharmaceutical*	*P = Q + R + S*	*1,916.06*	*62.99%*	*980.98*	*61.97%*	*421.54*	*46.89%*

Particulars		Fiscal 2019		Fiscal 2018		Fiscal 2017	
		Amount (₹ in million)	% of revenue from operations)	Amount (₹ in million)	% of revenue from operations)	Amount (₹ in million)	% of revenue from operations)
Chemicals							
- HMDS (including ancillary Products)	Q = B + I	1,304.67	42.89%	652.79	41.24%	307.72	34.23%
- CMIC	R = C + J	475.92	15.65%	326.96	20.65%	113.82	12.66%
- Others Pharmaceutical Chemicals	S = D + K	135.48	4.45%	1.23	0.08%	-	0.00%
- Total Revenue from Oilwell Completion Chemicals	T = E + L	1,077.31	35.42%	567.64	35.86%	451.52	50.23%
- Others	U = F	42.07	1.38%	28.09	1.77%	22.51	2.50%
- Other operating revenue	V = N	6.24	0.21%	6.35	0.40%	3.34	0.37%
Total Revenue from operations	**W = P + T + U + V**	**3,041.68**	100.00%	**1,583.07**	100.00%	**898.92**	100.00%

A. Pharmaceutical Chemicals

Our total revenue from the sale of the Pharmaceutical Chemicals in Fiscals 2019, 2018 and 2017 was ₹1,916.06 million, ₹980.98 million and ₹421.54 million respectively, representing 62.99%, 61.97% and 46.89% of our total revenue from operations respectively. Further out of our total revenue from Pharmaceutical Chemicals in the Fiscals 2019, 2018 and 2017, domestic sales in India constituted ₹1,437.89 million, ₹687.14 million and ₹293.89 million respectively and export sales (including Deemed Exports) constituted ₹478.17 million, ₹293.84 million and ₹127.65 million respectively.

HMDS

We were the only manufacturer of HMDS in India and were the eighth largest manufacturer of HMDS worldwide, in terms of production in calendar year 2018 (*source: Frost & Sullivan Report*). .

HMDS is widely used in the pharmaceutical industry as a silylating agent in the process of manufacture of pharmaceutical drugs of the Penicillin group (such as Amikacin, Penicillin, Cephalosporins and other kinds of Penicillin derivatives), hydroxyl protectants, preparation of 5-azacytidine, an antineoplastic drug, preparation of β3-AR agonists used in anti-stress formulations and the manufacture of antibiotics such as Cefprozil and Cefadroxil and anti-viral drugs such as Sofosbuvir, Lamivudine and Emtricitabine. HMDS may also be used in the semiconductor electronics industry and in vinyl silicone rubber to improve their tearing strength. (*source: Frost & Sullivan Report*)

Our total revenue from HMDS (including ancillary products) in the Fiscals 2019, 2018 and 2017 was ₹ 1,304.67 million, ₹652.79 million and ₹307.72 million, comprising 42.89%, 41.24% and 34.23% of our total revenue from operations in the Fiscals 2019, 2018 and 2017 respectively. Further out of our total revenue from HMDS in the Fiscals 2019, 2018 and 2017, domestic sales in India constituted ₹1,077.02 million, ₹543.24 million and ₹244.46 million respectively and export sales (including Deemed Exports) constituted ₹227.65 million, ₹109.55 million and ₹63.26 million respectively.

Our key customers of HMDS in Fiscal 2019 were Hetero Labs Limited, Laurus Labs Limited, Aurobindo Pharma Limited, Ind-Swift Laboratories Limited, Sanjay Chemicals (India) Private Limited and Vivin Drugs & Pharmaceuticals Limited.

CMIC

Our Company was the leading manufacturer of CMIC in India and the second largest manufacturer of CMIC in the world in calendar year 2018, in terms of production (*source: Frost & Sullivan Report*).

CMIC is a key intermediate for the manufacture of Tenofovir, a nucleotide antiviral anti-AIDS and anti-Hepatitis B drug. Tenofovir has been approved by the US FDA for the treatment of HIV infections and Hepatitis B and by the European Medicine Authority for the treatment of Hepatitis B. Tenofovir and its combination preparations have witnessed the largest sales for anti-AIDS drugs (*source: Frost & Sullivan Report*). CMIC is also used in the synthesis of other anti-viral drugs.

Our total revenue from sale of CMIC in the Fiscals 2019, 2018 and 2017 was ₹ 475.92 million, ₹326.96 million and ₹113.82 million, comprising 15.65%, 20.65% and 12.66% of our total revenue from operations in the Fiscals 2019, 2018 and 2017, respectively. Further out of our total revenue from CMIC in the Fiscals 2019, 2018 and 2017, domestic sales in India constituted ₹225.39 million, ₹142.66 million and ₹49.43 million respectively and export sales (including Deemed Exports) constituted ₹250.52 million, ₹184.30 million and ₹64.39 million respectively.

Our key customers of CMIC in Fiscal 2019 were, Hetero Labs Limited, Aurobindo Pharma Limited, Macleods Pharmaceuticals Limited and Sanjay Chemicals (India) Private Limited.

B. Oilwell Completion Chemicals

Our Company is engaged in the manufacturing of Oilwell Completion Chemicals, which are predominantly utilised in the oil and gas exploration process as completion chemicals. Completion chemicals act as demulsifying agents for crude oil in offshore operations and are used to control wellbore pressures in upstream oil and gas operations. We manufacture the following types of bromides - Calcium Bromide (solution and powder), Sodium Bromide (solution and powder) and Zinc Bromide (solution). Our principal product, Calcium Bromide, is typically used in high temperate and pressure oil wells.

We were the only manufacturer of Zinc Bromide and the largest manufacturer of Calcium Bromide in India, in terms of production in calendar year 2018 (*source: Frost & Sullivan Report*).

Our total revenue from the sale of our Oilwell Completion Chemicals in Fiscals 2019, 2018 and 2017 was ₹1,077.31 million, ₹567.64 million and ₹451.52 million, comprising 35.42%, 35.86% and 50.23% of our total revenue from operations in Fiscals 2019, 2018 and 2017, respectively. Further out of our total revenue from Oilwell Completion Chemicals in the Fiscals 2019, 2018 and 2017, domestic sales in India constituted ₹579.74 million, ₹105.33 million and ₹0.07 million respectively and export sales (including deemed exports) constituted ₹497.57 million, ₹462.31 million and ₹451.45 million respectively.

Our key customers of our Oilwell Completion Chemicals in Fiscal 2019 were Shree Radha Overseas, Water Systems Specialty Chemical DMCC, Universal Drilling Fluids and CC Gran Limited Liability Company.

Our Manufacturing Facility

We are an ISO 9001: 2015 certified company with respect to the Manufacture and supply of Organosilicon Compounds, Heterocyclic Compounds, Fine Chemicals and their Derivatives.

Our Manufacturing Facility is located in Manjusar near Vadodara in Gujarat, spread across approximately 29,000 square metres. The Manufacturing Facility currently comprises of five individual operational plants (the "**Operational Plants**"), each dedicated to the manufacturing of specific products of our Company. The aggregate volumetric reactor capacity of these five Operational Plants was 236.65 KL as on June 30, 2019.

Set forth below are the details of the Operational Plants:

Plant no.*	Product categories	Products manufactured	Annual installed production capacity (MT per annum) for the specific product	Volumetric reactor capacity (in Kl)
P-1**	Oilwell Completion Chemicals	Calcium Bromide (powder)	600	5.00
P-3	Pharmaceutical Chemicals	HMDS and ancillary products	2,400	52.60
P-4 and		CMIC	1,800	121.75

Plant no.*	Product categories	Products manufactured	Annual installed production capacity (MT per annum) for the specific product	Volumetric reactor capacity (in Kl)
P-6				
P-5	Oilwell Completion Chemicals	Calcium Bromide (solution), Zinc Bromide (solution) and Sodium Bromide (solution)	14,400	57.30
Total volumetric reactor capacity (in KL)				**236.65**

**Our plant "P-2" was destroyed in a fire accident on January 9, 2018. Our Company is in the process of rebuilding the plant.*
*** The plant "P-1" is solely used for converting Calcium Bromide (solution) to Calcium Bromide (powder). The installed capacity for Oilwell Completion Chemicals in the Plant "P-5" as described above is for the production of the Oilwell Completion Chemicals in solution form. Our Company converts a portion of the Calcium Bromide (solution) produced in P-5 to Calcium Bromide (powder) either in P-1 or by using external service providers or job workers.*

In addition to the Operational Plants, our Company is in process of setting up three additional plants ("**P-7**", "**P-8**" and "**P-9**"), within the premises of the Manufacturing Facility (the "**Additional Plants**") and rebuilding one plant ("**P-2**") which was destroyed in a fire accident on January 9, 2018. P-2 is proposed to be used to manufacture of high purity HMDS, which finds application in the pharmaceuticals, semiconductors and rubber industries, while the Additional Plants are to be used for the manufacturing of chemicals used in the pharmaceutical industry.

Our Company has three warehouses within the premises of our Manufacturing Facility for the storage of our products and raw materials along with one storage tank for the storage of HMDS and two external leased warehouses also situated in Manjusar.

We believe we have sufficient fire prevention facilities at our Manufacturing Facility. Further, our Company has received the necessary environmental clearances. We have arrangements for regular power and water supply at our manufacturing facility together with provision for back-up electric power including using a diesel generator set.

The product-wise details of the installed production capacity, available capacity, actual production and capacity utilisation at our Manufacturing Facility for Fiscals 2019, 2018 and 2017 are set forth below:

HMDS (Plant 2* and Plant 3)

Fiscal	Installed production capacity at end of Fiscal (MT per annum)* (A)	Available Capacity for the Fiscal Year* (MT) (B)	Actual Production (MT) (C)	Capacity Utilization (%) (D=C/B)
2019	1,800	1,800	1,674.39	93.02%
2018	1,800	2,300#	1,587.53	69.02%
2017	2,400	2,400	1,546.48	64.43%

The Plant 2 ("P2**") was damaged in fire accident on January 9, 2018 (i.e. in Fiscal 2018) and is the process of being rebuilt.*
. P-2 is proposed to be used to manufacture of high purity HMDS.
#The available capacity for Fiscal 2018 includes capacity for plant "P2" for 10 months before it was damaged by a fire accident on January 9, 2018.

CMIC (Plant 4 and Plant 6)

Fiscal	Installed production capacity at end of Fiscal (MT per annum) (A)	Available Capacity for the Fiscal Year (MT) (B)	Actual Production (MT) (C)	Capacity Utilization (%) (D=C/B)
2019	1,800	1,250##	1,195.65	95.65%
2018	1,200	1,200	1,076.01	89.67%
2017	600	600	433.54	72.26%

*## New capacity of 600 MT per annum in Plant 6 ("**P6**") was commissioned in March, 2019 and hence available for one month in Fiscal 2019.*

Oilwell Completion Chemicals (solutions) (Calcium Bromides, Sodium Bromide and Zinc Bromide) (Plant 5)

Fiscal	Installed production capacity at end of Fiscal (MT per annum) (A)	Available Capacity for the Fiscal Year (MT) (B)	Actual Production (MT) (C)	Capacity Utilization (%) (D=C/B)
2019	14,400	14,400	8,247.77	57.28%
2018	14,400	14,400	5,846.82	40.60%
2017	7,200	7,200	4,458.02	61.92%

Calcium Bromide (Powder) (Plant 1)

Fiscal	Installed production capacity at end of Fiscal (MT per annum) (A)	Available Capacity for the Fiscal Year (MT) (B)	Actual Production (MT) (C)	Capacity Utilization (%) (D=C/B)
2019	600	600	418	69.66%
2018	-		-	-
2017	-		-	-

Note: Capacity utilization has been calculated on the basis of actual production in the relevant Fiscal/ period divided by the installed production capacity of a plant available during the relevant Fiscal./ period

Raw materials

We purchase our raw materials from multiple suppliers on a purchase order basis. The aggregate cost of raw materials purchased in the Fiscals 2019, 2018 and 2017, was ₹2,083.44 million, ₹896.30 million and ₹576.59 million respectively. The aggregate cost of materials consumed in the Fiscals 2019, 2018 and 2017, was ₹1,937.29 million, ₹794.63 million and ₹583.15 million respectively.

The primary raw materials essential to the manufacturing of HMDS are TMCS, Ammonia and Hydrochloric Acid. We principally use TMCS as the base chemical for manufacture of HMDS. However, we also manufacture a portion of our HMDS production using HMDO as an input raw material, by converting HMDO into TMCS and then using TMCS to manufacture HMDS. HMDO is a residual product which comes out during the process of utilization of HMDS by our customers. The HMDO used by us in the manufacture of TMCS is sourced by us from our customers for HMDS. We purchase the key raw materials required for manufacturing HMDS from suppliers in China and India. In Fiscals 2019, 2018, 2017, our expenditure on raw materials (cost of materials consumed) for the manufacturing of HMDS (including ancillary products) was ₹720.18 million, ₹236.60 million and ₹159.50 million, respectively.

The primary raw materials essential to the manufacturing of CMIC are MCF, IPA and Chlorine. We purchase such raw materials from suppliers in China and India. In Fiscals 2019, 2018 and 2017 our expenditure on raw materials (cost of materials consumed) for the manufacturing of CMIC was ₹357.39 million, ₹156.80 million and ₹57.80 million, respectively.

The raw materials essential for the manufacturing of Calcium Bromide (solution and powder), Sodium Bromide (solution and powder) and Zinc Bromide (solution) are primarily HBR, Bromine and lime. In Fiscals 2019, 2018 and 2017, our expenditure on raw materials (cost of raw materials consumed) for manufacturing of our Oilwell Completion Chemicals was ₹737.99 million, ₹381.11 million and ₹350.51 million, respectively.

We procure our raw materials essential for manufacturing our products from domestic and international vendors. 50.89%, 36.67% and 28.71% of our costs of raw materials, in Fiscals 2019, 2018 and 2017, was on imported raw materials.

While we do not have long term contracts for the supply of our raw materials, and procure the same through purchase orders, we have long-established relationships with a number of such suppliers, and such long-established relationship with multiple suppliers ensures stable supply without dependency on a single source. We have subsisting relationships with certain suppliers for up to 10 years.

Product development

We have a product development department which performs various critical functions with respect to our existing products, while also seeking to identify potential new products as well as newer applications for our existing products. As on June 30, 2019, three permanent employees were engaged in the product development function of our Company.

With respect to our existing products, our product development department is engaged in: (a) the review of the functionality of our products (including the resolution of any problem with our products) and the need for modifications, if any; (b) developing solutions if our manufacturing process and current procedures requires change to *inter alia* reduce expenditure; and (c) review of the quantity of chemicals to be manufactured and sold to best achieve economies of scale and develop strategies which would help conserve and minimise the usage of raw materials and/or control wastage in the chemical production process.

Our product development department also seeks to identify new potential marketable products and carries a thorough study including product specifications, potential products costs and production timeline, while also evaluating the need for the potential products in the market. Further, we have dedicated personnel, who work on the schematic route of synthesis, by reviewing the viability of cheaper alternative raw materials or shortening the period of synthesis.

Manufacturing process

Brief details of the manufacturing process for our products are set forth below:

<u>Pharmaceutical Chemicals</u>

1. HMDS

HMDS can be manufactured by 2 different processes:

(a) using TMCS as the starting chemical; and
(b) using HMDO as the starting chemical

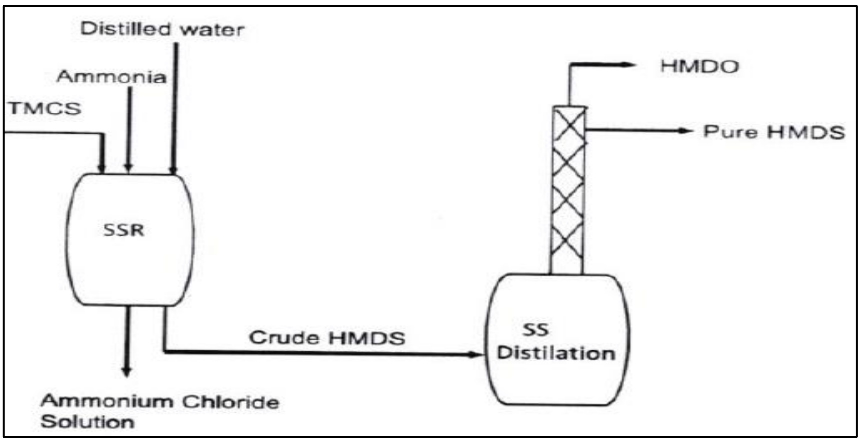
<u>Process of manufacturing of HMDS using TMCS</u>

The basic raw materials used in the manufacturing of HMDS in this process are TMCS, Liquified Ammonia and Distilled Water.

Step – 1: TMCS, Liquified Ammonia and Distilled Water charged in a stainless steel reactor (SSR). This chemical reaction results in production of crude HMDS along with ammonium chloride solution as a by-product.

Step – 2: Crude HMDS is fed into a stainless steel distillation column to produce pure HMDS along with HMDO as an impurity.

<u>Block Diagram for production of HMDS using TMCS</u>



Process of manufacturing of HMDS using HMDO

The basic raw materials used in the manufacturing of HMDS in this process are HMDO, Hydrochloric Acid, Liquified Ammonia and Distilled Water.

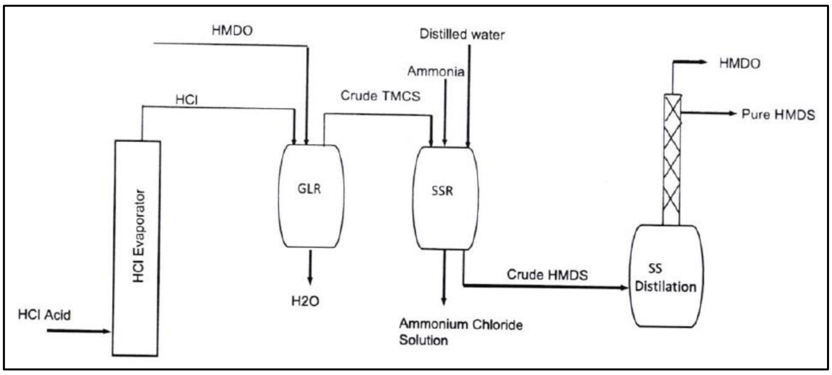
Step – 1: Liquid Hydrochloric Acid ("**HCL**") is first fed into an evaporator.

Step – 2: HCL (in vapour form) and HMDO are then fed in a glass lined reactor (GLR). This process results in the production of crude TMCS along with water as a by-product.

Step – 3: Crude TMCS, Liquified Ammonia and Distilled Water charged in a stainless steel reactor (SSR). This chemical reaction results in production of crude HMDS along with ammonium chloride solution as a by-product.

Step – 4: Crude HMDS is fed into a stainless steel distillation column to produce pure HMDS (of desired purity) along with HMDO as an impurity.

Block Diagram for production of HMDS using HMDO



2. CMIC

The basic raw materials used in the manufacturing of CMIC are MCF, IPA and Catalyst.

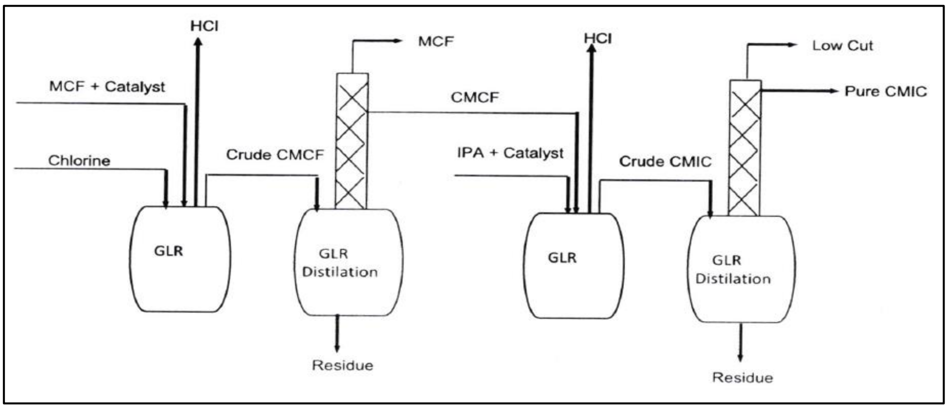
Step – 1: A mixture of MCF and Catalyst is first charged in a glass lined reactor ('**GLR**') and thereafter Chlorine is added to the process while maintaining reflux temperature. This chemical reaction results in production of crude Chloromethyl Chloroformate ("**CMCF**") and hydrochloric acid ("**HCL**") as a by-product.

Step – 2: Crude CMCF is then transferred to a glass lined reactor (GLR) to remove any unreacted MCF and increase the purity of CMCF.

Step – 3: Distilled CMCF is charged into another glass lined reactor and thereafter IPA and catalyst are added. The chemical reaction results in the elimination of HCL gas and production of crude CMIC.

Step – 4: Crude CMIC is then fed into another glass lined reactor to be heated under reduced pressure and the low boiler impurities are removed. The distillation process results in production of pure CMIC (of desired purity) and thereafter the residue is drained.

Block Diagram for production of CMIC



3. Oilwell Completion Chemicals

Calcium Bromide Solution

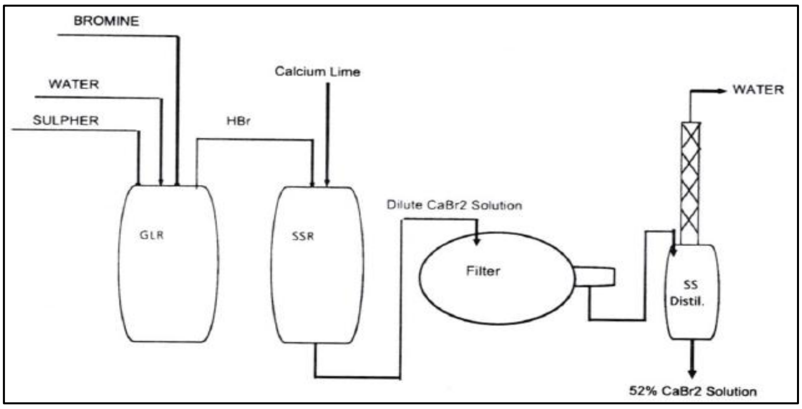
The basic raw materials used in the manufacturing of Calcium Bromide Solution ($CaBr_2$) are Bromine, Sulpher, Calcium Lime ($Ca(OH)_2$) and Water.

Step – 1: Water and sulphur are first charged in a glass lined reactor ('GLR') and thereafter bromine is added to the process with jacket cooling. This chemical reaction results in production of hydrobromic acid.

Step – 2: Hydrobromic acid and Calcium Lime solution is charged in a stainless steel reactor (SSR). This chemical reaction results in production of dilute Calcium Bromide ($CaBr_2$) solution.

Step – 3: Dilute Calcium Bromide ($CaBr_2$) solution is fed into a distillation column to distil out excess water and enrich the concentration. This process results in the production of 52% $CaBr_2$ solution.

Block Diagram for production of Calcium Bromide Solution



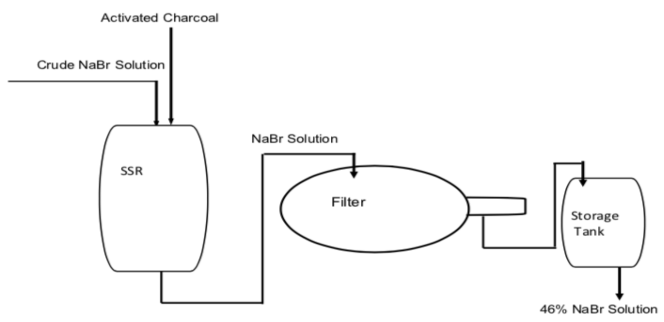
Sodium Bromide Solution

The basic raw materials used in the manufacturing of Calcium Bromide Solution (CaBr2) are Crude Sodium Bromide Solution and Activated Charcoal.

Step – 1: Crude Sodium Bromide solution along with activated charcoal in charged in a Stainless Steel reactor (SSR). The solution is processed further to remove impurity and colour.

Step – 2: Sample Sodium Bromide (NaBr) is checked for clarity and impurity. Post quality check approval, the Sodium Bromide solution is passed through the filter and collected in a tank as 46% NaBr solution.

Block Diagram for production of Sodium Bromide Solution



BLOCK DIAGRAM FOR MANUFACTURE OF SODIUM BROMIDE SOLUTION

Zinc Bromide Solution

Zinc Bromide Solution is usually sold as a mixture of Calcium Bromide and Zinc Bromide. The production process of Zinc Bromide is similar to the process of production of Calcium Bromide Solution with just one change – instead of Calcium Lime ($Ca(OH)_2$), Zinc Hydroxide ($Zn(OH)_2$) is used in the process of manufacture of Zinc Bromide.

Calcium Bromide / Sodium Bromide Powder

Calcium Bromide (CaBr2) solution or Sodium Bromide solution is fed into a flaker to produce Calcium Bromide or Sodium Bromide in powder form

Quality control and quality assurance

Our Company has received ISO 9001: 2015 certification with respect to the Manufacture and supply of Organosilicon Compounds, Heterocyclic Compounds, Fine Chemicals and their Derivatives. Various in-process quality checks are performed to monitor product quality during the manufacturing process.

Our Manufacturing Facility may be inspected by our customers to review our quality control mechanisms. We believe that maintaining a high standard of quality of our products and our Manufacturing Facility is critical to our Company and continued success. We have put in place quality systems that cover all areas of our business processes from manufacturing to product delivery for ensuring consistent quality, efficacy and safety of our products. As on June 30, 2019, our quality control teams consisted of six permanent employees in our Manufacturing Facility.

We believe that we implement and maintain best industry practices including for, adequate premises and space, suitable equipment, appropriate use of raw materials, carrying out our manufacturing through approved procedures and instructions. All products are tested to specification before release to our customers and monitored throughout shelf life.

Sales, marketing and distribution

We sell our products to our customers in India and as well as outside India. The Pharmaceutical Chemicals are predominantly sold to players in the pharmaceuticals industry, while our Oilwell Completion Chemicals are predominantly sold to players in the oilfields exploration and service industry as well as aggregators of chemicals used in oilfields exploration industry. .

Where required, we transport our products directly to our customers by land, air or sea, based on the circumstances involved and the requirements of our customers.

Our revenue from operation in Fiscals 2019, 2018 and 2017 were ₹3,041.68 million, ₹1,583.07 million and ₹898.92 million respectively. Of such revenue from operations, 64.67% was from domestic sales while 32.23% was from exports (including Deemed Exports) in Fiscal 2019.

Set forth below are the details of our top 10 customers on an aggregate basis in Fiscal 2019:

Name	Category	% contribution to total revenue from operations in Fiscal 2019
Shree Radha Overseas	Oilwell Completion Chemicals	13.26%
Hetero Labs Limited	Pharmaceutical Chemicals	10.87%
Water Systems Specialty Chemical DMCC	Oilwell Completion Chemicals	8.11%
A listed Indian pharmaceutical company*	Pharmaceutical Chemicals	7.16%
Laurus Labs Limited	Pharmaceutical Chemicals	6.41%
Aurobindo Pharma Limited	Pharmaceutical Chemicals	4.95%
Sanjay Chemicals (India) Private Limited	Pharmaceutical Chemicals	4.54%
An exporter of chemicals*	Pharmaceutical Chemicals	4.40%
An Azerbaijan based upstream company*	Oilwell Completion Chemicals	4.08%
Universal Drilling Fluids	Oilwell Completion Chemicals	3.58%
Total		**67.37%**

**Confidential*

With Gujarat being one of the major pharmaceutical and chemical hubs in India, our Manufacturing Facility is strategically located. Additionally, we have two sales and marketing offices in Hyderabad and Mohali, strategically located in and around two other pharmaceutical hubs of India, namely Telangana and Baddi, Himachal Pradesh, thereby enabling us better access to our customers in India.

We have an in house team dedicated to marketing, distribution and sale of our products, in India and abroad. We regularly participate in domestic and international exhibitions for marketing our products in current and additional geographies. Further, we seek to maintain direct relationships with our key customers to better understand their requirements.

Logistics

We transport our raw materials and our finished products typically by road and sea. We rely on freight forwarders to deliver our products. We do not have formal contractual relationships with our freight forwarders. The pricing for freight is negotiated on a shipment basis.

We procure raw materials based on our requirement, from pre-approved vendors. On receipt of the raw materials, our quality control team tests the materials and after such testing of the materials, the quality control department confirms whether the material is to be approved or rejected. The unloading of the raw materials in our warehouses are always done under supervision of the warehouse personnel.

Human resources

Our work force is a critical factor in maintaining quality and safety standards and that good relations with our workforce is critical in strengthen our competitive position.

As of June 30, 2019, we had 145 permanent employees on our rolls. In addition to such permanent employees, we also engage certain workers on a contract labour basis. The breakdown of our permanent employees in different functionalities as on June 30, 2019 has been provided below:

Function	Number of permanent employees
Manufacturing	75
Sales and marketing	6
Product development	3
Quality control	6
Finance, human resources and operations	17
Legal and secretarial	1
Export	4
Material (purchase, stores, dispatch)	8
Project, engineering and maintenance	17
Environment and safety	8

Function	Number of permanent employees
Total	**145**

Information technology

We have implemented a Tally based ERP system, pursuant to which various financial and MIS reports are generated.

Regulatory and environmental matters

We are subject to extensive environmental laws and regulations, including regulations relating to the prevention and control of water pollution and air pollution, environmental protection, hazardous waste management and noise pollution, in relation to our manufacturing facility. These laws and regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. Our Company has obtained the necessary environment related approvals in relation to our Manufacturing Facility.

Our Manufacturing Facility possess effluent treatment processes in compliance with applicable law. We are a member of a common hazardous waste disposal facility in Vadodara, Gujarat.

Health and safety

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted a health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facility or under our management.

We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees.

Intellectual property

As on the date of this Draft Red Herring Prospectus, our Company owns one trademark in relation to our logo.

Competitors

Our Company was the only manufacturer of HMDS in India and the eight largest manufacturer of HMDS worldwide, in terms of production in calendar year 2018. The major international manufacturers of HMDS in calendar year 2018 were Xinyaqiang Silicon Chemistry Limited Liability Company, The Dow Chemical Company, Shin-Etsu Chemical Co., Ltd, Wacker Chemie AG, Evonik Industries AG, Zhejiang Sorbo Chemical Co., Ltd. and Jiangxi Bluestar Xinghuo Silicones Company Limited (*source: Frost & Sullivan Report*).

We were the largest manufacturer of CMIC in India and the second largest manufacturer of CMIC worldwide, in terms of production in calendar year 2018 (*source: Frost & Sullivan Report*). The other major manufacturers of CMIC in calendar year 2018 were Shanghai Twisun Bio-Pharm Co., Ltd, Inner Mongolia Saintchem Chemicals Co., Ltd., Anshul Specialty Molecules Private Limited, Huangshi Fuertai Pharmaceutical Tech Co., Ltd and Paushak Limited (*source: Frost & Sullivan Report*).

We were the largest manufacturer of the Oilwell Completion Chemicals in India in calendar year 2018 (*source: Frost & Sullivan Report*). The other major manufacturers of our Oilwell Completion Chemicals in India in calendar year 2018 were Agrocel and OC Specialties Private Limited, while major international manufacturers of our Oilwell Completion Chemicals include Israel Chemicals Ltd., Albemarle Corporation, Lanxess (Chemtura), Tetra Chemicals and PPC (S.A.S.) (Weylchem) (*source: Frost & Sullivan Report*).

Insurance

We have obtained public liability insurance in compliance with requirements under the Public Liability Insurance Act, 1991, as amended, as well as industrial all risk insurance with respect to our Manufacturing Facility, covering *inter alia* buildings, plant and machinery, furniture and stock located therein and a marine cargo open policy with respect to our key products and raw materials. Further, we have also obtained standard fire and special perils policies with respect to our Corporate Office, our sales and marketing offices in Mohali and our two external leased warehouses in Manjusar, Gujarat, a commercial care package policy with respect to our sales and marketing office in Hyderabad and a money insurance policy covering our Corporate Office and Manufacturing Facility.

While, our Company believes that we have adequately insured our assets, we can provide no assurance in this regard for further details, see *"Risk Factors- Our insurance coverage may not be sufficient or adequate to protect us against all material hazards, which may adversely affect our business, results of operations, financial condition and cash flows."* on page 34.

Corporate social responsibility

We were required to incur corporate social expenditure in Fiscal 2019 in terms of Section 135(5) of the Companies Act, 2013. Accordingly, we incurred an expenditure of ₹4.58 million towards donations made to certain hospitals and towards certain village schools.

Properties

The details of the material properties used by our Company for our operations are set forth below:

Sr. No.	Particulars	Address	Leased/Owned
1.	Manufacturing Facility*	Block numbers 355, 357,357/1, 358, 359/1, Manjusar Village, Taluka Savli, Vadodara 391 775, Gujarat	Owned
2.	Corporate office	9th Floor, Onyx Business Centre, Akshar Chowk, O P Road, Vadodara 390 015, Gujarat	Owned
3.	Sales and marketing office	H. No. 7-2-1813/5/A/1, SVSS Nivas, Flat No. W-101, 1st Floor, Street No. 1, Above Reliance Fresh, Czech Colony, Sanathnagar, Hyderabad 500 018, Telangana	Leased
4.	Sales and marketing office	B/30, Industrial Area, SAAS Nagar, Mohali, Punjab 140 604, Punjab	Leased
5.	Warehouses	Plot No. 415 and 416, GIDC Estate, Village: Manjusar, Taluka: Savli Dist. Vadodara, Gujarat	Leased

**Our Registered Office is located at Block Number 355, Manjusar Kunpad Road, Manjusar Village, Taluka Savli, Vadodara 391 775, Gujarat.*

KEY REGULATIONS AND POLICIES IN INDIA

Our Company is a manufacturer of specialised chemicals. The following description is a summary of certain key statutes, bills, regulations, notifications, memorandums, circulars and policies which are applicable to our Company and the business undertaken by our Company.

Taxation statutes such as the Income Tax Act, 1961, the Customs Act, 1962 and the relevant goods and services tax legislation apply to us as they do to any other company. For details of government approvals obtained by our Company, see "Government and Other Approvals" beginning on page 264.

The information detailed in this chapter, is based on the current provisions of key statutes, bills, regulations, notifications, memorandums, circulars and policies which are subject to amendments, changes and/or modifications. The information detailed in this chapter has been obtained from sources available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Laws in relation to our business

The Factories Act, 1948 ("Factories Act")

The term '*factory*', as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act requires the '*occupier*' of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the "*occupier*" of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers' health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

The Indian Boilers Act, 1923 ("Boilers Act")

The Boilers Act seeks to regulate *inter alia,* the manufacture, possession and use of boilers. Under the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use, by the Inspector so appointed by the relevant State Government. In the event of the use of boilers in non-compliance with the Boilers Act, a fine may be imposed on the owner of such boiler.

The Public Liability Insurance Act, 1991 ("PLI Act")

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandate that the employer has to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

Legal Metrology Act, 2009 ("LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules")

The LM Act aims to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate *inter alia,* the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the LM Act. Any non-compliance or violation under the LM Act may result in *inter alia* a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases. The Packaged Commodity Rules were framed under Section 52(2) (j) and (q) of the LM Act. The Packaged Commodity Rules lays down specific provisions applicable to packages intended for retail sale, whole sale and for export and import. The Packaged Commodity Rules were amended in the year 2017 to increase protection granted to consumers. Some recent additions include increased visibility of retail price, removal of dual MRP and bringing e-commerce within the ambit of these rules.

Foreign Trade (Development and Regulation) Act, 1992 ("FTA")

The FTA seeks to increase foreign trade by regulating imports and exports to and from India. The FTA read with the Indian Foreign Trade Policy, 2015-20 provides that no person or company can make exports or imports without having obtained an importer exporter code number unless such person or company is specifically exempted. An application for an importer exporter code number has to be made to the Office of the Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

The main objective of the FTA is to develop and regulate foreign trade by facilitating imports into India and augmenting exports from India. Under the FTA, an importer exporter code ("IEC"), granted by the Director General of Foreign Trade, is required to be obtained in the event any import or export of the product is envisaged. Failure to obtain the IEC number shall attract penalty under the FTA.

The Explosives Act, 1884 ("***Explosives Act***")

The Explosives Act is a comprehensive law which regulates by licensing for the manufacturing possession, sale, transportation, export and import of explosives. As per the definition of 'explosives' under the Explosives Act, any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect shall fall under the Explosives Act. The Central Government may, for any part of India, make rules consistent with this act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use sale, transport, import and export of explosives, or any specified class of explosives. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act.

The Static and Mobile Pressure Vessels (Unfired) Rules 2016 ("SMPV Rules")

The SMPV Rules regulate the manufacture, filling, delivery, import, modification and repair of pressure vessels. Under the SMPV Rules, licenses are required to be obtained for storage and transportation of compressed gas. The SMPV Rules also prescribe conditions under which the licenses can be amended, renewed, suspended or cancelled.

Environmental laws

The Environment (Protection) Act, 1986 **("*EPA*")**

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

Water Prevention and Control of Pollution Act, 1974 ("Water Act")

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one Central Pollution Control Board, as well as State Pollution Control Boards, to be formed to implement its provisions. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

Air Prevention and Control of Pollution Act, 1981 ("Air Act")

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant State Pollution Control Board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. They also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Boards. The Central Pollution Control Board and the State Pollution Control boards constituted under the Water Act perform similar functions under the Air Act as well.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant State Pollution Control Board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996 ("Chemical Accidents Rules")

The Chemical Accidents Rules, formulated pursuant to the provisions of the EPA, seek to manage the occurrence of chemical accidents, by *inter alia*, setting up a central crisis group and a central crisis alert system. The functions of the central crisis group inter alia include, (i) conducting post-accident analysis of major chemical accidents; (ii) rendering infrastructural help in the event of a chemical accident; and (iii) review district off site emergency plans.

The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 ("HCR Rules")

The HCR Rules are formulated under the Environment (Protection) Act, 1986. The HCR Rules are applicable to an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Where a major accident occurs on a site or in a pipeline, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority. Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority containing the particulars specified in the schedule to the HCR Rules at least three months before commencing that activity or before such shorter time as the concerned authority may agree.

Intellectual Property laws

The Trade Marks Act, 1999 ("Trademarks Act")

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trademarks Act also prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for infringement, falsifying and falsely applying for trademarks.

Labour related legislations

Depending upon the nature of the activity undertaken by us, the applicable labour enactments other than state-wise shops and establishments acts includes the following:

- The Apprentices Act, 1961;
- The Contract Labour (Regulation and Abolishment) Act, 1970;
- The Employee's Compensation Act, 1923;

- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employee's State Insurance Act, 1948;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936;
- The Industrial Disputes Act, 1947;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Equal Remuneration Act, 1976; and
- The Child Labour (Prohibition and Regulation) Act, 1986

In order to rationalize and reform labour laws in India, the GoI intends to frame four labour codes, namely, (i) the Code on Wages Bill, 2019, (ii) the Draft Labour Code on Industrial Relations, 2015, (iii) the Draft Labour Code on Social Security and Welfare, and (iv) the Draft Code on Occupational Safety, Health and Working Conditions. The Code on Wages Bill, 2019 was passed by the Lok Sabha on July 30, 2019, which will, once approved by the Rajya Sabha, subsume four existing laws, if enacted, namely, (i) the Minimum Wages Act, 1948, (ii) the Payment of Wages Act, 1936, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976.

Other laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder, and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations. Our Company is also amenable to various central and state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as Gujarat Quinone Private Limited at Vadodara, Gujarat, India, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 15, 1988 issued by the RoC. Our Promoters and Promoter Group completed the acquisition of 100% of the Equity Share capital of our Company in 2004 from the shareholders of our Company at the time.

Chemcon Engineers Private Limited" ("**CEPL**") was incorporated at Vadodara, Gujarat, India as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated April 30, 1996 issued by the RoC. CEPL, a company largely owned and promoted by our Promoters and Promoter Group, merged into our Company pursuant to an order of the High Court of Gujarat dated May 6, 2004 approving the Scheme of Amalgamation between CEPL and our Company. Thereafter, to reflect the nature of activities of our Company consequent to the Scheme of Amalgamation, the name of our Company was changed to "Chemcon Speciality Chemicals Private Limited" pursuant to the approval of our Shareholders at an extra-ordinary general meeting held on July 24, 2004 and the fresh certificate of incorporation on change of name issued by the RoC on July 27, 2004.

Subsequently, our Company was converted into a public limited company pursuant to the approval of our Shareholders at an extra-ordinary general meeting held on November 28, 2018. Consequently, the name of our Company was changed to "Chemcon Speciality Chemicals Limited" and a Fresh certificate of incorporation consequent upon conversion to public limited company was issued by the RoC on April 10, 2019.

Change in the Registered Office

The details of the change in our registered office since incorporation are detailed below:

Effective date of Change	Details of Change	Reason(s) for change
November 6, 1992	The registered office of our Company was changed from 12, Suvarnpuri Society, Jetalpur Road, Baroda, Gujarat to 23, Baroda People's Co-operative Society Limited, Wadi, Baroda 390 007, Gujarat	Operational convenience
1994*	The registered office of our Company was changed from 23, Baroda People's Co-operative Society Limited, Wadi, Baroda 390 007, Gujarat to Block No. 150/B, Tundav Anjesar Road, Taluka Savli, Baroda district, Gujarat	Operational convenience
January 21, 2004	The registered office of our Company was changed from Block No. 150/B, Tundav Anjesar Road, Taluka Savli, Baroda district to Village Bil (C.K Patel) near Bhaili Railway Station, Bhaili, Baroda district, Gujarat	Operational convenience
July 15, 2004	The registered office of our Company was shifted from Village Bil (C.K Patel) near Bhaili Railway Station, Bhaili, Baroda district, Gujarat to Block Number 355, Manjusar Kunpad Road, Manjusar Village, Taluka Savli, Vadodara 391 775, Gujarat	Operational convenience

**Based on the Annual Return for Fiscal 1995. For details, see "Risk Factors- Certain documents filed by us with the RoC and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future" on page 30.*

Main Objects of our Company

The main object contained in the Memorandum of Association of our Company is as mentioned below:

"To carry on the business as manufacturers, processors, importers, exporters, dealers, sellers, buyers, consignors, consignees, agents, stockiest, suppliers of all classes, kinds, types and nature of chemicals, dyes, pigments and auxiliaries, intermediates including but without limiting the generality of the foregoing, heavy chemicals, fine chemicals, organic and inorganic chemicals, pharmaceuticals, drugs and medicinal chemicals, gum, allied chemicals, and boiling agents for textiles, paints, cosmetics, pharmaceuticals, paper, processing, leather, metals, food pigments and other industries made from whatever substances including minerals"

The main object as contained in the Memorandum of Association enables our Company to carry on the business presently being carried out. For further details, see "*Objects of the Issue*" on page 69.

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the ten years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' Resolution	Particulars
March 20, 2010	Clause V of our Memorandum of Association was substituted to reflect the re-classification of the authorised share capital of our Company, from ₹ 80,000,000 comprising of 7,900,000 Equity Shares of ₹10 each and 100,000 preference shares of ₹10 each to ₹ 80,000,000 comprising of 8,000,000 Equity Shares of ₹10 each.
October 9, 2018	Clause V our Memorandum of Association was substituted to reflect the increase in the authorised share capital of our Company from ₹ 80,000,000 comprising of 8,000,000 Equity Shares of ₹10 each to ₹500,000,000 comprising of 50,000,000 Equity Shares of ₹10 each.
November 28, 2018	Clause I of our Memorandum of Association was substituted to reflect the new name of our Company pursuant to the conversion of our Company from a private limited company to a public limited company.

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Fiscal	Particulars
2005	Amalgamation of CEPL into our Company, pursuant to the scheme of amalgamation of Chemcon Engineers Private Limited with Gujarat Quinone Private Limited
	First export shipment of HMDS
2014	First sale of CMIC
2015	First sale of Calcium Bromide (Solution)
2016	First sale of Zinc Bromide (Solution)
2017	First sale of Calcium Bromide (Powder)
	First sale of Sodium Bromide Solution
2018	Increase in annual installed production capacity for (i) CMIC (from 600 MT per annum to 1,200 MT per annum) and (ii) Oilwell Completion Chemicals (from 7,200 MT per annum to 14,400 MT per annum)
2019	Increase in the annual installed production capacity for CMIC (from 1,200 MT per annum to 1,800 MT per annum)
	Our Company was assigned a "*4A3*" rating by Dun & Bradstreet Information Services India Private Limited

Awards, accreditations or recognitions

Our Company has received the following awards, accreditation and recognition:

Sr. No.	Accreditations	Year of award
1.	Our Company was recognised as a "*1-star export house"* by the Directorate General of Foreign Trade, GoI	2014
2.	Our Company received ISO 9001: 2015 certification with respect to the Manufacture and supply of Organosilicon Compounds, Heterocyclic Compounds, Fine Chemicals and their Derivatives	2017

Our Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding Company.

Subsidiaries or joint ventures

As of the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries or joint ventures.

Time/cost overrun

There have been no time/cost overruns pertaining to our business operations since incorporation.

Defaults or rescheduling of borrowings with financial institutions/banks

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled.

Details of acquisition or divestments

Our Company has not acquired or divested any business/undertaking in the 10 years preceding the date of this Draft Red Herring Prospectus.

Mergers or amalgamation

Our Company has not undertaken any merger or amalgamation in the 10 years preceding the date of this Draft Red Herring Prospectus.

Revaluation of assets

Our Company has not revalued its assets in the 10 years preceding the date of this Draft Red Herring Prospectus.

Details of shareholders' agreements

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholder's agreements among our shareholders *vis-a-vis* our Company, which our Company is aware of.

Other agreements

Neither our Promoters nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Further, our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business:

Financial and/or Strategic Partners

Our Company does not have any financial and/or strategic partners as of the date of filing this Draft Red Herring Prospectus.

Guarantees given by our promoter Selling Shareholder

In connection with the financing facilities availed by our Company, one of our Promoters, Kamalkumar Rajendra Aggarwal, who is also a Selling Shareholder, has issued a joint guarantee in favour of HDFC Bank Limited ("**HDFC**") with Naresh Vijaykumar Goyal, a Selling Shareholder and member of the Promoter Group, the details of which are set out below:

Sr. No.	Reason for guarantee	Guarantee amount	Guarantee period	Financial implication in case of default	Consideration
1.	Performance of contractual obligations by our Company, as	₹530,000,000	During the subsistence of the facility, in	Repayment of the principal loan amount, along with an additional rate of interest of	Nil

Sr. No.	Reason for guarantee	Guarantee amount	Guarantee period	Financial implication in case of default	Consideration
	stipulated in the sanction letter dated May 18, 2018 issued by HDFC to our Company ("**Sanction Letter**")		accordance with the terms contained in the Sanction Letter	18% per annum or such other rate as HDFC may, in its absolute discretion stipulate, from the date of demand till the date of repayment	

For details of the security available to HDFC under the financing arrangement referenced above, please refer to the section titled "*Restated Financial Statements - Annexure VI-Note 16: Current Financial Borrowings"* on page 209.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting.

As on the date of filing this Draft Red Herring Prospectus, we have ten Directors on our Board, of whom five are Independent Directors. Of such Independent Directors, one Director is a woman Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details of our Board as of the date of filing of this Draft Red Herring Prospectus with SEBI:

Name, designation, date of birth, address, occupation, current term, date of appointment and DIN	Age (years)	Other directorships
Kamalkumar Rajendra Aggarwal *Designation*: Chairman and Managing Director *Date of birth*: December 27, 1962 *Address*: 13-A, Shivashray Society, near Rameshwar Temple, Vasna Road, Vadodara 390 020, Gujarat *Occupation*: Business *Current term*: For a period of three years, with effect from May 1, 2019 *Period of directorship*: Since January 19, 2004 *DIN*: 00139199	56	*Indian companies* 1. Overseas Synthetics Limited; and 2. Medicap Healthcare Limited *Foreign companies* Nil
Rajesh Chimanlal Gandhi *Designation*: Whole-time Director and Chief Financial Officer *Date of birth*: April 12, 1971 *Address*: G-1, Dwarika Flat (behind Surya Nagar Garba Ground), Waghodia Road, Vadodara 390 019, Gujarat *Occupation*: Professional *Current* term: Liable to retire by rotation for a period of three years, with effect from May 1, 2019 *Period of directorship*: Since May 1, 2012 *DIN*: 03296784	48	*Indian companies* 1. Medicap Healthcare Limited *Foreign companies* Nil
Himanshu Purohit *Designation*: Whole-time Director *Date of birth*: July 30, 1973	46	*Indian companies* Nil *Foreign companies*

Name, designation, date of birth, address, occupation, current term, date of appointment and DIN	Age (years)	Other directorships
Address: 204, Suryadarshan Complex (near Taksh Complex), Vasna Road, Vadodara Racecourse, Vadodara 390 007, Gujarat *Occupation*: Professional *Current term*: Liable to retire by rotation for a period of three years with effect from May 1, 2019 *Period of directorship*: Since May 1, 2012 *DIN*: 03296807		Nil
Navdeep Naresh Goyal *Designation*: Deputy Managing Director *Date of birth*: May 8, 1990 *Address*: B/30 Shivashray Housing Society, Saiyed Vasna Road, Vadodara 390 007, Gujarat *Occupation*: Business *Current term*: Liable to retire by rotation for a period of three years with effect from May 1, 2019 *Period of directorship*: Since April 1, 2015 *DIN*: 02604876	29	*Indian companies* 1. Super Industrial Lining Private Limited; and 2. Supertech Fabrics Private Limited; *Foreign companies* Nil
Rajveer Aggarwal *Designation*: Whole-time Director *Date of birth*: August 17, 1995 *Address*: 13-A, Shivashray Society, near Rameshwar Temple, Vasna Road, Vadodara 390 020, Gujarat *Occupation*: Business *Current term*: Liable to retire by rotation for a period of three years with effect from May 1, 2019 *Period of directorship*: Since October 1, 2017 *DIN*: 07883896	23	*Indian companies* 1. Medicap Healthcare Limited *Foreign companies* Nil
Lalit Chaudhary *Designation*: Independent Director *Date of birth*: January 1, 1960 *Address*: 31, Vitthal Nagar Society, Opposite Mental Hospital, Karelibaug, Vadodara 390 018, Gujarat *Occupation*: Business	59	*Indian companies* 1. Chaudhary Cranes Private Limited *Foreign companies* Nil

Name, designation, date of birth, address, occupation, current term, date of appointment and DIN	Age (years)	Other directorships
Current term: For a period of five years from April 29, 2019 *Period of directorship*: Since April 29, 2019 *DIN*: 00651372		
Bharat Shah *Designation*: Independent Director *Date* of *birth*: May 7, 1958 Address: Arunodaya, Chittekhan Gali, Gendigate Road, Vadodara 390 017, Gujarat *Occupation*: Business *Current* term: For a period of five years from April 29, 2019 *Period of directorship*: Since April 29, 2019 *DIN*: 08281811	61	*Indian companies* Nil *Foreign companies* Nil
Neelu Shah *Designation*: Independent Director *Date of birth*: October 12, 1970 *Address*: 38, Spun Ville Lane No. 4, Arunoday Society (near Crossword Circle), Alkapuri, Racecourse, Vadodara 390 007, Gujarat *Occupation*: Business *Current term*: For a period of five years from April 29, 2019 *Period* of *directorship*: Since April 29, 2019 *DIN*: 08283933	48	*Indian companies* Nil *Foreign companies* Nil
Devendra Rajkumar Mangla *Designation*: Independent Director *Date of birth*: February 26, 1957 *Address*: 301/A, Perl Nautilas Tower (A), Near Sabri School, Vasna Road, Vadodara 390 007, Gujarat *Occupation*: Business *Current term*: For a period of 5 years from April 29, 2019 *Period of directorship*: Since April 29, 2019 *DIN*: 08421613	62	*Indian companies* Nil *Foreign companies* Nil

Name, designation, date of birth, address, occupation, current term, date of appointment and DIN	Age (years)	Other directorships
Samir Chandrakant Patel *Designation*: Independent Director *Date of birth:* October 3, 1965 *Address*: 24-25, Earth Bunglow, Akshar Chowk, Vadodara 390 015, Gujarat *Occupation*: Business *Current term*: For a period of 5 years from April 29, 2019 *Period* of *directorship*: Since April 29, 2019 *DIN*: 00086774	53	*Indian companies* 1. Samir Tech-Chem Private Limited *Foreign companies* Nil

Brief profiles of our Directors

Kamalkumar Rajendra Aggarwal is the Chairman and Managing Director of our Company. He holds a diploma in petrochemical technology (plastic technology) from the Maharaja Sayajirao University of Baroda, Gujarat. In the past, he was associated with CEPL in the capacity of director. He has more than 23 years of experience in the specialised chemicals industry. He has been on our Board since January 19, 2004.

Rajesh Chimanlal Gandhi is a Whole-time Director and the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from Gujarat University, Gujarat. In the past, he was associated with CEPL in the capacity of Accounts & Finance Manager. He has more than 20 years of experience in finance & accounts and related operations. He has been on our Board since May 1, 2012.

Himanshu Purohit is a Whole-time Director of our Company. He holds a master's degree in science in inorganic chemistry from the Sardar Patel University, Gujarat. In the past, he has been associated with CEPL in the capacity of production manager. He has more than 20 years of experience in production related operations. He has been on our Board since May 1, 2012.

Navdeep Naresh Goyal is the Deputy Managing Director of our Company. He has obtained a passing certificate for completion of his higher secondary examinations from the Gujarat Secondary & Higher Secondary Education Board, Gandhinagar. He is currently associated with SILPL in the capacity of director (operations). He has more than 10 years of experience in operations. He has been on our Board since April 1, 2015.

Rajveer Aggarwal is a Whole-time Director of our Company. He holds a bachelor's degree in chemical engineering from the Gujarat Technological University, Gujarat. He is currently associated with Medicap Healthcare Limited in the capacity of director (operations). He has more than five years of experience in operations. He has been on our Board since October 1, 2017.

Lalit Chaudhary is an Independent Director of our Company. He holds a bachelors' degree in commerce from the Sardar Patel University, Gujarat. He has been associated with Chaudhary Crains Private Limited as a director since 1993. He has more than 20 years of experience as an entrepreneur. He has been on our Board since April 29, 2019.

Bharat Shah is an Independent Director of our Company. He holds a bachelor's degree in science from the Maharaja Sayajirao University of Baroda, Gujarat . In the past, he has been associated with Bank of Baroda in various roles. He has more than 37 years of experience in the financial services sector. He has been on our Board since April 29, 2019.

Neelu Shah is an Independent Director of our Company. She holds a bachelor's degree in science from Kanpur University, Uttar Pradesh and a master's degree in business administration from the Jiwaji University, Gwalior. She has been engaged by "*Dageena-the Jewellery Shoppe*" since the year 2014, as a sales manager. She has 5 years of experience in sales. She has successfully completed a training programme on gold appraisal, organised by the MSME-Technology Development Centre, Agra, GoI. She has been on our Board since April 29, 2019.

Devendra Rajkumar Mangla is an Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Delhi. He is currently a partner in "*Baroda Freight Carrier*", and has been associated as partner since 1979. He has over 15 years of experience in logistics. He has been on our Board since April 29, 2019.

Samir Chandrakant Patel is an Independent Director of our Company. He holds a master's degree in science from the Sardar Patel University, Gujarat. He has been associated with Samir Tech – Chem Private Limited as a director. He has more than 30 years of experience in manufacturing and trading of laboratory chemicals. He has been on our Board since April 29, 2019.

Confirmations

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company.

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

Except Kamalkumar Rajendra Aggarwal who is the father of Rajveer Aggarwal, none of our other Directors are related to each another.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors have been appointed or selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Terms of appointment of our Executive Directors:

1. Kamalkumar Rajendra Aggarwal

Our Shareholders at their AGM held on June 14, 2019, approved the change in designation of Kamalkumar Rajendra Aggarwal to Managing Director for a period of three years with effect from May 1, 2019. Subsequently, our Board through their meeting held on August 1, 2019, approved the designation of Kamalkumar Rajendra Aggarwal as the Chairman of the Board with effect from August 1, 2019. The following table sets forth the terms of re-appointment of Kamalkumar Rajendra Aggarwal as approved by our Shareholders at their AGM held on June 14, 2019:

Sr. No.	Category	Remuneration
1.	Salary (basic pay)	₹0.40 million per month, subject to periodic increments based on recommendations of the Nomination and Remuneration Committee and as ratified by the Board
2.	Variable pay linked to profits of our Company (per annum)	4% of the net profits of our Company for a relevant financial year, subject to the thresholds specified by Section 197 of the Companies Act and computed in accordance with the manner outlined by Section 198 of the Companies Act

Sr. No.	Category	Remuneration
3.	Reimbursement of expenses (at actuals)	Expenses incurred by Kamalkumar Rajendra Aggarwal for and on behalf of our Company, including costs related to travelling, boarding, lodging and communication

2. Rajesh Chimanlal Gandhi

Our Shareholders at their AGM held on June 14, 2019, approved the change in designation of Rajesh Chimanlal Gandhi to Whole-time Director, liable to retire by rotation for a period of three years with effect from May 1, 2019. The following table sets forth the terms of re-appointment of Rajesh Chimanlal Gandhi as approved by our Shareholders at their AGM held on June 14, 2019:

Sr. No.	Category	Remuneration
1.	Salary (basic pay)	₹0.18 million per month subject to periodic increments based on recommendations of the Nomination and Remuneration Committee and as ratified by the Board
2.	Perquisites and allowances	Company contribution to provident fund, superannuation fund and payment of gratuity as per the rules of our Company
3.	Reimbursement of expenses (at actuals)	Expenses incurred by Rajesh Chimanlal Gandhi for and on behalf of our Company, including costs related to travelling, boarding, lodging and communication

3. Himanshu Purohit

Our Shareholders at their AGM held on June 14, 2019, approved the change in designation of Himanshu Purohit to Whole-time Director, liable to retire by rotation for a period of three years with effect from May 1, 2019. The following table sets forth the terms of re-appointment of Himanshu Purohit as approved by our Shareholders at their AGM held on June 14, 2019:

Sr. No.	Category	Remuneration
1.	Salary (basic pay)	₹0.18 million per month subject to periodic increments based on recommendations of the Nomination and Remuneration Committee and as ratified by the Board
2.	Perquisites and allowances	Company contribution to provident fund, superannuation fund and payment of gratuity as per the rules of our Company
3.	Reimbursement of expenses (at actuals)	Expenses incurred by Himanshu Purohit for and on behalf of our Company, including costs related to travelling, boarding, lodging and communication

4. Navdeep Naresh Goyal

Our Shareholders at their AGM held on June 14, 2019 approved the change in designation of Navdeep Naresh Goyal, to Whole-time Director and Chairman of our Company, liable to retire by rotation, for a period of three years with effect from May 1, 2019. Subsequently, our Shareholders at their EGM held on August 1, 2019, approved the change in designation of Navdeep Naresh Goyal to Deputy Managing Director with effect from August 1, 2019, for the remaining period of his tenure (three years commencing from May 1, 2019). The following table sets forth the terms of re-appointment of Navdeep Naresh Goyal as approved by our Shareholders at their EGM held on August 1, 2019:

Sr. No.	Category	Remuneration
1.	Salary (basic pay)	₹0.60 million per month subject to periodic increments based on recommendations of the Nomination and Remuneration Committee and as ratified by the Board
2.	Variable pay linked to profits of our Company (per annum)	4% of the net profits of our Company for a relevant financial year, subject to the thresholds specified by Section 197 of the Companies Act and computed in accordance with the manner outlined by Section 198 of the Companies Act

Sr. No.	Category	Remuneration
3.	Reimbursement of expenses (at actuals)	Expenses incurred by Navdeep Naresh Goyal for and on behalf of our Company, including costs related to travelling, boarding, lodging and communication

5. Rajveer Aggarwal

Our Shareholders at their AGM held on June 14, 2019, approved the change in designation of Rajveer Aggarwal to Whole-time Director, liable to retire by rotation for a period of three years with effect from May 1, 2019. The following table sets forth the terms of re-appointment of Rajveer Aggarwal as approved by our Shareholders at their AGM held on June 14, 2019:

Sr. No.	Category	Remuneration
1.	Salary (basic pay)	₹0.20 million per month subject to periodic increments based on recommendations of the Nomination and Remuneration Committee and as ratified by the Board
2.	Reimbursement of expenses (at actuals)	Expenses incurred by Rajveer Aggarwal for and on behalf of our Company, including costs related to travelling, boarding, lodging and communication

Terms of appointment of our Independent Directors:

Our Board of Directors at their meeting held on April 27, 2019, have approved the payment of sitting fees to our Independent Directors of ₹10,000 for attending each meeting of our Board of Directors and ₹5,000 for attending each meeting of the committees of our Board.

Payments or benefits to Directors

Our Company has not entered into any contract appointing or fixing the remuneration of a Director in the two years preceding the date of this Draft Red Herring Prospectus.

In Fiscal 2019, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration paid to them for such period. The remuneration paid to our Directors in Fiscal 2019 is as follows:

1. Whole-time Directors

The details of the remuneration paid to our Whole-time Directors in Fiscal 2019 is as set out below:

(₹ in million)

Name of Director	Current Designation	Remuneration
Kamalkumar Rajendra Aggarwal	Chairman and Managing Director	66.03
Naresh Vijaykumar Goyal *	-	61.12
Rajesh Chimanlal Gandhi	Whole Time Director	2.34
Himanshu Purohit	Whole Time Director	2.34
Navdeep Naresh Goyal	Deputy Managing Director	22.19
Rajveer Aggarwal	Whole Time Director	17.27

**Naresh Vijaykumar Goyal ceased to be a Director with effect from February 15, 2019.*

2. Independent Directors

All our Independent Directors have been appointed in Fiscal 2020. Accordingly, no remuneration or sitting fees has been paid to any of our Independent Directors in Fiscal 2019.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares.

The table below sets forth details of Equity Shares held by the Directors as on date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Director	Number of Equity Shares held
1.	Kamalkumar Rajendra Aggarwal	11,927,080
2.	Navdeep Naresh Goyal	8,608,166*
3.	Rajveer Aggarwal	2,532,800

**Includes 6,233,500 Equity Shares held by Navdeep Naresh Goyal as first holder, jointly with Shubharangana Goyal*.

Borrowing Powers

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and a resolution passed by our Shareholders at their AGM held on June 14, 2019 , our Board has been authorized to borrow any sum or sums of monies (including fund based and non-fund borrowings and non-convertible debentures), notwithstanding that the moneys to be borrowed by our Company together with monies already borrowed (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), will or may exceed our Company's aggregate paid-up share capital, free reserves and securities premium, provided that the total amount of money so borrowed by the Board shall not at any time together with interest payable exceed a sum of ₹ 8,000 million.

Bonus or profit-sharing plan for our Directors

Except as mentioned below, our Company does not have any performance linked bonus or a profit-sharing plan for our Directors:

In accordance with their respective terms of employment , Kamalkumar Rajendra Aggarwal and Navdeep Naresh Goyal as Chairman and Managing Director and the Deputy Managing Director respectively, are each entitled to 4% of the net profits of our Company for a relevant financial year linked to the profits of the Company, in compliance with the Companies Act, 2013.

Interest of Directors

All our Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and/or committees thereof as approved by our Board, the reimbursement of expenses payable to them, as approved by our Board.

Our Chairman and Managing Director, our Deputy Managing Director and our other Whole-time Directors may be deemed to be interested to the extent of the remuneration payable to each of them by our Company as Directors of our Company and any variable pay linked to profits earned by the Company, payable to them.

Kamalkumar Rajendra Aggarwal, Navdeep Naresh Goyal and Rajveer Aggarwal may also be interested to the extent of their shareholding in our Company, and to the extent of any dividend payable to them and other distributions in respect of such shareholding.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

Interest of Directors in the promotion or formation of our Company

Except as disclosed below, our Directors do not have any interest in any property acquired or proposed to be acquired of or by our Company.

Our Company has entered into multiple lease agreements with Kamalkumar Rajendra Aggarwal, our Chairman and Managing Director, with respect to certain premises used by our Company to provide residential accommodation to its employees. For details, see *Restated Financial Statements- Annexure VI- Note 34: Related Party Disclosures*" at page 217.

Further, other than in the ordinary course of business and as disclosed in "*Restated Financial Statements- Annexure VI- Note 34: Related Party Disclosures*" at page 217, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Draft Red Herring Prospectus.

Changes to our Board in the last three years*

Name	Designation (at the time of appointment/cessation)	Date of appointment/ change in designation/ cessation	Reason
Bharat Shah	Independent Director	April 29, 2019	Appointment as an Independent Director
Neelu Shah	Independent Director	April 29, 2019	Appointment as an Independent Director
Lalit Chaudhary	Independent Director	April 29, 2019	Appointment as an Independent Director
Devendra Rajkumar Mangla	Independent Director	April 29, 2019	Appointment as an Independent Director
Samir Chandrakant Patel	Independent Director	April 29, 2019	Appointment as an Independent Director
Naresh Vijaykumar Goyal	Whole-time Director	February 15, 2019	Cessation
Rajveer Aggarwal	Additional Director (Non-Executive)	October 1, 2017	Appointment as an Additional Director**
Atin Tibrewala	Independent Director	September 30, 2017***	Cessation***

** The aforementioned changes to our Board in the past three years do not include changes in the designation of our Directors post their initial appointment on the Board.*

***The appointment of Rajveer Aggarwal as a Non-Executive Director was regularised pursuant to the resolution of our Shareholders at their annual general meeting held on September 29, 2018. Subsequently, pursuant to a resolution of our Shareholders at their extra-ordinary general meeting held on June 14, 2019. Rajveer Aggarwal was re-designated as a Whole-time Director.*

****Atin Tibrewala was originally appointed as an Additional Director on March 28, 2016 till the date of the subsequent annual general meeting, pursuant to the resolution passed of our Board on March 28, 2016. However, he resigned from our Board on September 5, 2016. Subsequently, Atin Tibrewala was again appointed as an Additional Director till the date of the subsequent annual general meeting on November 19, 2016 pursuant to the resolution passed by our Board on November 19, 2016. However, such appointment was not regularized by our Shareholders at their annual general meeting held on September 30, 2017.*

Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof.

As on the date of filing this Draft Red Herring Prospectus, we have 10 Directors on our Board, of whom five are Independent Directors. Of such Independent Directors, one Director is a woman Director.

Committees of our Board

Our Board may constitute committees to delegate certain powers as permitted under the Companies Act, 2013.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

1. Audit Committee

The Audit committee was constituted by a resolution of our Board dated April 29, 2019. The current constitution of the Audit committee is as follows:

Name of Director	Position in the Committee	Designation
Bharat Shah	Chairman	Independent Director
Neelu Shah	Member	Independent Director
Samir Chandrakant Patel	Member	Independent Director
Kamalkumar Rajendra Aggarwal	Member	Chairman and Managing Director

The scope and function of the Audit committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

The roles and responsibilities of the Audit Committee include the following:

(i) The Audit Committee shall have powers, which should include the following:

(a) To investigate any activity within its terms of reference;
(b) To seek information from any employee of the Company;
(c) To obtain outside legal or other professional advice; and
(d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

(ii) The role of the Audit Committee shall include the following:

(a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;

(c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(e) 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;
(i) Changes, if any, in accounting policies and practices and reasons for the same;
(ii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
(iii) Significant adjustments made in the financial statements arising out of audit findings;
(iv) Compliance with listing and other legal requirements relating to financial statements;
(v) Disclosure of any related party transactions; and
(vi) Qualifications / modified opinion(s) in the draft audit report.

(f) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;

(g) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(h) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

(i) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(j) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

(k) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(l) Scrutiny of inter-corporate loans and investments;

(m) Valuation of undertakings or assets of the company, wherever it is necessary;

(n) Evaluation of internal financial controls and risk management systems;

(o) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(p) 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;

(q) Discussion with internal auditors of any significant findings and follow up there on;

(r) 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;

(s) 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;

(t) 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;

(u) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(v) To review the functioning of the whistle blower mechanism;

(w) Approval of the appointment of the chief financial officer of the Company (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

(x) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;

(y) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;

(z) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances; and

(aa) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(bb) Reviewing the utilization of loans and/or advances from/investment by the company in a subsidiary exceeding rupees 100 crore or 10% of the asset size of such subsidiary, whichever is lower.

Further, the Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

(c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;

(f) Statement of deviations:

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

(ii) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and

(g) review the financial statements, in particular, the investments made by any unlisted subsidiary.

The Audit Committee shall have the authority to investigate into any matter in relation to the items specified above or such other matter as may be referred to it by the Board and for this purpose, shall have the power to obtain professional advice from external sources and have full access to information contained in the records of the Company.

2. Nomination and Remuneration Committee

The Nomination and Remuneration committee was constituted by a resolution of our Board dated April 29, 2019. The current constitution of the Nomination and Remuneration committee is as follows:

Name of Director	Position in the Committee	Designation
Lalit Chaudhary	Chairman	Independent Director
Neelu Shah	Member	Independent Director
Bharat Shah	Member	Independent Director

The scope and function of the Nomination and Remuneration committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

(b) Formulation of criteria for evaluation of performance of independent directors and the Board;

(c) Devising a policy on Board diversity;

(d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(e) Analysing, monitoring and reviewing various human resource and compensation matters;

(f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(g) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);

(h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(j) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(k) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

    (i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
    (ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended,

    by the Company and its employees, as applicable.

(l) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

3. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was re-constituted by a resolution of our Board dated April 29, 2019. The current constitution of the Corporate Social Responsibility committee is as follows:

Name of Director	Position in the Committee	Designation
Navdeep Naresh Goyal	Chairman	Deputy Managing Director
Bharat Shah	Member	Independent Director
Devendra Kumar Mangla	Member	Independent Director

The terms of reference of the Corporate Social Responsibility Committee framed in accordance with Section 135 of the Companies Act, 2013, are as follows:

(a) To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;

(b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(c) To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

(d) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(e) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

(f) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013.

4. ***Stakeholder Relationship Committee ("SR Committee")***

The SR Committee was constituted by a resolution of our Board dated April 29, 2019. The current constitution of the SR Committee is as follows:

Name of Director	Position in the Committee	Designation
Bharat Shah	Chairman	Independent Director
Rajesh Chimanlal Gandhi	Member	Whole-time Director
Lalit Chaudhary	Member	Independent Director

The scope and function of the SR committee is in accordance with Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

(a) Redressal and resolving of all security holders' and investors' grievances including complaints related to transfer/transmission of shares, including non-receipt/issue of share certificates/duplicate share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;

(b) Reviewing of measures taken for effective exercise of voting rights by shareholders;

(c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

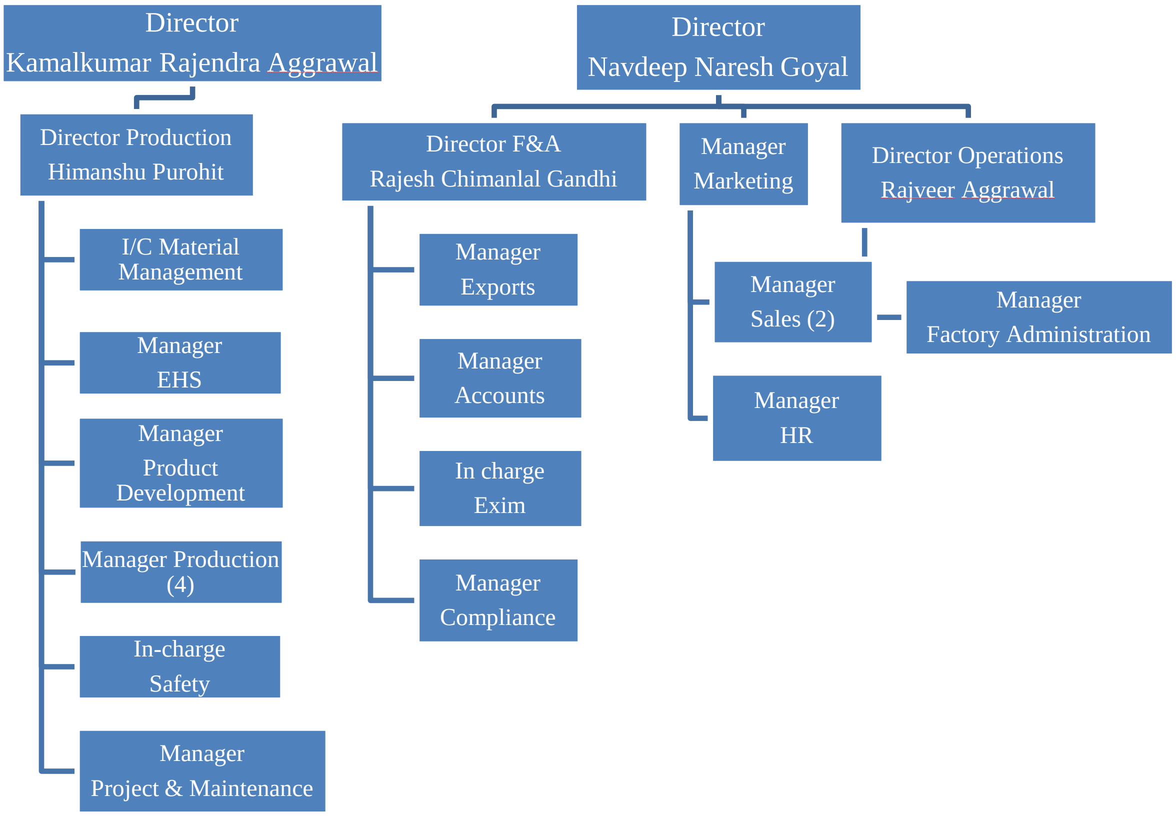
(d) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(e) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

(f) Reviewing the adherence to the service standards adopted by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services; and

(g) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

Management organization chart



Key Managerial Personnel

In addition to our Chairman and Managing Director, Deputy Managing Director, Whole-time Directors including Rajesh Chimanlal Gandhi, our Whole-time Director and Chief Financial Officer, whose details are provided in "*Our Management-Brief profiles of our Directors*" on page 157, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

Shahilkumar Maheshbhai Kapatel, aged 31, is the Company Secretary and Compliance Officer of our Company and is responsible for overlooking the secretarial matters of our Company. He joined our Company on September 26, 2018. He holds a bachelor's degree in commerce from I.V. Patel Commerce College, Gujarat. He has also completed the "*Professional Programme Examination*" conducted by the Institute of Company Secretaries of India. In the past, he has been associated with Rotomotive Powerdrives India Limited. He has more than one year of experience in secretarial matters. In Fiscal 2019, he received a remuneration of ₹0.14 million from us.

All our Key Managerial Personnel are permanent employees of our Company.

Retirement and termination benefits

Except applicable statutory benefits, none of our Key Managerial Personnel would receive any benefits on their retirement or on termination of their employment with our Company.

Family relationships of Directors with Key Managerial Personnel

Except Kamalkumar Rajendra Aggarwal, who is the father of Rajveer Aggarwal, none of our Key Managerial Personnel are related to any of our Directors or other Key Managerial Personnel.

Arrangements and Understanding with Major Shareholders

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Managerial Personnel

None of our Key Managerial Personnel (other than our Directors) hold any Equity Shares as on date of this Draft Red Herring Prospectus.

Service Contracts with Key Managerial Personnel

Our Key Managerial Personnel have not entered into any service contracts with our Company.

Contingent and deferred compensation payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form part of their remuneration.

Bonus or profit-sharing plan of the Key Managerial Personnel

Other than as disclosed in "*Our Management- Bonus or profit-sharing plan for our Directors*"**,** our Company does not have any formal bonus or profit-sharing plan.

Interest of Key Managerial Personnel

For details of the interest of our Directors in our Company, see "*Our Management-Interest of Directors*" on page 161.

Our Key Managerial Personnel (other than our Directors) are interested in our Company only to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

Changes in the Key Managerial Personnel in last three years:

For details of the changes in our Directors, see "-*Changes to our Board in the last three years"* on page 162. The changes in our Key Managerial Personnel (other than our Directors) in the three years preceding the date of this Draft Red Herring Prospectus is as mentioned below:

Name	Designation	Date of Change	Reason
Shahilkumar Maheshbhai Kapatel	Company Secretary and Compliance Officer	September 26, 2018	Appointment
Rajesh Chimanlal Gandhi	Chief Financial Officer	May 1, 2019	Appointment

Payment or Benefit to officers of our Company (non-salary related)

Except as disclosed in this section and *Restated Financial Statements- Annexure VI- Note 34: Related Party Disclosures*" at page 217, no non-salary related amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any officer of the Company, including our Directors and Key Managerial Personnel.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Kamalkumar Rajendra Aggarwal;

2. Navdeep Naresh Goyal; and

3. Shubharangana Goyal.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 22,514,134 Equity Shares in aggregate, representing 70.85% of the issued, subscribed and paid-up Equity Share capital of our Company. For details, please see the section titled "*Capital Structure – Build-up of the Promoters' shareholding in our Company*" beginning on page 63.

Details of our Promoters are as follows:

1. Kamalkumar Rajendra Aggarwal

Kamalkumar Rajendra Aggarwal, aged 56 years, is one of our Promoters and is also the Chairman and Managing Director on our Board.

***Date of birth*:** December 27, 1962
Address: 13-A, Shivashray Society, near Rameshwar Temple, Vasna Road, Vadodara 390 020, Gujarat.

Permanent Account Number: ABMPA5842R.
Aadhar Card Number: [redacted]
Driving License: GJ0619840115335.

For the complete profile of Kamalkumar Rajendra Aggarwal, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, and business and financial activities, see "*Our Management – Board of Directors*" on page 154.

2. Navdeep Naresh Goyal

Navdeep Naresh Goyal, aged 29 years, is one of our Promoters and is also the Deputy Managing Director of our Company.

Date of Birth: May 8, 1990
Address: B/30 Shivashray Housing Society, Saiyed Vasna Road, Vadodara 390 007, Gujarat.

Permanent Account Number: AQPPG5045C
Aadhar Card Number: [redacted]
Driving License: GJ0620070000960

For the complete profile of Navdeep Naresh Goyal, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "*Our Management – Board of Directors*" on page 154.

3. Shubharangana Goyal

Shubharangana Goyal, aged 57 years, is one of our Promoters

Date of Birth: October 2, 1961
Address: B/30 Shivashray Housing Society, Saiyed Vasna Road, Vadodara 390 007, Gujarat

Permanent Account Number: ALSPG9860D
Aadhar Card Number: [redacted]
Driving License: Not available

Brief Profile of Shubharangana Goyal

Shubharangana Goyal is one our Promoters. She holds a master's degree in political science from Meerut University, Uttar Pradesh as well as a master's degree in English literature from Chaudhary Charan Singh University, Meerut. She is a director of Overseas Synthetics Limited. She has been associated with our Company as a Shareholder, since 2010.

The ventures of our Promoters (other than our Company) are as mentioned below:

Name of Promoter	Ventures
Kamalkumar Rajendra Aggarwal	• Medicap Healthcare Limited; • Kana Real Estate Private Limited; and • Overseas Synthetics Limited
Navdeep Naresh Goyal	• SILPL; • Overseas Synthetics Limited; • Supertech Fabric Private Limited; and • Shivam Petrochem Industries
Shubharangana Goyal	• Overseas Synthetics Limited; • SILPL; and • Shivam Petrochem Industries

Our Company confirms that the permanent account numbers, bank account numbers and passport numbers of our Promoters, shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Change in control of our Company

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Interests of Promoters

Our Promoters are interested in our Company to the extent that they are the Promoters of our Company and to the extent of their respective shareholding in our Company, their directorship in our Company and the dividends payable, if any, and any other distributions in respect of their respective shareholding in our Company or the shareholding of their relatives in our Company. For details of the shareholding of our Promoters in our Company, see "*Capital Structure*" beginning on page 58. For further details of interest of our Promoters in our Company, see "*Financial Information*" beginning on page 181.

Kamalkumar Rajendra Aggarwal and Navdeep Naresh Goyal may also be deemed to be interested to the extent of remuneration, variable linked pay, benefits and reimbursement of expenses payable to them as Directors on our Board. For further details, see "*Our Management*" beginning on page 154.

Other than as disclosed in "*Our Management-Interest of Directors"* on page 161, none of our Promoters, have any interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of this Draft

Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which any of our Promoters are interested as a member, in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify him as a director, or otherwise for services rendered by any our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Payment or Benefits to Promoters or Promoter Group

Except as disclosed herein and as stated in *Restated Financial Statements- Annexure VI- Note 34: Related Party Disclosures*" at page 217, there has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

Companies or firms with which our Promoters have disassociated in the last three years

Except for the following, none of our Promoters have disassociated itself from any other company or firm in the three years preceding the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the entity	Promoter	Date of disassociation	Reason
1.	Chemcon Pharma Chem Private Limited	Kamalkumar Rajendra Aggarwal	March 6, 2017	Resignation from directorship and liquidation of shareholding, on personal grounds

Material Guarantees

Our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as of the date of this Draft Red Herring Prospectus.

Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group, other than our Promoters, are as follows:

1. Naresh Vijaykumar Goyal;
2. Minal Kamal Aggarwal;
3. Kumkum Bansal;
4. Karuna Jadhav;
5. Rajveer Aggarwal;
6. Kanishka Aggarwal;
7. Puja Sarman Shah;
8. Vikash Jain;
9. Gaurangna Jain;
10. Vivek Jain;
11. Vikram Jain;
12. Parul Gupta;
13. Ashit Aggarwal;
14. Jayesh Aggarwal;
15. Rangolee Navdeep Goyal;

16. Sunil Bansal;
17. Manishi Bansal;
18. Siddhartha Bansal;
19. Neelam Singla;
20. Veena Garg; and
21. Nirmala Singla.

Entities forming part of the Promoter Group

The entities forming part of our Promoter Group are as follows:

1. Medicap Healthcare Limited;
2. M/s. Shivam Petrochem Industries;
3. Super Industrial Lining Private Limited;
4. SuperTech Fabrics Private Limited;
5. Overseas Synthetics Limited;
6. Rudra Shares & Stock Brokers Limited;
7. Rudra Fincorp Private Limited;
8. Kana Real Estate Private Limited;
9. Usha Dealcom Private Limited;
10. Rudra Alchem (India) Private Limited;
11. Rudra Agrichem Private Limited;
12. Rudra Genext Corporation Private Limited;
13. Rudra Multicorp Private Limited;
14. Rangolee Securities Private Limited;
15. Rudra Comventures Private Limited;
16. M/s. Nobel Investments;
17. M/s. Gigantic Enterprises;
18. M/s. Rangsiddh Enterprises; and
19. Super Chemical Industries.

Our Company has filed an application dated August 7, 2019 with SEBI under Regulation 300(1)(c) of the SEBI ICDR Regulations, seeking an exemption from classifying Sudesh Goyal and Suresh Goyal (brothers of the spouse of Shubharangana Goyal) and body corporates in which Sudesh Goyal or Suresh Goyal hold 20% or more of the equity share capital, as members of the Promoter Group.

GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, all such companies with which our Company had related party transactions as per the Restated Financial Statements, as covered under the relevant accounting standard (i.e. Ind AS 24) have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Additionally, pursuant to the Materiality Policy, a company shall be considered material and shall be disclosed as a Group Company in this Draft Red Herring Prospectus if: (i) such company: (a) is a member of the Promoter Group; and (b) has entered into one or more transactions with our Company during the last completed full financial year, which, individually or cumulatively, in value, exceeds 10% of the total revenue of our Company for that financial year, as per the Restated Financial Statements.

Based on the above, our Group Companies are set forth below:

1. Super Industrial Lining Private Limited;
2. Supertech Fabrics Private Limited; and
3. Kana Real Estate Private Limited

Details of our Group Companies

The details of our Group Companies are provided below:

1. ***Super Industrial Lining Private Limited***

Corporate Information

Super Industrial Lining Private Limited ("**SILPL**") was incorporated in its present name in India as a private limited company under the Companies Act, 1956 on April 25, 2008.

Nature of activities

SILPL is presently engaged in the business of *inter alia* manufacture, production and processing of industrial lining products and fittings and other lining works and engineering products.

Financial information

The financial information derived from the last three audited financial statements of SILPL (for the Fiscals 2018, 2017 and 2016) are set forth below:

(₹ in million, except per share data)

Particulars	For the Fiscals		
	2018*	2017*	2016*
Equity capital	34.00	34.00	34.00
Sales	197.79	202.34	169.13
Profit/(loss) after tax	5.10	4.96	4.78
Reserves (excluding revaluation reserves) and surplus	35.72	30.62	25.66
Basic earnings per share (face value of ₹ 10)	1.50	1.46	2.14
Diluted earnings per share (face value of ₹ 10)	1.50	1.46	2.14
Net asset value per share	20.50	19.00	17.55

** As per audited financial statements in accordance with Indian GAAP.*

Except as stated below, there are no significant notes of the auditors of SILPL, in relation to the aforementioned financial statements for the last three years:

CARO observations :

Fiscal 2016

"(a) According the information and explanations given to us, the company has granted interest-bearing unsecured loans /advances of Rs. 63,61,546/- to Shivam Petrochem Industries, a firm listed in the Register maintained under section 189 of the Companies Act, 2013 except that, the company has not granted any loans- secured or unsecured to the companies, firms, LLPs or other parties listed in the Register maintained under section 189 of the Companies Act, 2013.

(b) In respect of the loan granted to the parties mentioned in above clause, such loan has been given on interest and the rate of interest is prima facie not prejudicial to the interest of the company.

(c) In respect of the loan granted to the parties mentioned in above clause, the term of the repayment of such loans have not been stipulated and to that extent, it is prejudicial to the interest of the company."

Fiscal 2017

"*(a) According the information and explanations given to us, the company has granted interest-bearing unsecured loans /advances of Rs. 74,72,178/- to Shivam Petrochem Industries, a firm listed in the Register maintained under section 189 of the Companies Act, 2013 except that, the company has not granted any loans- secured or unsecured to the companies, firms, LLPs or other parties listed in the Register maintained under section 189 of the Companies Act, 2013.*

(b) In respect of the loan granted to the parties mentioned in above clause, such loan has been given on interest and the rate of interest is prima facie not prejudicial to the interest of the company.

(c) In respect of the loan granted to the parties mentioned in above clause, the term of the repayment of such loans have not been stipulated and to that extent, it is prejudicial to the interest of the company."

Fiscal 2018

"*(a) According the information and explanations given to us, the company has granted interest-bearing unsecured loans /advances of Rs. 47,00,000/- to Shivam Petrochem Industries, a firm listed in the Register maintained under section 189 of the Companies Act, 2013 except that, the company has not granted any loans- secured or unsecured to the companies, firms, LLPs or other parties listed in the Register maintained under section 189 of the Companies Act, 2013.*

(b) In respect of the loan granted to the parties mentioned in above clause, such loan has been given on interest and the rate of interest is prima facie not prejudicial to the interest of the company.

(c) In respect of the loan granted to the parties mentioned in above clause, the term of the repayment of such loans have not been stipulated and to that extent, it is prejudicial to the interest of the company."

2. ***Supertech Fabrics Private Limited***

Corporate Information

Supertech Fabrics Private Limited ("**SFPL**") was originally incorporated in its present name in India on February 17, 2015, as a private limited company, under the Companies Act, 2013.

Nature of activities

SFPL is presently engaged in the business of *inter alia* manufacture, processing, import and export of technical textiles and technical fabric products.

Financial information

The financial information derived from the last three audited financial statements of SFPL (for the Fiscals 2018, 2017 and 2016) are set forth below:

(₹ in million, except per share data)

Particulars	For the Fiscals		
	2018*	2017*	2016*
Equity capital	15	15	15
Reserves (excluding revaluation reserves) and surplus	(3.88)	(12.04)	(0.88)
Sales	62.22	4.13	0.13
Profit/(loss) after tax	8.16	(11.16)	(0.27)
Basic earnings per share (face value of ₹ 10)	5.44	(7.44)	(14.70)
Diluted earnings per share (face value of ₹ 10)	5.44	(7.44)	(14.70)
Net asset value per share	7.41	1.97	9.41

* *As per audited financial statements in accordance with Indian GAAP*

Other than as disclosed below, there are no significant notes of the auditors of SFPL in relation to the aforementioned financial statements for the last three years.

Emphasis of Matters

Fiscal 2016 and 2017:

"*We draw attention to the following matters in the notes to financial statements:*

a. Your attention is drawn to the note no. 9 on Fixed assets, capital work in progress and depreciation, where it has been stated that, "the document for the purchase of land has been executed and the land has been registered in the name of company but the sellers have disputed the ownership and title of the land.

There is a dispute amongst sellers relating to the sale of Dabhasa land purchased by the company for Rs. 19,50,000 but as the document for the purchase of land has been executed and registered and as the payment for purchase has been made, the effect of the purchase transaction of land is reflected in the books of accounts by the Company, but as the matter is under dispute, we draw your attention as to the dispute relating to the title of the property. Our opinion is not modified or qualified in respect of this matter."

Fiscal 2018:

"*We draw attention to the following matters in the notes to financial statements:*

a. Your attention is drawn to the note no. 11 on Fixed assets, capital work in progress and depreciation, where it has been stated that, "the document for the purchase of land has been executed and the land has been registered in the name of company but the sellers have disputed the ownership and title of the land."

There is a dispute amongst sellers relating to the sale of Dabhasa land purchased by the company for Rs. 19,50,000 but as the document for the purchase of land has been executed and registered and as the payment for purchase has been made, the effect of the purchase transaction of land is reflected in the books of accounts by the Company, but as the matter is under dispute, we draw your attention as to the dispute relating to the title of the property. Our opinion is not modified or qualified in respect of this matter."

CARO observations

Fiscal 2016

"(c) As per the information and explanation provided to us and as stated in Note No.9 on Fixed Assets, the title of the land purchased by the Company for its project for Rs. 19,50,000/- is under dispute."

Fiscal 2017

"(c) As per the information and explanation provided to us and as stated in Note No.9 on Fixed Assets, the title of the land purchased by the Company for its project for Rs. 19,50,000/- is under dispute."

Fiscal 2018

" (c) As per the information and explanation provided to us and as stated in Note No. 11 on Fixed Assets, the title of the land purchased by the Company for its project for Rs. 19,50,000/- is under dispute."

3. ***Kana Real Estate Private Limited***

Corporate Information

Kana Real Estate Private Limited ("**KPL**") was originally incorporated in India on November 7, 2006, as a private limited company, under the Companies Act, 1956.

Nature of activities

KPL is presently engaged in the business of *inter alia* construction, purchase, hire or exchange of land, properties and estates.

Financial information

The financial information derived from the last three audited financial statements of KPL (for the Fiscals 2018, 2017 and 2016) are set forth below:

(₹ in million, except per share data)

Particulars	For the Fiscals		
	2018*	**2017***	**2016***
Equity capital	0.15	0.15	0.15
Reserves (excluding revaluation reserves) and surplus	(17.59)	(14.69)	(15.23)
Sales	0.00	4.90	28.68
Profit/(loss) after tax	(2.90)	0.53	(0.56)
Basic earnings per share (face value of ₹ 10)	(193.30)	35.51	(37.46)
Diluted earnings per share (face value of ₹ 10)	(193.30)	35.51	(37.46)
Net asset value per share	(1,162.92)	(969.62)	(1,005.13)

** As per audited financial statements in accordance with Indian GAAP.*

Except as disclosed below, there are no significant notes of the auditors of KPL in relation to the aforementioned financial statements for the last three years.

Emphasis of Matters

Fiscal 2016

"*We draw attention to the following matters in the notes to the financial statements:*

Note No. 31 in the financial statements which indicates that the company has accumulated losses and its net worth has been fully eroded, the company has incurred a net loss during the current and previous year(s). However, the financial statement of the company has been prepared on a going concern basis for the reason stated in the said note

Our opinion is not modified in respect of these matters."

"The accumulated losses have been exceeded the net owned fund of the shareholders. However, the account for the period ended 31st March 2016 have been prepared on the basis that the company is a going concern."

Fiscal 2017:

"*We draw attention to the following matters in the notes to the financial statements:*

Note No. 33 in the financial statements which indicates that the company has accumulated losses and its net worth has been fully eroded, the company has incurred a net loss during the current and previous *year(s). However, the financial statement of the company has been prepared on a going concern basis for the reason stated in the said note*

Our opinion is not modified in respect of these matters."

"*The accumulated losses have been exceeded the net owned fund of the shareholders. However, the account for the period ended 31st March 2017 have been prepared on the basis that the company is a going concern.*"

Fiscal 2018:

"*We draw attention to the following matters in the notes to the financial statements:*

Note No. 32 in the financial statements which indicates that the company has accumulated losses and its net worth has been fully eroded, the company has incurred a net loss during the current and previous year(s). However, the financial statement of the company has been prepared on a going concern basis for the reason stated in the said note

Our opinion is not modified in respect of these matters."

"*The accumulated losses have been exceeded the net owned fund of the shareholders. However, the account for the period ended 31st March 2018 have been prepared on the basis that the company is a going concern."*

Nature and extent of interest of Group Companies

1. ***In the promotion of our Company***

None of our Group Companies have any interest in the promotion of our Company.

2. ***In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company***

None of our Group Companies are 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.

3. ***In transactions for acquisition of land, construction of building and supply of machinery, etc.***

Other than the purchase of certain fixed assets and consumables by SILPL from our Company, in the ordinary course of business, none of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc. For further details, see "*Restated Financial Statements-Annexure VI- Note 34: Related Party Disclosures*" at page 217.

Common pursuits among the Group Companies and our Company

There are no common pursuits amongst our Group Companies and our Company.

Related Business Transactions within our Group Companies and significance on the financial performance of our Company

For details of related business transactions during the last three Fiscals, see "*Restated Financial Statements-Annexure VI- Note 34: Related Party Disclosures*" at page 217.

Litigation

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

Business interest of Group Companies

Except in the ordinary course of business and as stated in "*Our Business*" on page 129 and in "*Restated Financial Statements- Annexure VI- Note 34: Related Party Disclosures*" at page 217 with respect to the last three Fiscals, none of our Group Companies have any business interest in our Company.

Defunct Group Companies

None of our Group Companies remain defunct and no application has been made to the RoC for striking off the name of any of our Group Companies during the five years preceding the date of this Draft Red Herring Prospectus.

Sick company/winding up/insolvency proceedings

None of our Group Companies fall under the definition of sick companies under the erstwhile SICA and none of them are under winding up. Further, there are no pending insolvency proceedings in respect of any Group Company.

Loss making Group Companies

Other than as disclosed below, none of our Group Companies have incurred losses in the last audited Fiscal.

(₹ in million)

Name of the Group Company	Profit after tax/(loss) for the Fiscal		
	March 31, 2018	March 31, 2017	March 31, 2016
Kana Real Estate Private Limited	(2.90)	0.53	(0.56)

Confirmations

None of our Group Companies have any securities listed on a stock exchange. Further, neither of our Group Companies has made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

Further, neither have any of the securities of our Company or any our Group Companies been refused listing by any stock exchange in India or abroad, nor has our Company or any of our Group Companies failed to meet the listing requirements of any stock exchange in India or abroad.

DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder) and will depend on a number of factors, including but not limited to our profits, capital requirements, contractual obligations and the overall financial condition of our Company. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deem relevant, including among others, our results of operations, financial condition, revenues, profits, cash flow, cash requirements, capital requirements, business prospects and any other financing arrangements.

Our Company has not declared any dividends during the last three Fiscals on the Equity Shares. The past trend in relation to our payment of dividends is not necessarily indicative of our dividend trend or dividend policy, in the future, and there is no guarantee that any dividends will be declared or paid in the future. For details in relation to the risk involved, see "*Risk Factors- We cannot assure payment of dividends on the Equity Shares in the future.*" on page 39.

SECTION VII – FINANCIAL INFORMATION

OTHER FINANCIAL INFORMATION

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company for Fiscals 2019, 2018 and 2017 (collectively, the **"Audited Financial Statements**") are available on our website at http://www.cscpl.com/financials.html.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

For details of accounting ratios, see "*Restated Financial Statements-Annexure VII: Restated Statement of Accounting Ratios"* on page 229.

RESTATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To,
The Board of Directors
Chemcon Speciality Chemicals Limited
(Formerly known as Chemcon Speciality Chemicals Private Limited)

Dear Sirs,

1. We have examined the attached Restated Financial Information of Chemcon Speciality Chemicals Limited (Formerly known as Chemcon Speciality Chemicals Private Limited) (the "Company" or the "Issuer") comprising the Restated Statement of Assets and Liabilities as at March 31, 2019, March 31, 2018 and March 31, 2017, the Restated Statements of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the years ended March 31, 2019, March 31, 2018 and March 31, 2017, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 18th July 2019 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

   (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

   (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") and Registrar of Companies, Gujarat in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2.1 to the Restated Financial Information. The Board of Directors of the Company responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Information taking into consideration:

   (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 5th July 2019 in connection with the proposed IPO of equity shares of the Company;

   (b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

(c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

(d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Financial Information have been compiled by the management from:

(a) Audited 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 "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 14th June 2019. The comparative information for the year ended March 31, 2018 included in such financial statements have been prepared by making Ind AS adjustments to the audited financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP") which was approved by the Board of directors at their meeting held on 16th August 2018.

(b) The Restated Financial Information also contains the proforma Ind AS financial information as at and for the year ended March 31, 2017. The proforma Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2017 which have been approved by the Board of Directors at their meeting held on 26th July 2017 as described in Note 41 to the Restated Financial Information.

5. For the purpose of our examination, we have relied on:

(a) Auditors' Report issued by the Previous Auditors, M/s Shah Mehta and Bakshi, Chartered Accountants, dated 14th June 2019, 16th August 2018 and 26th July 2017 on the financial statements of the Company as at and for the years ended March 31, 2019, March 31, 2018 and March 31, 2017, as referred in Paragraph 4 above.

The audits for the financial years ended March 31, 2019, March 31, 2018 and March 31, 2017 were conducted by the Company's Previous Auditors, M/s Shah Mehta and Bakshi, Chartered Accountants, (the "Previous Auditors"), and accordingly reliance has been placed on the restated statement of assets and liabilities and the restated statements of profit and loss (including other comprehensive income), statements of changes in equity and cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and (collectively, the "2017, 2018 and 2019 Restated Financial Information") examined by them for the said years. The examination report included for the said years is based on the report submitted by the Previous Auditors. They have also confirmed that for each of the financial years 2017, 2018 and 2019 Restated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended March 31, 2018 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2019;

b) have been prepared after incorporating proforma Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2017 as described in Note 41 to the Restated Financial Information;

c) do not require any adjustments for the matter(s) giving rise to modifications mentioned in paragraph 6 below; and

d) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

6. There were no modifications to the audit reports on the financial statements issued by Previous Auditors as at and for the years ended March 31, 2019, March 31, 2018 and March 31, 2017.

7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the Previous Auditors for the respective years, we report that the Restated Financial Information:

(a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2018 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2019;

(b) have been prepared after incorporating proforma Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2017 as described in Note 41 to the Restated Financial Information;

(c) do not require any adjustments for the matters giving rise to modifications as stated in paragraph 6 above; and

(d) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the date of the report on Audited Ind AS financial statements as at and for the year ended March 31, 2019 issued by the Previous Auditors as mentioned in the paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the Previous Auditor, 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 this 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, Stock Exchanges and Registrar of Companies, Gujarat, in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No.106237W

Vishal P. Doshi
Partner
Membership No. 101533
UDIN: 19101533AAAAAO4020
Place: Vadodara
Date: 18 July 2019

CHEMCON SPECIALITY CHEMICALS LIMITED
(formerly known as chemcon speciality chemicals private limited)
CIN: U24231GJ1988PLC011652
Annexure I : Restated Statement of Assets and Liabilities

(INR in Million)

	Particulars	Note No.	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
I	**ASSETS**				
	Non-Current Assets				
	a) Property, Plant & Equipment	3.1	395.42	296.41	244.97
	b) Capital Work-in-Progress	3.1	6.70	-	-
	c) Intangible assets	3.2	0.26	-	-
	d) Financial Assets				
	i) Other Financial Assets	4	5.15	2.33	2.24
	e) Other Non-Current Assets	5	11.89	17.11	13.66
	Total Non- Current Assets		**419.42**	**315.85**	**260.87**
	Current Assets				
	a) Inventories	6	459.14	210.36	90.41
	b) Financial Assets				
	i) Trade Receivables	7	641.18	295.56	223.88
	ii) Cash and Cash Equivalents	8.1	6.84	9.28	3.35
	iii) Bank Balances Other than ii) above	8.2	109.06	5.62	5.22
	iv) Other Financial Assets	9	13.46	13.87	0.23
	c) Other Current Assets	10	81.23	120.12	42.84
	Total Current Assets		**1,310.91**	**654.81**	**365.93**
	TOTAL ASSETS		**1,730.33**	**970.66**	**626.80**
II	**EQUITY AND LIABILITIES**				
	Equity				
	a) Equity Share Capital	11	317.78	79.44	79.44
	b) Other Equity	12	652.52	456.78	191.16
	Total Equity		**970.30**	**536.22**	**270.60**
	Liabilities				
	Non-Current Liabilities				
	a) Financial Liabilities				
	i) Borrowings	13	24.66	24.95	20.78
	b) Non current Provisions	14	4.92	7.21	3.80
	c) Deferred Tax Liabilities (Net)	15	24.34	16.20	16.11
	Total Non- Current Liabilities		**53.92**	**48.36**	**40.69**
	Current Liabilities				
	a) Financial Liabilities				
	i) Borrowings	16	297.38	136.14	171.22
	ii) Trade Payables	17			
	-Total outstanding dues of micro and small enterprises		25.28	34.09	17.52
	-Total outstanding dues of creditors other than micro enterprises and small enterprises		263.44	138.67	70.15
	iii) Other Financial Liabilities	18	105.99	23.63	47.80
	b) Other current Liabilities	19	12.73	15.25	4.89
	c) Short term Provisions	20	1.29	38.29	3.93
	Total Current Liabilities		**706.11**	**386.07**	**315.51**
	TOTAL EQUITY AND LIABILITIES		**1,730.33**	**970.66**	**626.80**

Notes:

a) The above statement should be read with the Company Overview and significant accounting policies appearing in Annexure V , Notes to the Restated Ind AS Financial Information appearing in Annexure VI, Restated Statements of Accounting Ratios appearing in Annexure VII and Restated Statement of Capitalisation appearing in Annexure VIII.

b) Refer accompanying notes 1 to 42 forming part of the Restated Financial Information.

As per our examination report of even date attached

For K. C. Mehta & Co.
Chartered Accountants
Firm Registration No: 106237W

For and on behalf of the Board of Directors
CHEMCON SPECIALITY CHEMICALS LIMITED
CIN: U24231GJ1988PLC011652

Vishal P. Doshi
Partner
Membership No. 101533

Kamal Aggrawal
Managing Director
DIN: 00139199

Navdeep Goyal
Chairman & Director
DIN: 02604876

Place: Vadodara
Date: 18 July 2019

Rajesh Gandhi
Chief Financial Officer & Director
DIN: 03296784

Shahilkumar Kapatel
Company Secretary
ACS : 52211

CHEMCON SPECIALITY CHEMICALS LIMITED
(formerly known as chemcon speciality chemicals private limited)
CIN: U24231GJ1988PLC011652
Annexure II : Restated Statement of Profit and Loss

(INR in Million)

	Particulars	Note No.	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17 Proforma Ind AS
	Income				
I	Revenue from Operations	21	3,041.68	1,583.07	898.92
II	Other Income	22	1.48	1.65	1.04
	Total Income (I+II)		**3,043.16**	**1,584.72**	**899.96**
III	**Expenses**				
	Cost of Materials Consumed	23	1,937.29	794.63	583.15
	Changes in inventories of finished goods and work-in-progress	24	(98.23)	(20.67)	(17.50)
	Excise Duty		-	4.86	22.05
	Employee Benefit expenses	25	241.12	188.04	114.76
	Finance costs	26	40.02	30.36	19.97
	Depreciation and Amortisation expenses	27	28.64	22.59	23.36
	Other expenses	28	282.29	159.40	109.87
	Total Expenses		**2,431.13**	**1,179.22**	**855.66**
IV	**Profit before tax**		612.03	405.51	44.30
V	**Less/ (Add): Tax expenses:**				
	- Current Tax		175.29	142.51	15.06
	- Deferred Tax (Credit)/Charge	15	6.33	(0.81)	0.99
VI	**Profit/(Loss) After Tax**		**430.41**	**263.81**	**28.24**
VII	**OTHER COMPREHENSIVE INCOME**				
	Items that will not be reclassified subsequently to Profit and Loss				
	Remeasurement of Gains/(Losses) on defined benefit Plans	35	5.48	2.71	2.64
	Income Tax relating to items that will not be reclassified to Profit & Loss	15	(1.81)	(0.90)	(0.87)
	Other Comprehensive Income(expense)/ income, Net of Tax		**3.67**	**1.81**	**1.77**
VIII	**Total Comprehensive Income for the Year/Period (V+VII)**		**434.08**	**265.62**	**30.01**
IX	**Earnings Per Equity Share**	44			
	a) Basic (Rs.)		13.54	8.30	0.89
	b) Diluted (Rs.)		13.54	8.30	0.89

Notes:

a) The above statement should be read with the Company Overview and significant accounting policies appearing in Annexure V , Notes to the Restated Ind AS Financial Information appearing in Annexure VI, Restated Statements of Accounting Ratios appearing in Annexure VII and Restated Statement of Capitalisation appearing in Annexure VIII.

b) Refer accompanying notes 1 to 42 forming part of the Restated Financial Information.

As per our examination report of even date attached
For K. C. Mehta & Co.
Chartered Accountants
Firm Registration No: 106237W

Vishal P. Doshi
Partner
Membership No. 101533

Place: Vadodara
Date: 18 July 2019

For and on behalf of the Board of Directors
CHEMCON SPECIALITY CHEMICALS LIMITED
CIN: U24231GJ1988PLC011652

Kamal Aggrawal
Managing Director
DIN: 00139199

Navdeep Goyal
Chairman & Director
DIN: 02604876

Rajesh Gandhi
Chief Financial Officer & Director
DIN: 03296784

Shahilkumar Kapatel
Company Secretary
ACS : 52211

CHEMCON SPECIALITY CHEMICALS LIMITED
(formerly known as chemcon speciality chemicals private limited)
CIN: U24231GJ1988PLC011652
Annexure III : Restated Statement of Cash Flows

(INR in Million)

	Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17 Proforma Ind AS
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit Before Tax	612.03	405.51	44.30
	Adjustment for:			
	Depreciation and Amortization expense	28.64	22.59	23.36
	(Profit)/ Loss on assets sold	0.51	(0.55)	0.17
	Finance Cost	40.02	30.36	19.97
	Interest received from Banks/ Others	(1.48)	(1.10)	(0.29)
	Operating Profit before Working Capital Changes	679.72	456.81	87.51
	Adjustment for:			
	Change in Trade receivables	(345.63)	(71.68)	(89.69)
	Change in Other Non-current financial assets	(2.83)	(0.09)	(0.33)
	Change in Other current financial assets	0.42	(13.64)	(0.12)
	Change in Other assets	44.10	(80.72)	(7.33)
	Change in Inventories	(248.78)	(119.95)	(12.84)
	Change in Trade payables	115.97	85.09	42.34
	Change in Other financial liabilities	82.36	(24.17)	18.51
	Change in Other current liabilities and provisions	(36.34)	50.84	1.33
	Cash generated from Operations	289.00	282.48	39.38
	Less : Income tax	175.29	142.51	15.06
	Net Cash generated from Operating Activities (A)	**113.71**	**139.97**	**24.32**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of Property, Plant & Equipment, Investment Property & Intangibles	(142.73)	(80.68)	(78.93)
	Sale proceeds of Property, Plant & Equipment	7.60	7.21	0.60
	Interest received from Banks/ Others	1.48	1.10	0.29
	Net Cash used in Investing Activities (B)	**(133.65)**	**(72.37)**	**(78.04)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Finance cost	(40.02)	(30.36)	(19.97)
	Proceeds/(Repayment) of Short term Borrowings	161.24	(35.09)	69.48
	Proceeds/(Repayment) of Long term Borrowings	(0.29)	4.17	2.14
	Net Cash used in Financing Activities (C)	**120.93**	**(61.28)**	**51.64**
	Net (Decrease)/ Increase in Cash & Cash Equivalents (A) + (B) + (C)	100.99	6.32	(2.08)
	Cash & Cash Equivalents at the beginning of the period/year	14.90	8.57	10.65
	Cash & Cash Equivalents at the end of the period/year (Refer Note : 8.1 & 8.2)	**115.89**	**14.90**	**8.57**

Notes:

a) The above statement should be read with the Company Overview and significant accounting policies appearing in Annexure V , Notes to the Restated Ind AS Financial Information appearing in Annexure VI, Restated Statements of Accounting Ratios appearing in Annexure VII and Restated Statement of Capitalisation appearing in Annexure VIII.

b) Refer accompanying notes 1 to 42 forming part of the Restated Financial Information.

c) Purchase of Property, Plant & Equipment, Investment Property & Intangibles includes movements of capital work-in-progress during the year.

d) Previous Year figures have been regrouped when necessary to conform to the year's classification.

e) The above statement of cash flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flows as notified under Companies (Indian Accounting Standards) Rules, 2015.

As per our examination report of even date attached
For K. C. Mehta & Co.
Chartered Accountants
Firm Registration No: 106237W

Vishal P. Doshi
Partner
Membership No. 101533

Place: Vadodara
Date: 18 July 2019

For and on behalf of the Board of Directors
CHEMCON SPECIALITY CHEMICALS LIMITED
CIN: U24231GJ1988PLC011652

Kamal Aggrawal
Managing Director
DIN: 00139199

Navdeep Goyal
Chairman & Director
DIN: 02604876

Rajesh Gandhi
Chief Financial Officer & Director
DIN: 03296784

Shahilkumar Kapatel
Company Secretary
ACS : 52211

CHEMCON SPECIALITY CHEMICALS LIMITED
(formerly known as chemcon speciality chemicals private limited)
CIN: U24231GJ1988PLC011652
Annexure IV : Restated Statement of Change in Equity

A. Equity Share Capital

(INR in Million)

	Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
(A)	Equity Share Capital			
	Balance at the beginning of the year	79.44	79.44	79.44
	Changes during the year (Refer Note no : 11)	238.33	-	-
	Balance at the end of the year	317.78	79.44	79.44

B. Other Equity

(INR in Million)

Particulars	Reserves & Surplus		Total
	Securities Premium Reserve	Retained Earning	
Balance as at 1st April 2016 as per Indian GAAP (A)	-	**164.28**	**164.28**
Ind AS Adjustments and restatement adjustments			
Adjustment on account of transition to Ind AS and restatement adjustments (B) (Refer Note No : 41)	-	(3.13)	(3.13)
Balance as at 1st April 2016 as per Ind AS (A)+(B) - Proforma Ind AS	**-**	**161.15**	**161.15**
Profit for the Year	-	28.24	28.24
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	1.77	1.77
Balance as at 31st March 2017 - Proforma Ind AS	**-**	**191.16**	**191.16**
Profit for the Year	-	263.81	263.81
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	1.81	1.81
Balance as at 31st March 2018	**-**	**456.78**	**456.78**
Profit for the Year	-	430.41	430.41
Bonus Issue	-	(238.33)	(238.33)
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	3.67	3.67
Balance as at 31st March 2019	**-**	**652.52**	**652.52**

Notes:
a) The above statement should be read with the Company Overview and significant accounting policies appearing in Annexure V , Notes to the Restated Ind AS Financial Information appearing in Annexure VI, Restated Statements of Accounting Ratios appearing in Annexure VII and Restated Statement of Capitalisation appearing in Annexure VIII.
b) Refer accompanying notes 1 to 42 forming part of the Restated Financial Information.

As per our examination report of even date attached
For K. C. Mehta & Co.
Chartered Accountants
Firm Registration No: 106237W

Vishal P. Doshi
Partner
Membership No. 101533

Place: Vadodara
Date: 18 July 2019

For and on behalf of the Board of Directors
CHEMCON SPECIALITY CHEMICALS LIMITED
CIN: U24231GJ1988PLC011652

Kamal Aggrawal
Managing Director
DIN: 00139199

Navdeep Goyal
Chairman & Director
DIN: 02604876

Rajesh Gandhi
Chief Financial Officer & Director
DIN: 03296784

Shahilkumar Kapatel
Company Secretary
ACS : 52211

1 COMPANY OVERVIEW

The Company is Private limited company converted into Limited comapny with effect from 10th April 2019, domiciled in India and registered with the ROC, Gujarat, Dadra and Nagar Haveli at Ahmedabad under having Corporate Identification number (CIN) U24231GJ1988PLC011652. Registered office of the Company is situated at Block No 355, Manjusar Kunpad Road Vill: Manjusar, Tal:Salvi Baroda Gujarat

The Comapny is in Pharmaceutical intermediates, Silanes and Oilfield Chemicals (Completion Fluids) Industry.The comapny is leading manufacturer of specialised chemicals, such as HMDS and CMIC which are predominantly used in the pharmaceuticals industry and inorganic bromides, predominantly used as completion fluids in the oilfield industry.

2.1 BASIS OF PREPARATION AND PRESENTATION

A. BASIS OF PREPARATION AND PRESENTATION

The restated financial statements of the company have been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies ("RoC") and Stock Exchanges in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue"). The Restated Financial Information comprise of the restated statement of assets and liabilities as at March 31, 2019, March 31, 2018 and March 31, 2017 the restated statement of profit and loss, the restated statement of changes in equity and restated statement of cash flows for the years ended March 31, 2019, March 31, 2018 and March 31, 2017 and accompanying restated statements of significant accounting policies and notes to restated financial information (hereinafter collectively referred to as "the Restated Financial Information").

The restated financial information has been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018 ("ICDR Regulations").

For all periods up to and including the year ended March 31, 2018, the company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) and have been translated into figures as per the Ind AS to align with accounting policies, exemptions and disclosures as adopted by the company on its first time adoption of Ind AS on April 1, 2017 ("transition date") and are captioned as "Proforma Ind AS Restated Financial Information" according to Guidance Note issued by Institute of Chartered Accountants of India on Reports in Company Prospectus. The restated financial statement of the company for the year ended March 31, 2019 and March 31, 2018(Comparative) has been prepared under Ind AS. Refer to note 41 for information on how the company adopted Ind AS.

The Restated financial information have been prepared on the historical cost basis except for the following items:
• Net defined benefit (asset)/liability at fair value of plan assets less present value of defined benefit obligations.
• Certain financial assets and liabilities measured at fair value (refer accounting policy related to financial instruments).

These Restated Financial Statements have been extracted by the Management from the Audited Financial Statements and:
a) There were no audit qualifications on these restated financial statements.
b) there were no changes in accounting policies under Previous GAAP during the years of these financial statements.
c) material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted.
d) adjustments for remeasurement, reclassification and regrouping of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 read with Section 133 of the Companies Act, 2013, and the requirements of the SEBI regulations.
e) the resultant material tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

The Company's functional currency is Indian Rupees (INR) and the restated financial statements are presented in INR and all values are presented in million (INR 000,000), except when otherwise indicated.

B. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements is in conformity with Ind AS which requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

The estimates and underlying assumptions are reviewed on going concern basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, in the period of the revision and future periods if the revision affects both current and future.

C. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the 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 best economic 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. Fair value for measurement and /or disclosure purpose in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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 statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For 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.
For other fair value related disclosures refer note no 36.2

2.2 SIGNIFICANT ACCOUNTING POLICIES

A. REVENUES

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of this Ind AS 115 did not have any impact on the overall revenue and/or opening balance of retained earnings.

Revenue from contracts with customers

The company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

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.

Revenue is recognised in the Statement of Profit and Loss to the extent that it is probable that the economic benefits will flow to the company and the revenue and costs, if applicable, can be measured reliably. Revenue is presented gross of excise duties, wherever applicable. However, sales tax/ value added tax (VAT)/Goods & Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the Company on behalf of the Government. Accordingly, these are excluded from revenue.

Sale of Goods and Services

Revenue is recognised when the customer obtains control of the goods. The customer obtains control of goods at the different point in time based on the delivery terms. Accordingly, comapny satisfies its performance obligation at the time of dispatch of goods from the factory/stockyard/storage area/port as the case may be and accordingly revenue is recognised. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, rate differences including currency fluctuation and volume rebates.

The determination of transaction price, its allocation to promised goods and allocation of discount or variable compensation (if any) is done based on the contract with the customers.

Export incentives/ benefits
Incentives/ benefits available for exports such as duty draw back, DEPB/ MEIS licenses are accounted on Receipt basis.

Interest Income
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability.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.

Dividend Income
Dividend income is recognized when the right to receive is established, which is generally when shareholders approve the dividend.

B. PROPERTY, PLANT AND EQUIPMENT (PPE)

Recognition and measurement:
Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Freehold land are stated at cost. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment,including day-to-day repair andmaintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal.Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the Property, plant and equipment is de-recognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto.Other indirect expenditure(including borrowingc osts) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

Depreciation methods, estimated useful lives and residual value
Depreciation on all property, plant & equipment are provided for, from the date of put to use for commercial production on straight line method at the useful lives prescribed in Schedule-II to the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

C. INTANGIBLE ASSETS

Acquired Intangible assets are initially recognized at cost after deducting refundable purchase taxes and including the transaction cost, if any. After initial recognition, intangibles are carried at cost less accumulated amortization and impairment losses.

Intangibles assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use.

Intangible asset is derecognized on disposal or when no future economic benefits are expected from continuing use or disposal.
The estimated useful lives, residual values and amortization method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

D. INVENTORIES

Inventories of finished goods are valued at lower of cost arrived after considering material cost plus appropriate share of labour and manufacturing overheads including excise duty but excluding goods and service tax or net realizable value.

Raw Materials and other materials including packaging, stores and spares are valued at lower of cost, based on first-in-first-out method arrived at after including other expenditure directly attributable to acquisition or net realizable value.

Material in Transit / Machinery Stores are valued at Cost.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

E. FINANCIAL INSTRUMENTS

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in three categories
i. Debt instruments at amortised cost
ii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
iii. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

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 FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. 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 P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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 derecognised (i.e. removed from the Company's balance sheet) when:

i. The rights to receive cash flows from the asset have expired, or
ii. 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 (a) 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.

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:

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables

The application of simplified approach does not require the Company to track changes in Credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Company determines that whether there has been a significant increase in the Credit risk since initial recognition. If Credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if Credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, Credit quality of the instrument improves such that there is no longer a significant increase in Credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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 Company expects to receive, discounted at the original EIR. When estimating the cash flows, the Company is required to consider:

i. 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 Company is required to use the remaining contractual term of the financial instrument
ii. Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost: 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.

For assessing increase in Credit risk and impairment loss, the Company combines financial instruments on the basis of shared Credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in Credit risk to be identified on a timely basis

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include loans and borrowings, trade and other payables

Subsequent measurement

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include derivatives. 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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the Criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own Credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposit , which are subject to insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined above.

G. EARNING PER SHARE

Basic Earnings Per Share is computed by dividing the net profit or loss (excluding other comprehensive income) to the weighted average number of Shares outstanding during the period & Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the company after adjusting the effect of all dilutive potential equity shares that were outstanding during the period to the weighted average number of shares outstanding during the period including the weighted average number of equity shares that could have issued upon conversion of all dilutive potential.

H. TAXATION

Current Tax
Current tax is tax expected, tax payable on the taxable income for the year, using the tax rate enacted at the reporting date, and any adjustment to the tax payable in respect of the earlier periods.

Current tax assets and liabilities are offset where the company has legal enforceable right to offset and intends either to settle on net basis, or to realize the assets and settle the liability simultaneously.

Deferred Tax Assets and Liabilities
Deferred tax is recognized for all taxable temporary differences and is calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax balances relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the company intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Current and Deferred Tax for the Year
Current and deferred tax are recognized in the statement of profit & loss, except when they relates to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax is recognized directly in other comprehensive income or equity respectively.

Minimum alternate tax (MAT)
MAT paid in a year is charged to the Statement of profit and loss as current tax. MAT credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, which is the period for which MAT credit is allowed to be carried forward. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

I. EMPLOYEE BENEFITS

The company provides for the various benefits plans to the employees. These are categorized into Defined Benefits Plans and Defined Contributions Plans. Defined contribution plans includes the amount paid by the company towards the liability for Provident fund to the Employees Provident Fund Organization and defined benefits plans includes the retirement benefits, such as gratuity and paid absences (leave benefits) both accumulated and non-accumulated.

a) In respect Defined Contribution Plans, contribution made to the specified fund based on the services rendered by the employees are charged to Statement of Profit & Loss in the year in which services are rendered by the employee.

b) Liability in respect of Defined Long Term benefit plan is determined at the present value of the amounts payable determined using actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit methods. Re-measurement, comprising actuarial gain and losses, the effects of assets ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of Financial Position with a charge or credit recognized in other comprehensive income in the period in which they occur. Past Service cost is recognized in the statement of profit & loss in the period of plan amendment.

c) Liabilities for accumulating paid absences is determined at the present value of the amounts payable determined using the actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit method. Actuarial gain or losses in respect of accumulating paid absences are charged to statement of profit & loss account.

d) Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

e) Liabilities for short term employee benefits are measured at undiscounted amount of the benefits expected to be paid and charged to Statement of Profit & Loss in the year in which the related service is rendered.

J. IMPAIRMENT

Intangible assets and property, plant and equipment
Intangible assets and property plant & equipment are evaluated for recoverability wherever events or changes in circumstances indicate that their carrying amount may not be recoverable.

For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs).

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such asset is considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit & loss if there have been changes in the estimates used to determine the recoverable amount. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceeds the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss has been recognized for the asset in prior years.

K. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized, if as a result of past event the company has present legal or constructive obligations that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to liability.

Contingent liabilities are disclosed for possible obligations arising out of uncertain events not wholly in control of the company.

Contingent assets are not recognized in the financial statements. However due disclosures are made in the financial statements for the contingent assets, where economic benefits is probable and amount can be estimated reliably.

L. FOREIGN CURRENCY TRANSACTIONS

Functional Currency
The Companies functional currency is Indian Rupees (INR).

Transaction and translations
Transactions in currency other than Indian Rupees are recorded at the rate, as declared by the custom and excise department / inter-bank rates, ruling on the date of transaction.

Unsettled Foreign currency denominated monetary assets and liabilities, as at the balance sheet date, are translated using the exchange rates as at the balance sheet date. The gain or loss resulting from the translation is recognized in the profit & loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at cost are translated at the exchange rate at the date of the transaction.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured carried at fair value are translated at the date when the fair value is determined.

Transaction gain or losses realized upon settlement of foreign currency transaction are included in determining the net profit for the period in which transaction is settled.

M. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED

Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal company, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Company must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

N. LEASES

Payments made under operating leases are generally recognized in the profit and loss on a straight line basis over the term of leases unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost, lease incentive are recognized as integral part of the total lease expense over the term of the lease.

O. BORROWING COST

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing.Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets,pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

P. Current/non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
-Expected to be realised or intended to be sold or consumed in normal operating cycle
-Held primarily for the purpose of trading
-Expected to be realised 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
All other assets are classified as non-current.

A liability is current when:
-It is Expected to be settled in normal operating cycle
-It is Held primarily for the purpose of trading
-is due to be settled within twelve months after the reporting period, or
-There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.The company has identified twelve months as its operating cycle.

2.30 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the comapny has not applied as they are effective from April 1, 2019:

Ind AS - 116

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition

• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods. The Company does not expect this amendment to have any material impact on its financial statements.

Note 3.1 : Property, Plant & Equipment and Capital work in progress

(INR in Million)

Particulars	Property, Plant & Equipments									Capital Work-in-Progress #
	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Factory RCC Road	Computer	Total	
Gross Carrying Value										
As at 1st April, 2016 - Proforma Ind AS	**5.05**	**67.07**	**186.94**	**9.89**	**43.82**	**9.28**	**-**	**2.35**	**324.40**	-
Additions during the year	29.15	12.55	20.77	0.30	14.67	1.12	-	0.37	78.93	-
Disposal during the year	-	-	-	-	(1.98)	-	-	-	(1.98)	-
As at 31st March 2017 - Proforma Ind AS	**34.20**	**79.61**	**207.72**	**10.18**	**56.52**	**10.40**	**-**	**2.72**	**401.35**	-
As at 1st April, 2017 - Proforma Ind AS	**34.20**	**79.61**	**207.72**	**10.18**	**56.52**	**10.40**	**-**	**2.72**	**401.35**	-
Additions during the year	-	18.97	45.05	0.09	13.83	2.36	-	0.39	80.68	-
Disposal during the year	-	(5.10)	(10.49)	-	(5.19)	-	-	-	(20.77)	-
As at 31st March 2018	**34.20**	**93.49**	**242.28**	**10.27**	**65.16**	**12.76**	**-**	**3.11**	**461.26**	-
As at 1st April, 2018	**34.20**	**93.49**	**242.28**	**10.27**	**65.16**	**12.76**	**-**	**3.11**	**461.26**	-
Additions during the year	-	24.55	79.78	6.76	20.73	1.94	1.75	0.23	135.75	114.47
Disposal during the year	-	-	(5.41)	-	(6.78)	-	-	-	(12.19)	(107.77)
As at 31st March 2019	**34.20**	**118.04**	**316.65**	**17.03**	**79.11**	**14.70**	**1.75**	**3.34**	**584.82**	6.70
Depreciation										
As at 1st April, 2016 - Proforma Ind AS	**-**	**9.61**	**95.71**	**3.93**	**16.16**	**6.86**	**-**	**1.97**	**134.23**	-
Provided for the year	-	1.70	14.65	0.92	5.00	0.87	-	0.22	23.36	-
Disposal during the year	-	-	-	-	(1.22)	-	-	-	(1.22)	-
As at 31st March 2017 - Proforma Ind AS	**-**	**11.30**	**110.35**	**4.85**	**19.95**	**7.74**	**-**	**2.19**	**156.38**	-
As at 1st April, 2017 - Proforma Ind AS	**-**	**11.30**	**110.35**	**4.85**	**19.95**	**7.74**	**-**	**2.19**	**156.38**	-
Provided for the year	-	2.14	13.14	0.79	5.43	0.80	-	0.28	22.59	-
Disposal during the year	-	(2.83)	(7.19)	-	(4.08)	-	-	-	(14.11)	-
As at 31st March 2018	**-**	**10.61**	**116.30**	**5.64**	**21.30**	**8.54**	**-**	**2.47**	**164.85**	-
As at 1st April, 2018	**-**	**10.61**	**116.30**	**5.64**	**21.30**	**8.54**	**-**	**2.47**	**164.85**	-
Provided for the year	-	2.48	18.35	0.76	5.72	1.00	0.01	0.29	28.61	-
Disposal during the year	-	-	(0.04)	-	(4.03)	-	-	-	(4.07)	-
As at 31st March 2019	**-**	**13.09**	**134.61**	**6.41**	**22.99**	**9.54**	**0.01**	**2.75**	**189.40**	-
Net Carrying Value										
As at 1st April, 2016 - Proforma Ind AS	5.05	57.46	91.24	5.96	27.66	2.42	-	0.38	190.17	-
As at 31st March 2017 - Proforma Ind AS	34.20	68.31	97.37	5.33	36.57	2.67	-	0.53	244.97	-
As at 31st March 2018	34.20	82.88	125.97	4.62	43.86	4.23	-	0.64	296.41	-
As at 31st March 2019	34.20	104.95	182.04	10.62	56.12	5.16	1.75	0.59	395.42	6.70

Notes:

a) The Company has availed the deemed cost exemption in relation to the property plant and equipment on 01-April-2016 and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

b) # Disposal of Capital Work in Progress indicates capitalisation of Capital Work in Progress. Corresponding amount is clubbed as an addition in Property, Plant & Equipments.

c) Refer note 16 for information on property, plant and equipment given as security.

Note 3.2 : Intangible Assets

(INR in Million)

Particulars		As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
-Computer Software				
Opening Gross Carrying Value	(a)	-	-	-
Addition during the year	(b)	0.28	-	-
Deductions during the year	(c)	-	-	-
Closing Gross Carrying Value	**(a)+(b)-(c)=(d)**	0.28	-	-
Opening Depreciation/amortisation	**(e)**	-	-	-
Amortisation charged during the year	(f)	0.02	-	-
Reversal of depreciation during the year	(g)	-	-	-
Closing Depreciation/amortisation	**(e)+(f)+(g)=(h)**	0.02	-	-
Net Carrying Value	**(d)-(h)**	**0.26**	**-**	**-**

Note 4 : Non-Current Other Financial Assets

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
(Unsecured, Considered Good)			
Security Deposits	5.15	2.33	2.24
Total	**5.15**	**2.33**	**2.24**

Note 5 : Other Non- Current Assets

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
(Unsecured, Considered Good)			
Capital Advances to Related Party *	10.31	10.31	10.31
Capital Advances to Others	1.58	6.80	3.35
Total	**11.89**	**17.11**	**13.66**

**Refer Note 34 - Related Party Disclosures*

Note 6 : Inventories *

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
(Valued at lower of Cost and net Realisable value)			
Raw Materials	143.71	59.72	42.15
Goods in Transit (Raw Materials)	169.30	107.83	22.76
Packing Material	1.08	0.39	1.36
Work-in-progress	84.63	34.88	20.33
Finished goods #	54.59	6.12	0.00
Other (Fuel)	0.20	0.21	1.63
Consumables and Stores	5.63	1.22	2.19
Total	**459.14**	**210.36**	**90.41**

** Hypothecated with Banks for Working Capital Facility.*
 # Represents value less than Rs. 0.01 Million.

Note 7 : Current Financial Trade Receivables *

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Trade Receivables considered good - Secured	-	-	-
Trade Receivables considered good - Unsecured	641.18	295.56	223.88
Trade Receivables which have significant increase in Credit Risk	-	-	-
Trade Receivables - Credit impaired	-	-	-
Total	**641.18**	**295.56**	**223.88**
Less: Allowance for bad & doubtful debts	-	-	-
Total	**641.18**	**295.56**	**223.88**

**Hypothecated with Banks for Working Capital Facility.*
**Receivables from Directors/Promoters/Issuer and their family/related party refer Note: 34*

Note 8 : Cash & Bank Balances

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
8.1 Cash & Cash Equivalents			
Balance with Banks:			
- In Current Accounts	1.85	8.78	0.24
- In Exchange earners' foreign currency account (EEFC) Account #	4.58	0.00	2.67
Cash on hand	0.41	0.50	0.44
Sub-Total (A)	**6.84**	**9.28**	**3.35**
8.2 Other Bank Balances			
- Fixed Deposit Accounts (With original maturity greater than 3 months but less than 12 months) *	109.06	5.62	5.22
Sub-Total (B)	**109.06**	**5.62**	**5.22**
Total (A+B)	**115.90**	**14.90**	**8.57**

* Fixed Deposits are held as margin money and lien marked against working capital facility maturing within 12 months from reporting date.
 # Represents value less than Rs. 0.01 Million.

Note 9 : Other Financial Assets

(INR in Million)

Particulars	As at * 31-Mar-19	As at * 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
(Unsecured, Considered Good)			
Other Receivables	13.46	13.87	0.23
Total	**13.46**	**13.87**	**0.23**

There are no loans given to Directors, Promoter, Promoter Group, Group companies, Related Parties by the Company
** Other Receivables include Insurance claim receivable amounting Rs. 13.31 Million. Refer Note : 37*

Note 10 : Other Current Assets

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
(Unsecured, Considered Good)			
Advances recoverable in cash or in kind or for the value to be received			
- Advances to Related Party *	-	-	1.50
- Advances to others	4.01	92.79	2.60
Loans to Employees and other advances	0.96	0.91	0.36
Balances with Revenue Authorities	41.46	22.41	37.56
Income Tax refundable (FY 2018-19)	14.72	-	-
Prepaid Expenses	7.53	4.00	0.81
Transaction costs of an equity transaction (IPO related Expenses) #	12.56	-	-
Total	**81.23**	**120.12**	**42.84**

*Refer Note 34 - Related Party Disclosures

 # Transaction costs of an equity transaction

Under Ind AS 32 ,The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. Since comapny has not received proceed from issue of share capital management has accounted transaction costs of an equity transaction under the head Other current asset. Once comapny will receive the proceed from issue of share Transaction costs of an equity transaction accumulated will be adjusted with the retained earning under Reserve & surplus .

Note 11 : Equity Share Capital

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Authorised Capital			
As at 31-Mar-19 : 50 Million Equity Shares of Rs. 10/- each	500.00	80.00	80.00
As at 31-Mar-18 : 8 Million Equity Shares of Rs. 10/- each			
As at 31-Mar-17 : 8 Million Equity Shares of Rs. 10/- each			
Issued, Subscribed & Fully Paid-up Capital			
As at 31-Mar-19 : 31.78 Million Equity Shares of Rs. 10/- each fully paid up	317.78	79.44	79.44
As at 31-Mar-18 : 7.94 Million Equity Shares of Rs. 10/- each fully paid up			
As at 31-Mar-17 : 7.94 Million Equity Shares of Rs. 10/- each fully paid up			
Total Share Capital	**317.78**	**79.44**	**79.44**

a) Reconciliation of the number of Equity shares

(No of shares in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Equity Share Capital			
Balance at the beginning of the year	7.94	7.94	7.94
Add: Issued during the year			
- Bonus Equity Shares allotted during the year	23.83	-	-
Balance at the end of the year	31.78	7.94	7.94

b) Rights, Preferences & Restrictions of each class of shares

The Company has only one class of equity shares which enjoys the same rights in respect of voting, payment of dividend and repayment of capital. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c) Particulars of shares issued/allotted as fully paid-up by way of consideration other than cash

The Company has allotted 23.83 Million number of bonus equity shares in financial year 2018-19 in the proportion of 3 equity shares for every 1 equity shares held . The face value of bonus shares of Rs. 238.33 Million allotted out of reserves and surplus.

d) Particulars of shares reserved for options and contracts/commitments for sale of shares/ disinvestment

The Company has not reserved any shares for issue of options and contracts/commitments for sale of shares/ disinvestment.

e) Particulars of calls unpaid

There is no calls unpaid, hence disclosure is not applicable.

f) Subdivision of Shares

There is no subdivision of shares during this period, hence such disclosure is not applicable.

g) Shares Forfeited

There is no forfeiture of shares, hence such disclosure is not applicable.

h) Details of Equity Shareholders holding more than 5% shares in the company:

No of shares in)

	Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 31-Mar-17	
		% of Holding	No of Shares	% of Holding	No of Shares	% of Holding	No of Shares
1	Kamal Aggarwal	37.53%	11.93	37.53%	2.98	37.53%	2.98
2	Nareshkumar Goyal	37.02%	11.76	37.02%	2.94	37.02%	2.94
3	Kamal Aggarwal - HUF	7.97%	2.53	7.97%	0.63	7.97%	0.63
4	Naresh Goyal - HUF	7.81%	2.48	7.81%	0.62	7.81%	0.62
	Total	**90.33%**	**28.71**	**90.33%**	**7.18**	**90.33%**	**7.18**

Note 12 : Other Equity (INR in Million)

Particulars	Reserves & Surplus			Total
	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 1st April 2016 as per Indian GAAP (A)	**-**	**-**	**164.28**	**164.28**
Ind AS Adjustments and restatement adjustments				
Adjustment on account of transition to Ind AS and restatement adjustments (B) (Refer Note No : 41)	-	-	(3.13)	(3.13)
Balance as at 1st April 2016 as per Ind AS (A)+(B) - Proforma Ind AS	-	-	**161.15**	**161.15**
Profit for the Year	-	-	28.24	28.24
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	-	1.77	1.77
Balance as at 31st March 2017 - Proforma Ind AS	-	-	**191.16**	**191.16**
Profit for the Year	-	-	263.81	263.81
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	-	1.81	1.81
Balance as at 31st March 2018	**-**	**-**	**456.78**	**456.78**
Profit for the Year	-	-	430.41	430.41
Bonus Issue	-	-	(238.33)	(238.33)
Re-measurements of Net Defined Benefit Plans (Net of Tax)	-	-	3.67	3.67
Balance as at 31st March 2019	**-**	**-**	**652.52**	**652.52**

A) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

B) **Re-measurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

CHEMCON SPECIALITY CHEMICALS LIMITED
(formerly known as chemcon speciality chemicals private limited)
CIN: U24231GJ1988PLC011652
Annexure VI : NOTES TO RESTATED FINANCIAL INFORMATION

Note 13 : Non-Current Financial Borrowings

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Secured			
Term Loans:			
- From Banks	26.64	23.22	17.51
- From Financial institutions	7.07	9.58	13.15
	33.71	**32.80**	**30.66**
Less: Current portion	9.05	7.85	9.87
Total (A+B)	**24.66**	**24.95**	**20.78**

13.1	Name of Institution/ Bank/ Others	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
1	**HDFC Bank - Property Loan #**			
	Sanctioned amount	14.50	14.50	14.50
	Outstanding Amount	8.40	9.80	11.04
	Current Portion	1.57	1.40	1.24
	Non-Current Portion	6.83	8.40	9.80
	Repayment terms			
	Repayable in 120 equal monthly instalments each of Rs. 0.21 Million.			
	Rate of interest 12% p.a.			
	No. of Installments due after balance sheet date	52.00	64.00	76.00
2	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	5.55	5.55
	Outstanding Amount	-	0.23	1.54
	Current Portion	-	0.23	1.31
	Non-Current Portion	-	-	0.23
	Repayment terms			
	Repayable in 60 equal monthly instalments each of Rs. 0.12 Millons.			
	Rate of interest 9.6% p.a.			
	No. of Installments due after balance sheet date	-	2.00	14.00
3	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	1.34	1.34
	Outstanding Amount	-	0.09	0.58
	Current Portion	-	0.09	0.49
	Non-Current Portion	-	-	0.09
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.04 Million.			
	Rate of interest 12.01% p.a.			
	No. of Installments due after balance sheet date	-	-	2.00
4	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	2.05	2.05
	Outstanding Amount	-	0.26	0.99
	Current Portion	-	0.26	0.73
	Non-Current Portion	-	-	0.26
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.07 Million.			
	Rate of interest 9.8% p.a.			
	No. of Installments due after balance sheet date	-	4.00	16.00
5	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	2.05	2.05
	Outstanding Amount	-	0.26	0.99
	Current Portion	-	0.26	0.73
	Non-Current Portion	-	-	0.26
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.07 Million.			
	Rate of interest 9.8% p.a.			
	No. of Installments due after balance sheet date	-	4.00	16.00
6	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	2.70	2.70
	Outstanding Amount	-	0.51	1.45
	Current Portion	-	0.51	0.94
	Non-Current Portion	-	-	0.51
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.09 Million.			
	Rate of interest 9.7% p.a.			
	No. of Installments due after balance sheet date	-	6.00	18.00
7	**HDFC Bank - Vehicle loan***			

	Sanctioned amount	-	-	0.60
	Outstanding Amount	-	-	0.20
	Current Portion	-	-	0.20
	Non-Current Portion	-	-	-
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.02 Million.			
	Rate of interest 10.25% p.a.			
	No. of Installments due after balance sheet date	-	-	11.00
8	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	-	0.44
	Outstanding Amount	-	-	0.15
	Current Portion	-	-	0.15
	Non-Current Portion	-	-	-
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.01 Million.			
	Rate of interest 10.25% p.a.			
	No. of Installments due after balance sheet date	-	-	11.00
9	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	-	0.45
	Outstanding Amount	-	-	0.15
	Current Portion	-	-	0.15
	Non-Current Portion	-	-	-
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.01 Million.			
	Rate of interest 10.25% p.a.			
	No. of Installments due after balance sheet date	-	-	11.00
10	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	-	0.45
	Outstanding Amount	-	-	0.15
	Current Portion	-	-	0.15
	Non-Current Portion	-	-	-
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.01 Million.			
	Rate of interest 10.25% p.a.			
	No. of Installments due after balance sheet date	-	-	11.00
11	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	-	0.41
	Outstanding Amount	-	-	0.14
	Current Portion	-	-	0.14
	Non-Current Portion	-	-	-
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.01 Million.			
	Rate of interest 10.25% p.a.			
	No. of Installments due after balance sheet date	-	-	11.00
12	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	-	-	0.41
	Outstanding Amount	-	-	0.14
	Current Portion	-	-	0.14
	Non-Current Portion	-	-	-
	Repayment terms			
	Repayable in 36 equal monthly instalments each of Rs. 0.01 Million.			
	Rate of interest 10.25% p.a.			
	No. of Installments due after balance sheet date	-	-	11.00
13	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	3.05	3.05	-
	Outstanding Amount	1.74	2.68	-
	Current Portion	1.02	0.94	-
	Non-Current Portion	0.72	1.74	-
	Repayment terms			
	Repayable in 37 equal monthly instalments each of Rs. 0.09 Million.			
	Rate of interest 8% p.a.			
	No. of Installments due after balance sheet date	20.00	32.00	-
14	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	9.40	9.40	-
	Outstanding Amount	7.81	9.40	-
	Current Portion	1.72	1.59	-
	Non-Current Portion	6.08	7.81	-
	Repayment terms			
	Repayable in 60 equal monthly instalments each of Rs. 0.19 Million .			
	Rate of interest 8% p.a.			
	No. of Installments due after balance sheet date	48.00	60.00	-
15	**Volkswagen Finance Pvt Ltd - Vehicle loan***			
	Sanctioned amount	-	-	8.00

	Outstanding Amount	-	-	1.14
	Current Portion	-	-	1.14
	Non-Current Portion	-	-	-
	Repayment terms			
	Repayable in 60 equal monthly instalments each of Rs. 0.17 Million.			
	Rate of interest 10.42% p.a.			
	No. of Installments due after balance sheet date	-	-	8.00
16	**Volkswagen Finance Pvt Ltd - Vehicle loan***			
	Sanctioned amount	8.00	8.00	8.00
	Outstanding Amount	4.81	6.23	7.66
	Current Portion	1.62	1.49	1.36
	Non-Current Portion	3.19	4.74	6.30
	Repayment terms			
	Repayable in 60 equal monthly instalments each of Rs. 0.17 Million.			
	Rate of interest 8.75% p.a.			
	No. of Installments due after balance sheet date	33.00	45.00	57.00
17	**Daimler Financial Services India Pvt Ltd- Vehicle Loan***			
	Sanctioned amount	4.50	4.50	4.50
	Outstanding Amount	2.26	3.35	4.34
	Current Portion	1.19	1.09	1.00
	Non-Current Portion	1.07	2.26	3.35
	Repayment terms			
	Repayable in 48 equal monthly instalments each of Rs. 0.11 Million.			
	Rate of interest 8.81% p.a.			
	No. of Installments due after balance sheet date	22.00	34.00	46.00
18	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	6.34	-	-
	Outstanding Amount	5.73	-	-
	Current Portion	1.12	-	-
	Non-Current Portion	4.61	-	-
	Repayment terms			
	Repayable in 60 equal monthly instalments each of Rs. 0.13 Million.			
	Rate of interest 8.5% p.a.			
	No. of Installments due after balance sheet date	53.00	-	-
19	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	2.90	-	-
	Outstanding Amount	2.43	-	-
	Current Portion	0.68	-	-
	Non-Current Portion	1.75	-	-
	Repayment terms			
	Repayable in 48 equal monthly instalments each of Rs. 0.07 Million.			
	Rate of interest 8.5% p.a.			
	No. of Installments due after balance sheet date	39.00	-	-
20	**HDFC Bank - Vehicle loan***			
	Sanctioned amount	0.59	-	-
	Outstanding Amount	0.53	-	-
	Current Portion	0.13	-	-
	Non-Current Portion	0.40	-	-
	Repayment terms			
	Repayable in 48 equal monthly instalments each of Rs. 0.01 Million.			
	Rate of interest 9.5% p.a.			
	No. of Installments due after balance sheet date	42.00	-	-
	Total Borrowings	**33.71**	**32.80**	**30.66**
	Current Portion	**9.05**	**7.85**	**9.87**
	Non-Current Portion	**24.66**	**24.95**	**20.78**

Nature of securities:

HDFC Bank - Property Loan secured by by way of Equitable Mortgage of property.

***** All vehicle loans secured by way of Hypothecation such vehicles.

Note 14 : Non Current Provisions

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Provision for Employee Benefits (Refer Note 32)			
-Gratuity	4.64	7.05	3.69
-Unavailed Leave	0.28	0.16	0.11
Total	**4.92**	**7.21**	**3.80**

Note 15 : Deferred Tax

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Deferred Tax Liability			
Temporary difference in the carrying amount of property, plant and equipment	26.69	19.53	17.66
Net Deferred Tax Liability (A)	**26.69**	**19.53**	**17.66**
Deferred Tax Asset			
Expenses allowed on payment basis	2.05	2.94	1.55
On Account of Prelimnery Expenses	0.30	0.40	-
Net Deferred Tax Assets (B)	**2.35**	**3.33**	**1.55**
Net Deferred Tax Liability/(Assets) (A-B)	**24.34**	**16.20**	**16.11**

15.1 Movement in deferred tax Liabilities/(assets)

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Opening balance as of April 1	16.20	16.11	14.24
Tax (income)/expense during the period recognised in Satatement of profit and loss	6.33	(0.81)	0.99
Tax (income)/expense during the period recognised in Other Comprehensive Income	1.81	0.90	0.87
Closing balance as at March 31	**24.34**	**16.20**	**16.11**

Note 16 : Current Financial Borrowings

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Secured Loans from banks			
- Working Capital Loans	260.28	82.40	140.99
- Buyer Credit Loan	-	-	10.24
- Export Packing Credit Loan	-	26.62	19.98
Sub-Total (A)	**260.28**	**109.02**	**171.21**
Unecured			
Loans from related parties repayable on demand			
- From Directors and Others *	37.10	27.12	0.02
Sub-Total (B)	**37.10**	**27.12**	**0.02**
Total (A+B)	**297.38**	**136.14**	**171.22**

Rate of interest on working capital loans	Base rate + 1.55%	Base rate + 1.55%	Base rate + 1.55%
Rate of interest on Buyer Credit Loan and Export Packing Credit Loan	As mutually agreed at the time of disbursement		

Nature of security :

HDFC Bank Cash Credit Account, working capital demand loan, Buyer Credit Loan and Export Packing Credit Loan is secured against First and exclusive hypothecation charge on all the current assets of the company & entire fixed asset (Both movable and Immovable assets) of the company both present and future. Extension of Charge on the property located at 901 & 902, 9th Floor, ONYX Business Center, Akshar Chowk - Baroda -390020 . There is personal guarantee of promoter directors.

* Unsecured loan from Directors and Others includes loans accepted by the comapny from the person in the capacity of director at time of acceptance of loan. Refer Note 35 - Related Party Disclosures

Note 17 : Current Financial Trade Payables

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Trade Payables			
- Total outstanding dues of micro and small enterprises *	25.28	34.09	17.52
- Total outstanding dues of creditors other than micro enterprises and small enterprises	263.44	138.67	70.15
Total	**288.72**	**172.75**	**87.67**

* The details of amounts outstanding to Micro, Small and Medium Enterprises as identified by the management, under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as under:

(INR in Million)

Sr. No.	Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
1	Principal amount due and remaining unpaid	-	-	-
2	Interest due on (1) above and the unpaid interest	-	-	-
3	Interest paid on all delayed payment under the MSMED Act	-	-	-
4	Payment made beyond the appointed day during the year	-	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-	-
6	Interest accrued and remaining unpaid	-	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-	-

* This information has been determined to the extent parties have been identified based on confirmation received from parties. Based on current information/confirmations available with the company, there are no overdues payable to suppliers who are registered under the relevant Act.

Note 18 : Other Current Financial Liabilities

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Current Maturities of Long term Borrowings (Refer Note: 13)	9.05	7.85	9.87
Creditor for capital goods	7.62	5.00	15.25
Director Remuneration payable *	89.32	10.79	22.67
Total	**105.99**	**23.63**	**47.80**

** Refer Note 34 - Related Party Disclosures.*

Note 19 : Other Current Liabilities

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Advance from Customers	2.35	9.11	0.56
Statutory dues	4.36	2.58	0.72
Salary & Wages Payable	4.54	2.72	2.45
Other expenses Payable	1.49	0.85	1.17
Total	**12.73**	**15.25**	**4.89**

Note 20 : Short term Provisions

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Provision for Employee Benefits			
-Gratuity (Refer Note 32)	1.27	1.66	0.88
-Unavailed Leave (Refer Note 32)	0.02	0.01	0.01
Income Tax Payable (Net of advance tax and TDS)	-	36.61	3.04
Total	**1.29**	**38.29**	**3.93**

Note 21 : Revenue From Operations

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17 Proforma Ind AS
REVENUE FROM SALE OF PRODUCTS			
- Domestic	1,966.93	764.11	220.23
- Export (Including deemed Export)	980.20	760.78	585.07
ADD : Excise duty Collected on Domestic sales	-	4.86	22.05
	2,947.14	1,529.76	827.34
REVENUE FROM SALE OF SERVICES			
Job Work	88.30	46.96	68.24
Other Operating Revenues			
Export Incentives	4.64	3.38	0.50
Lifting Charges Received	0.22	2.21	-
Sales Commission Received	1.08	0.49	-
Discount-Kasar	0.29	0.27	2.84
Total	**3,041.68**	**1,583.07**	**898.92**

Consequent to introduction of Goods and Service Tax ("GST") with effect from 1 July 2017, central excise and value added tax have been subsumed into GST. In accordance with Ind AS, GST is not considered a part of revenue unlike excise duties which used to be included in revenue in period before 1 July 2017. Accordingly, the figures for the year ending March 31, 2018 are not comparable with the current year and previous fiscal year(s).

Note 22 : Other Income

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17 Proforma Ind AS
Interest Income :			
From Bank/Others (Related to business and recurring in nature)	1.48	1.10	0.29
Other non-operating income:			
Profit on sale of Property, Plant & Equipment (Net) (Not related to business and non-recurring in nature)	-	0.55	-
Rent Received (Related to business and Non-recurring in nature)	-	-	0.75
Total	**1.48**	**1.65**	**1.04**

Note 23 : Cost of Materials Consumed

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17 Proforma Ind AS
Opening Stock of Raw Materials	167.94	66.26	72.82
(+) Purchase of Raw Materials	2,083.44	896.30	576.59
(-) Closing Stock of Raw Materials	314.09	167.94	66.26
Total cost of Raw Materials Consumed	**1,937.29**	**794.63**	**583.15**

23.1 Value of imported and indigenous raw materials Purchase

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17 Proforma Ind AS
Indigenous	1,023.11	567.61	411.07
Imported	1,060.32	328.70	165.52
Total cost of Raw Materials Purchased	**2,083.44**	**896.30**	**576.59**

23.2 Percentage of imported and indigenous raw materials Purchase

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17 Proforma Ind AS
Indigenous	49.11%	63.33%	71.29%
Imported	50.89%	36.67%	28.71%

Note 24 : Changes in inventories of finished goods and work-in-progress

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17 Proforma Ind AS
Opening Stock			
Finished goods #	6.12	0.00	0.00
Work-in-progress/Semi Finished Goods	34.88	20.33	2.83
Sub- Total (A)	**41.00**	**20.33**	**2.83**
Less: Closing Stock			
Finished goods #	54.59	6.12	0.00
Work-in-progress/Semi Finished Goods	84.63	34.88	20.33
Sub- Total (B)	**139.22**	**41.00**	**20.33**
Net (A-B)	**(98.23)**	**(20.67)**	**(17.50)**

 # Represents value less than Rs. 0.01 Million.

Note 25 : Employee Benefit expenses

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17 Proforma Ind AS
Salaries, Wages, Bonus, Benefits and Amenities	60.21	48.25	42.17
Directors Remuneration	171.29	127.92	65.35
Contribution to PF & Other Funds	1.41	1.42	1.02
Gratuity (Refer Note : 32)	3.97	7.52	3.23
Leave encashment (Refer Note : 32)	0.24	0.08	0.10
Employee Welfare Expenses	4.00	2.87	2.89
Total	**241.12**	**188.04**	**114.76**

Note 26 : Finance Costs

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17 Proforma Ind AS
Interest			
- On Loans for Fixed Period	3.22	2.77	2.79
- On Other Loans / Liabilities	25.43	18.36	14.10
Other Borrowing Cost			
- Discounting & Other Bank Charges	11.36	9.23	3.08
Total	**40.02**	**30.36**	**19.97**

Note 27 : Depreciation and Amortisation

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17 Proforma Ind AS
Depreciation			
Property Plant & Equipment	28.61	22.59	23.36
Amortisation			
Intangible assets	0.02	-	-
Total	**28.64**	**22.59**	**23.36**

Note 28 : Other expenses

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17 Proforma Ind AS
- MANUFACTURING EXPENSES			
Consumable Stores	5.74	12.34	6.62
Import Expenses	46.59	15.41	5.87
Freight Inward	4.82	6.70	5.19
Power Charges	20.92	16.10	15.22
Fuel Consumption	17.62	18.24	16.13
Repairs & maintenance - Machinery	4.20	4.24	3.47
Factory & Godown Expense	4.06	2.50	1.35
Jobwork Charges	91.90	15.84	4.68
Electrical Expenses	0.44	0.38	0.53
Security Service Expense	1.60	1.68	1.48
Laboratory & Testing Expense	0.46	0.31	0.26
Lifting Charges	6.78	4.43	0.62
Sub- Total (A)	**205.15**	**98.18**	**61.43**

- SELLING,MARKETING & DISTRIBUTION EXPENSES			
Freight Outward	23.06	16.63	11.79
Export Expense	10.61	11.99	7.15
Travelling & Conveyance	5.15	5.48	3.50
Exhibition Exp	3.46	3.46	2.54
Sales Commission	2.64	1.35	0.73
Other Selling, Marketing & Distribution expenses	0.37	0.56	0.19
Sub- Total (B)	**45.29**	**39.46**	**25.91**
- ADMINISTRATIVE & OTHER EXPENSES			
Legal, Professional / Consultancy	8.66	5.68	5.58
Insurance Expense	4.41	2.87	1.91
Petrol & Vehicle Expense (Motor Car)	3.25	2.02	2.28
Transportation for employees	2.09	1.99	2.41
Repairs & Maintenance - Other	1.92	2.07	2.09
Rent Expense	3.85	1.18	2.19
Preliminary Expenses w/o	-	1.50	-
Donation	1.18	1.00	1.62
Contribution to CSR	4.58	-	-
Loss on disposal of Assets (Net)	0.51	-	0.17
Payment to Auditors	0.25	0.13	0.13
Bad Debts	-	0.54	-
Rates & Taxes	0.16	0.52	1.45
Other Administrative Expenses	0.98	2.25	2.71
Sub- Total (C)	**31.85**	**21.75**	**22.53**
Net (A+B+C)	**282.29**	**159.40**	**109.87**

Note 29 : Commitments and Contingent liabilities (INR in Million)

Particulars	**AS at 31-Mar-19**	**AS at 31-Mar-18**	**AS at 31-Mar-17 Proforma Ind AS**
Contingent Liability			
Letters of Credit issued for purchase of Raw Materials	20.24	16.56	20.72

Note 30 : Income tax expense

(INR in Million)

Particulars	**For the Year ended 31-Mar-19**	**For the Year ended 31-Mar-18**	**For the Year ended 31-Mar-17 Proforma Ind AS**
Current Tax			
Current tax on profits for the year	175.29	142.51	15.06
Deferred Tax on OCI			
Deferred Tax on OCI	1.81	0.90	0.87
Deferred tax			
Deferred tax adjustments	6.33	(0.81)	0.99
Tax expense	**183.43**	**142.60**	**16.93**

Note 31 : Payment to auditors

(INR in Million)

Particulars	**For the Year ended 31-Mar-19**	**For the Year ended 31-Mar-18**	**For the Year ended 31-Mar-17 Proforma Ind AS**
For Audit Fees	0.18	0.10	0.10
For Tax Audit Fees	0.08	0.03	0.03
Total	**0.25**	**0.13**	**0.13**

Note 32 : DEFINED BENEFIT PLAN

32.1 Defined contribution plans

The Company is contributing towards Provident Fund of employees. Under the scheme the Company is contributing a specified percentage of the salary to the fund and is depositing to the Recognized provident fund.

The Company has recognised expenses towards defined contribution plan as under: (INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17 Proforma Ind AS
Employer's Contribution to provident fund	1.39	1.27	1.07

32.2 Defined benefit plans

The Company is contributing towards Gratuity Fund of employees. Under the scheme the Company pays premium to the Life Insurance Corporation (LIC) of India based on their actuarial calculation. Further, the company has also actuarial calculation done from an independent actuary and any difference in the premium paid to LIC and the liability calulated is accordingly accounted.

(A) Gratuity (Funded) (INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
I - Expenses recognized in the Statement of Profit and Loss:			
Current Service Cost	3.35	3.70	2.92
Past service Cost	-	3.70	-
Net Interest Cost	0.62	0.12	0.31
Expenses recognized during the year	**3.97**	**7.52**	**3.23**
II- Expenses recognized in other comprehensive income (OCI)			
Actuarial (gain)/losses on obligation for the period	(5.57)	(2.98)	(2.67)
Return on Plan Assets, Excluding Interest Income	0.09	0.27	0.03
Net (Income)/Expenses For the Period Recognised in OCI	**(5.48)**	**(2.71)**	**(2.64)**
III - Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:			
As at the beginning of the Year	11.84	7.12	6.40
Current service cost	3.35	3.70	2.92
Interest Cost	0.91	0.55	0.47
Past service Cost	-	3.70	-
Benefit paid from the fund	(0.06)	(0.24)	-
Actuarial losses/(gains)	(5.57)	(2.98)	(2.67)
As at the end of the year	**10.47**	**11.84**	**7.12**
IV - Movement in net liability recognized in Balance Sheet			
As at the beginning of the Year - (liability)/Asset	(8.72)	(4.57)	(4.45)
Expenses recognized during the year in Statement of Profit and Loss	(3.97)	(7.52)	(3.23)
Expenses recognized during the year in OCI	5.48	2.71	2.64
Contributions made	1.30	0.67	0.46
As at the end of the year - (liability)/Asset	**(5.91)**	**(8.72)**	**(4.57)**
-Current portion of the above	(1.27)	(1.66)	(0.88)
-Non-Current portion of the above	(4.64)	(7.05)	(3.69)
V - Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof:			
As at the beginning of the Year	3.13	2.54	1.95
Interest Income	0.29	0.42	0.16
Contributions made	1.30	0.67	0.46
Benefit paid from the fund	(0.06)	(0.24)	-
Return on Plan Assets, Excluding Interest Income	(0.09)	(0.27)	(0.03)
As at the end of the year	**4.57**	**3.13**	**2.54**
VI - Net (Liability) recognized in the balance sheet			
Present Value of Benefit Obligations at the end of the period	(10.47)	(11.84)	(7.12)
Fair Value of Plan Assets at the end of the period	4.57	3.13	2.54
Net (Liability)/Asset recognized in the Balance Sheet	**(5.91)**	**(8.72)**	**(4.57)**
VII - Return on Plan Assets			
Expected return on plan assets	0.29	0.42	0.16
Actuarial (loss)/gain	(0.09)	(0.27)	(0.03)
Actuarial return on plan assets	**0.20**	**0.16**	**0.13**

VIII - The major categories of plan assets as a percentage of total plan assets			
Insurer Managed Funds	100%	100%	100%
IX - Principal actuarial assumptions			
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount rate	7.70%	7.70%	7.40%
Expected Rate of Return on Plan Assets	1 to 5%	1 to 5%	1 to 5%
Annual increase in salary cost	7.00%	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Employee benefit plan typically exposes the company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment Risk
The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

Interest Risk
A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity Risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and employee turnover.

Maturity Analysis :

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Projected Benefit payable in future years from the date of reporting			
1st Following Year	2.25	2.26	1.37
2nd Following Year	2.36	0.36	0.21
3rd Following Year	0.29	2.38	0.20
4th Following Year	0.24	0.31	1.23
5th Following Year	0.28	0.27	0.19
Sum of Years 6 To 10	1.74	1.44	0.44

Sensitivity Analysis :

The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Projected Benefit Obligation on Current Assumptions			
+1% Change in Rate of Discounting	9.74	10.92	6.54
-1% Change in Rate of Discounting	11.35	12.93	7.79
+1% Change in Rate of Salary Increase	11.35	12.93	7.79
-1% Change in Rate of Salary Increase	9.73	10.91	6.53
+1% Change in Rate of Employee Turnover	10.50	11.87	7.13
-1% Change in Rate of Employee Turnover	10.45	11.81	7.11

(B) Leave Encashment

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current.

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
I - Expenses recognized in the Statement of Profit and Loss:			
Current Service Cost	0.19	0.07	0.05
Interest Cost	0.01	0.01	0.01
Actuarial losses/(gains)	0.04	0.00	0.05
Expenses recognized during the year	**0.24**	**0.08**	**0.10**
III - Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:			
As at the beginning of the Year - (liability)/Asset	(0.17)	(0.11)	(0.08)
Current service cost	(0.19)	(0.07)	(0.05)
Interest Cost	(0.01)	(0.01)	(0.01)
Benefit paid	0.11	0.02	0.07
Actuarial losses/(gains)	(0.04)	(0.00)	(0.05)
As at the end of the year - (liability)/Asset	**(0.30)**	**(0.17)**	**(0.11)**
-Current portion of the above	(0.02)	(0.01)	(0.01)
-Non-Current portion of the above	(0.28)	(0.16)	(0.11)

Sensitivity Analysis

The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Projected Benefit Obligation on Current Assumptions			
+1% Change in Rate of Discounting	0.19	0.15	0.10
-1% Change in Rate of Discounting	0.24	0.19	0.13
+1% Change in Rate of Salary Increase	0.24	0.19	0.13
-1% Change in Rate of Salary Increase	0.19	0.15	0.10
+1% Change in Rate of Employee Turnover	0.21	0.17	0.11
-1% Change in Rate of Employee Turnover	0.21	0.17	0.11

Note 33 : OPERATING SEGMENTS

The Company is engaged in the business of manufacturing of chemicals, hence only one reportable segment in accordance with Ind AS 108 "Operating Segment".

Two external customers (2017-18 and 2016-17: three external customers) individually contribute more than 10% of entity's revenues. The total revenue from such entities are Rs. 733.93 million (2017-18: Rs. 695.80 million and 2016-17: 461.34 million).

The Company has two geographical segments based upon location of its customers - within and outside India:

a) Revenue From Operations

(INR in Million)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17 Proforma Ind AS
Information in respect of geographical areas			
Segment revenue from external customers			
A **EXPORT**			
Direct Export	668.78	436.97	252.83
Deemed Export (SEZ)	311.42	323.81	332.24
	980.20	760.78	585.07
B **DOMESTIC**	2,061.48	822.28	313.85
Total (A+B)	**3,041.68**	**1,583.07**	**898.92**

Note 34 : RELATED PARTY DISCLOSURES

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Nature of Relationship	Name of Related Party
Key Management Personnel	Kamal Aggrawal Navdeep Goyal Himanshu Purohit Rajesh Gandhi Rajveer Aggarwal Shahilkumar Kapatel (Company Secretary) Naresh Goyal (Up to 15/02/2019)
Relative of Key Management Personnel	Naresh Goyal (From 16/02/2019) Minal Aggrawal Pooja Goyal Parul Goyal
Other Parties which significantly Influence/are influenced by the Company (either individually or with others)	Super Industrial Lining Private Limited Super Chemical Industries Super Scinetific Works Pvt. Ltd. Supertech Fabrics Private Limited Medicap Healthcare Ltd (Formerly know as Medicap Inc.) Shivam Petrochem Industries Kana Real Estate Pvt. Ltd.

(ii) Disclosure in respect of Transactions with related parties during the Year.

(INR in Million)

Name of the related party and nature of transactions	For the Year ended 31-Mar-19	For the year ended 31-Mar-18	For the year ended 31-Mar-17 Proforma Ind AS
(a) Key Management Personnel			
Remuneration			
Kamal Aggrawal	66.03	51.51	31.00
Naresh Goyal (Up to 15/02/2019)	61.12	45.87	22.26
Navdeep Goyal	22.19	16.17	8.73
Himanshu Purohit	2.34	1.92	1.68
Rajesh Gandhi	2.34	1.92	1.68
Rajveer Aggarwal	17.27	10.52	-
Shahilkumar Kapatel	0.14	-	-
Rent Paid			
Kamal Aggrawal	0.18	0.19	0.21
Unsecured loan received			
Kamal Aggrawal	-	9.65	-
Navdeep Goyal	-	3.90	-
Rajveer Aggarwal	-	3.90	-
(b) Relative of Key Management Personnel			
Unsecured loan received *			
Naresh Goyal	10.00	9.65	-
Rent Paid			
Minal Aggrawal	0.18	0.18	0.18
Pooja Goyal	0.18	0.18	0.18
Parul Goyal	0.18	0.18	0.18
(c) Other Parties which significantly Influence/are influenced by the Company (either individually or with others)			
Purchase Consumable & Stores			
Super Industrial Lining Private Limited	0.91	1.23	-
Supertech Fabrics Private Limited	-	-	0.00
Purchase of Fixed Assets			
Super Industrial Lining Private Limited	9.46	7.54	2.22

Purchase of Raw Material			
Super Chemical Industries	-	0.52	0.49
Shivam Petrochem Industries	1.12	4.22	-
Supertech Fabrics Private Limited	0.01	-	-
Repairs & Maintenance of Plant & Machinery			
Super Industrial Lining Private Limited	-	-	1.25
Job work Charges Paid			
Shivam Petrochem Industries	80.77	7.08	-
Lifting Charges Paid			
Super Chemical Industries	0.83	1.18	0.87
Sale of Fixed Assets			
Shivam Petrochem Industries	2.81	-	-
Sales commission Received			
Super Chemical Industries	1.08	0.49	-
Revenue from Operation			
Super Industrial Lining Private Limited	0.32	0.40	-
Super Chemical Industries	0.96	0.05	0.05
Shivam Petrochem Industries	1.47	0.09	-

(ii) Disclosure in respect of Outstanding Balances at the end of Year.

(INR in Million)

Name of the related party and nature of transactions	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
(a) Key Management Personnel			
Remuneration payable			
Kamal Aggrawal	35.13	4.87	11.57
Navdeep Goyal	14.43	1.60	4.37
Rajveer Aggarwal	11.28	1.60	-
Himanshu Purohit	0.13	-	-
Rajesh Gandhi	0.12	-	-
Shahilkumar Kapatel	0.02	-	-
Unsecured Loan Payable			
Kamal Aggrawal	9.65	9.65	-
Navdeep Goyal	3.90	3.90	-
Rajveer Aggarwal	3.90	3.90	-
Rent Payable			
Kamal Aggrawal	-	0.02	0.02
(b) Relative of Key Management Personnel			
Unsecured Loan Payable *			
Naresh Goyal	19.65	9.65	-
Remuneration payable			
Naresh Goyal	28.24	2.72	6.72
Rent Payable	0.01	0.01	0.01
Minal Aggrawal	0.01	0.01	0.01
Pooja Goyal	0.01	0.01	0.03
Parul Goyal			
(c) Other Parties which significantly Influence/are influenced by the Company (either individually or with others)			
Trade Payable			
Super Industrial Lining Private Limited	3.14	3.46	2.77
Super Chemical Industries	-	1.04	1.04
Shivam Petrochem Industries	18.73	0.17	-
Trade Receivable			
Super Chemical Industries	0.36	-	
Capital Advances			
Kana Real Estate Pvt. Ltd.	10.31	10.31	10.31
Advances Receivable in cash or in kind			
Shivam Petrochem Industries	-	-	1.50

* Unsecured loan accepted by the company from the person in the capacity of director at time of acceptance of loan.

Note 35 : CAPITAL MANAGEMENT

The capital includes issued equity capital and other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual planning and budgeting and its plan for working capital and long-term borrowings. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

The Capital Structure of the Company consists both debt and equity.

(INR in Million)

GEARING RATIO	31-Mar-19	31-Mar-18	31-Mar-17 Proforma Ind AS
Gross Debt (Long term and short term borrowings including current maturities)	331.09	168.93	201.88
Less: Cash and bank balances	115.90	14.90	8.57
Net Debt (A)	215.19	154.04	193.31
Total Equity (B)	970.30	536.22	270.60
Net Debt to equity Ratio (A/B)	**0.22**	**0.29**	**0.71**

Note 36 : FINANCIAL INSTRUMENTS

36.1 : FINANCIAL RISKS MANAGEMENT

In the course of business, amongst others, the Company is exposed to several financial risks such as Market Risk, Credit Risk, Liquidity Risk, Commodity Price Risk.

These risks may be caused by the internal and external factors resulting into impairment of the assets of the Company causing adverse influence on the achievement of Company's strategies, operational and financial objectives, earning capacity and financial position.

The Company has formulated an appropriate policy and established a risk management framework which encompass the following process:
• identify the major financial risks which may cause financial losses to the company
• assess the probability of occurrence and severity of financial losses
• mitigate and control them by formulation of appropriate policies, strategies, structures, systems and procedures
• Monitor and review periodically the adherence, adequacy and efficacy of the financial risk management system.

The Company enterprise risk management system is monitored and reviewed at all levels of management, and the Board of Directors from time to time.

(A) COMMODITY PRICE RISK

The pricing policy of the Company's final product is structured in such a way that any change in price of raw materials is passed on to the customers in the final product however, with a time lag which mitigates the raw material price risk. With regard to the finished products, the Company has been operating in a global competitive environment which continues to keep downward pressure on the prices and the volumes of the products.

In order to combat this situation, the Company formulated manifold plans and strategies to develop new customers & focus on new innovative products. In addition, it has

also been focusing on improvement in product quality and productivity. With these measures, Company counters the competition and consequently commodity price risk.

(B) MARKET RISK

(1) FOREIGN CURRENCY RISK

The company is exposed to the foreign currency risk from transactions. Transactional exposures are arising from the transactions entered into foreign currency. Management keeps a close watch of the maturity of the financial assets in foreign currency and payment obligations of the financial liabilities.

The carrying amounts of the Company's foreign currency denominated assets and liabilities at the end of the reporting periods are as follows:

As on 31st March, 2019

Particulars	Currency		
	(Euro in Million)	(USD in Million)	(INR in Million)
Liabilities			
Trade Payables	-	1.78	123.19
Assets			
Trade Receivables	0.06	0.70	53.06

As on 31st March, 2018

Particulars	Currency		
	(Euro in Million)	(USD in Million)	(INR in Million)
Liabilities			
Trade Payables	0.01	0.92	60.56
Other Current Liabilities- Advances from customers	-	0.02	1.27
Assets			
Trade Receivables	-	0.85	55.32
Other Current Assets- Advances to Creditors	-	0.74	48.32

As on 31st March, 2017 - Proforma Ind AS

Particulars	Currency	
	(USD in Million)	(INR in Million)
Liabilities		
Trade Payables	0.15	9.63
Assets		
Trade Receivables	0.85	54.92
Other Current Assets- Advances to Creditors	0.05	3.35

(2) 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 fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Further, the Company's investments in deposits is with banks and electricity authorities and therefore do not expose the Company to significant interest rates risk. The Company's variable rate borrowing is subject to interest rate risk. However, the management considers the impact of fair value interest rate risk on variable rate borrowings to be immaterial.

(C) CREDIT RISK

Credit Risk refers to the risks that arise on default by the counterparty on its contractual obligation resulting into financial loss to the company. The company may carry this Risk on Trade and other receivables, liquid assets and some of the non current financial assets. In case of Trade receivables, the company has framed appropriate policy for extending credits period & limit to each customer based on their profile, financial position and their external rating etc. The collections of trade dues are strictly monitored. In case of Export customers, even credit guarantee insurance is also obtained for each and every customer.

The credit risk on cash & cash equivalent, investment in fixed deposits and deposits are insignificant as counterparties are banks with high credit ratings assigned by the trading agencies of international repute.

(D) LIQUIDITY RISK

Liquidity Risk arises when the company is unable to meet its short term financial obligations as and when they fall due. The company maintains adequate liquidity in the system so as to meet its all financial liabilities timely. In addition to this, the company's overall financial position is very strong so as to meet any eventuality of liquidity tightness.

Contractual maturities of financial liabilities are given as under:

(INR in Million)

Particulars	AS at	Total Amount	Due within 12 months from Balance Sheet Date	Due beyond 12 months from Balance Sheet Date
Borrowings				
	31-Mar-19	322.03	297.38	24.66
	31-Mar-18	161.09	136.14	24.95
	31-Mar-17	192.01	171.22	20.78
Tarde Payables				
	31-Mar-19	288.72	288.72	-
	31-Mar-18	172.75	172.75	-
	31-Mar-17	87.67	87.67	-
Other Financial Liability				
	31-Mar-19	105.99	105.99	-
	31-Mar-18	23.63	23.63	-
	31-Mar-17	47.80	47.80	-

36.2 : FAIR VALUE MEASUREMENTS

The carrying value of instruments by categories are as follows:

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Assets			
Financial Assets			
At Amortised Cost			
Other Financial Assets	5.15	2.33	2.24
Other Financial Assets (Non-Current and Current)	13.46	13.87	0.23
Trade Receivables	641.18	295.56	223.88
Cash and cash Equivalents	6.84	9.28	3.35
Other Bank balance	109.06	5.62	5.22
Total	**775.69**	**326.66**	**234.93**
Liabilities			
Financial Liabilities			
At Amortised Cost			
Borrowings (Non-Current and Current)	322.03	161.09	192.01
Trade Payables	263.44	138.67	70.15
Other Financial Liabilities	105.99	23.63	47.80
Total	**691.47**	**323.39**	**309.96**

Fair Value hierarchy disclosures:

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that has quoted price.

Level 2 -The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). This is the case of unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The management has carried out analysis of financial assets and liabilities for all the reporting periods and has concluded that there are no financial assets and liabilities to be considered at fair value and disclosed under Level 1, Level 2 or Level 3 and all the financial assets and liabilities are at its carrying value which is equal to the fair value measured at amortised cost.

The carrying amounts of trade receivables, cash and cash equivalent, bank balances, current loans, current other financial assets, trade payables, current borrowings and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.

The carrying amounts of non current financial loans are considered to be the same as their fair value as it consist of security deposit with Government Organisations such as Electricity companies, which are interest bearing and are close to the fair value.

Note 37 FIRE AT FACTORY PREMISES

The fire took place on 9th January 2018 damaging the companies property, plant and equipment and also raw material, Packing Material and stores and consumables resulting into accounting loss amounting to Rs. 13.31 Million . However these assets are fully secured through insurance therefore considering conservatism principle company has recognised insurance receivable Rs. 13.31 Million against such loss. No amount received from insurance company till end of period reporting period. The management has estimated amount receivable from insurance company Rs 21.92 Million being Reinstatement Value and it is under process with the Universal Sompo General Insurance Co Ltd. Remaining balance shall be accounted upon final settlement. However this event does not affects the concept of going concern.

The Company has lodged insurance claim for loss due to fire of Rs. Rs 21.92 Million being Reinstatement Value, Details of Claim lodged is as under :-		(INR in Million)
a)	Loss of Raw material	6.18
b)	Loss of Consumables	0.54
c)	Loss on account of Assets burnt	14.17
d)	Expenses for Repair to Factory Shed	0.57
e)	Other Fire debris removal expenses	0.46
		21.92

Note 38 CORPORATE SOCIAL RESPONSIBILITES (CSR)

a) As required by Section 135 read with Schedule VII of the Companies Act 2013, corporate social responsibility (CSR) expenditure required to be spent by the Company during the year is Rs. 3.30 Million (2017-18 Rs. NIL)(2016-17 Rs. NIL), respectively, computed at 2% of its average net profit before tax for the immediately preceding three financial years.

b) Expenditure related to corporate social responsibility spend during the year is Rs. 4.58 Million (PY. NIL)
Details of Amount spent towards CSR given below :

(INR in Million)

Particulars	2018-19	2017-18	2016-17
Health	3.20	-	-
Educations	1.38	-	-
Total	4.58	-	-

Out of above total spending of Rs. 4.58 Million RS. 3.58 Millions is directly spent by company for above stated social activity and Rs. 1 Million is donated as corpus of fund to trust which is engaged in health related social activity.

Note 39

39.1 : In respect of classification between specified bank notes and other denomination notes

Extract of the details of Specified Bank Notes (SBN) or other denomination notes as defined in the MCA Notification No. GSR 300(E) dated March 31, 2017 held and transacted during the period from November 8, 2016 to December 30, 2016 from the audited financial statements for the year ended March 31, 2017:

(INR in Million)

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash in hand as on 8th November, 2016	1.51	0.32	1.83
Add: Permitted receipts	-	0.23	0.23
Less: Permitted Payments	-	1.76	1.76
Less: Amount deposited in Banks	1.51	-	1.51
Closing Cash in hand as on 30th December, 2016	-	(1.21)	(1.21)

For the purpose of this note, the term Specified Bank Notes (SBN), shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.

39.2 The figures of previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year and according to requirements of the schedule III of the Companies Act, 2013.
The balance sheet has been prepared in absolute numbers and then converted into millions to meet the presentation requirement as per Companies Act, accordingly the variance on account of decimals rounding-off may exist.

Note 40 EARNING PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity share holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

(INR in Million)

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
Earnings Per Share has been computed as under:			
Profit attributable to equity holders of the Company (Numerator)	**430.41**	**263.81**	**28.24**
Weighted average number of equity shares outstanding (Denominator)	**31.78**	**31.78**	**31.78**
Earnings Per Share (Equity Shares, Par Value of Rs. 10/- each) *			
Basic (Rs.)	13.54	8.30	0.89
Diluted (Rs.)	13.54	8.30	0.89

Notes:

1. Earnings per share calculations are done in accordance with IND AS 33 "Earnings per share". Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year and subsequent to the Balance sheet date but before approval of accounts in the Board is multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

2. The earnings per share figure for the year ended 31st March 2018 and 31st March 2017 have been adjusted to give effect to the allotment of the bonus shares, as required by Ind AS-33.

Note 41 Disclosure as required by Ind AS 101 first-time adoption of Indian Accounting Standards

The Company's financial statements for the year ended March 31, 2019, are the first financial statements that has been prepared in accordance with Ind AS together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. The transition to IND AS has been carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards, with April 1, 2017 as the transition date.

The restated financial statement for the year ended March 31, 2017 has been prepared on Proforma basis (i.e. "Proforma Ind AS") The company has followed the same accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS - 101) as initially adopted on transition date by way of suitable restatement adjustments both re-measurement and reclassification in the Proforma Ind AS financial information for the year ended March 31, 2017 .

Effective April 1, 2018, the Company adopted Ind AS 115 'Revenue from Contracts with Customers'. The standard is applied retrospectively with the cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings at the date of initial application. The adoption of this Ind AS 115 did not have any impact on the overall revenue and/or opening balance of retained earnings.

A) Exemptions and exceptions availed in accordance with Ind-AS 101 (First Time Adoption of Indian Accounting Standards)

a) Ind AS optional exemptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from IGAAP to Ind AS.

i) **Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the Financial Statements as at the date of transition to Ind AS, measured under IGAAP and use that as its deemed cost as at the 1-April-2016. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their IGAAP carrying value in their Financial Statements.

b) Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

i) **Estimates**

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error.

The estimates at April 01, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP .

ii) **Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

CHEMCON SPECIALITY CHEMICALS LIMITED
(formerly known as chemcon speciality chemicals private limited)
CIN: U24231GJ1988PLC011652
Annexure VI : NOTES TO RESTATED FINANCIAL INFORMATION

First Time Ind AS Adoption Reconciliation

I Reconciliation of Balance sheet as at 31st March, 2018

(INR in Million)

	Particulars	Note to Reconciliations	Balancesheet as at 31st March, 2018		
			IGAAP	Effects of transition to Ind AS and regrouping adjustment	Ind AS
I	**ASSETS**				
	Non-Current Assets				
	a) Property, Plant & Equipment		296.41	(0.00)	296.41
	b) Capital Work-in-Progress		-	-	-
	c) Intangible assets				
	d) Financial Assets				
	i) Other Financial Assets	f)	24.73	(22.41)	2.33
	e) Other Non-Current Assets	f)	-	17.11	17.11
	Total Non- Current Assets		**321.14**	**(5.30)**	**315.85**
	Current Assets				
	a) Inventories		210.36	-	210.36
	b) Financial Assets				
	i) Trade Receivables		295.56	-	295.56
	ii) Cash and Cash Equivalents		9.28	-	9.28
	iii) Bank Balances Other than ii) above		5.62	-	5.62
	iv) Other Financial Assets		13.87	-	13.87
	c) Other Current Assets	f)	17.24	102.88	120.12
	Total Current Assets		**551.93**	**102.88**	**654.81**
	TOTAL ASSETS		**873.07**	**97.58**	**970.66**
II	**EQUITY AND LIABILITIES**				
	Equity				
	a) Equity Share Capital		79.44	-	79.44
	b) Other Equity	b), c)	462.73	(5.95)	456.78
	Total Equity		**542.17**	**(5.95)**	**536.22**
	Liabilities				
	Non-Current Liabilities				
	a) Financial Liabilities				
	i) Borrowings	f)	52.07	(27.12)	24.95
	b) Non current Provisions	c)	-	7.21	7.21
	c) Deferred Tax Liabilities(Net)	b)	19.14	(2.94)	16.20
	Total Non- Current Liabilities		**71.20**	**(22.84)**	**48.36**
	Current Liabilities				
	a) Financial Liabilities				
	i) Borrowings	f)	109.02	27.12	136.14
	ii) Trade Payables	f)			
	-Total outstanding dues of micro and small enterprises		-	34.09	34.09
	-Total outstanding dues of creditors other than micro enterprises and small enterprises		90.96	47.70	138.67
	iii) Other Financial Liabilities	f)	7.85	15.79	23.63
	b) Other current Liabilities		48.30	(33.05)	15.25
	c) Short term Provisions	c)	3.57	34.72	38.29
	Total Current Liabilities		**259.70**	**126.37**	**386.07**
	TOTAL EQUITY AND LIABILITIES		**873.07**	**97.58**	**970.66**

CHEMCON SPECIALITY CHEMICALS LIMITED
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Annexure VI : NOTES TO RESTATED FINANCIAL INFORMATION

First Time Ind AS Adoption Reconciliation *(Continued)*

II Statement of Profit and loss for the year ended 31st March, 2018

(INR in Million)

	Particulars	Note to Reconciliations	For the year ended as at 31st March, 2018		
			IGAAP	Effects of transition to Ind AS and regrouping adjustment	Ind AS
I	Revenue from Operations	a)	1,578.21	4.86	1,583.07
II	Other Income		1.65	-	1.65
	Total Income		**1,579.85**	**4.86**	**1,584.72**
III	**Expenses**				
	Cost of Materials Consumed		794.63	-	794.63
	Changes in inventories of finished goods and work-in-progress		(20.67)	-	(20.67)
	Excise Duty	a)	-	4.86	4.86
	Employee Benefit expenses	c)	53.22	134.83	188.04
	Finance costs	f)	24.14	6.22	30.36
	Depreciation and Amortization expenses		22.59	0.00	22.59
	Other expenses		287.32	(127.92)	159.40
IV	**Total Expenses**		**1,161.21**	**17.99**	**1,179.22**
V	**Profit before tax**		418.64	(13.13)	405.51
	(Less)/ Add: Tax expenses:				
	- Current Tax	f)	148.73	(6.22)	142.51
VI	- Deferred Tax credit/(Charge)	b)	1.48	(2.28)	(0.81)
VII	**Profit/(Loss) After Tax**		**268.43**	**(4.63)**	**263.81**
	OTHER COMPREHENSIVE INCOME				
	Items that will not be reclassified subsequently to Profit or Loss				
	Remeasurement of gains/(Losses) on defined benefit Plans	c)	-	2.71	2.71
	Income Tax relating to items that will not be reclassified to Profit & Loss	b)	-	(0.90)	(0.90)
VIII	**Other Comprehensive Income (Net of Tax)**		**-**	**1.81**	**1.81**
IX	**Total Comprehensive Income for the Year/Period**		**268.43**	**(2.81)**	**265.62**

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Annexure VI : NOTES TO RESTATED FINANCIAL INFORMATION

First Time Ind AS Adoption Reconciliation (Continued)
III Reconciliation of Balance sheet as at 31st March, 2017

(INR in Million)

	Particulars	Note to Reconciliations	Balancesheet as at 31st March, 2017		
			IGAAP	Effects of transition to Ind AS and regrouping adjustment	Ind AS
I	**ASSETS**				
	Non-Current Assets				
	a) Property, Plant & Equipment		244.97	-	244.97
	b) Capital Work-in-Progress		-	-	-
	c) Intangible assets				
	d) Financial Assets				
	i) Other Financial Assets	f)	38.93	(36.69)	2.24
	e) Other Non-Current Assets	f)	-	13.66	13.66
	Total Non- Current Assets		**283.90**	**(23.03)**	**260.87**
	Current Assets				
	a) Inventories		90.41	-	90.41
	b) Financial Assets				
	i) Trade Receivables		223.88	-	223.88
	ii) Cash and Cash Equivalents		3.35	-	3.35
	iii) Bank Balances Other than ii) above		5.22	-	5.22
	iv) Other Financial Assets		0.23	-	0.23
	c) Other Current Assets	f)	19.80	23.02	42.83
	Total Current Assets		**342.91**	**23.02**	**365.92**
	TOTAL ASSETS		**626.81**	**(0.01)**	**626.79**
II	**EQUITY AND LIABILITIES**				
	Equity				
	a) Equity Share Capital		79.44	-	79.44
	b) Other Equity	b), c)	194.30	(3.14)	191.16
	Total Equity		**273.74**	**(3.14)**	**270.60**
	Liabilities				
	Non-Current Liabilities				
	a) Financial Liabilities				
	i) Borrowings	f)	20.80	(0.02)	20.78
	b) Non current Provisions	c)	-	3.80	3.80
	c) Deferred Tax Liabilities(Net)		17.66	(1.55)	16.11
	Total Non- Current Liabilities		**38.46**	**2.23**	**40.69**
	Current Liabilities				
	a) Financial Liabilities				
	i) Borrowings	f)	171.21	0.02	171.22
	ii) Trade Payables	f)		-	
	-Total outstanding dues of micro and small enterprises		-	17.52	17.52
	-Total outstanding dues of creditors other than micro enterprises and small enterprises		125.59	(55.45)	70.15
	iii) Other Financial Liabilities	f)	9.87	37.93	47.80
	b) Other current Liabilities		4.31	0.58	4.89
	c) Short term Provisions	c)	3.62	0.31	3.93
	Total Current Liabilities		**314.61**	**0.91**	**315.51**
	TOTAL EQUITY AND LIABILITIES		**626.81**	**(0.00)**	**626.80**

First Time Ind AS Adoption Reconciliation (Continued)

IV Statement of Reconciliation Between the Indian GAAP and Ind AS

(INR in Million)

	Particulars	Note	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS	As at 1-Apr-16 Proforma Ind AS
A	**Reconciliations between previous GAAP and Ind AS Ind AS 101 requires an entity to reconcile equity for prior periods.**				
	Other equity as per previous GAAP (A)		462.73	194.30	164.28
	Provision for Gratuity as per actuarial calculation	c)	(8.72)	(4.57)	(4.45)
	Provision for leave encashment as per actuarial calculation	c)	(0.17)	(0.11)	(0.08)
	Deferred tax impact on account of Ind AS adjustments	b)	2.94	1.55	1.40
	Total Adjustment as per Ind AS (B)		(5.95)	(3.14)	(3.13)
	Other equity as per Ind AS (A)+(B)		**456.78**	**191.16**	**161.15**

(INR in Million)

	Particulars	Note	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17 Proforma Ind AS
A	**Reconciliation of Profits**			
	Total Comprehensive Income as per Indian GAAP (A)		**268.43**	**30.01**
	Provision for Gratuity as per actuarial calculation	c)	(4.14)	(0.13)
	Provision for leave encashment as per actuarial calculation	c)	(0.06)	(0.03)
	Deferred tax impact on account of Ind AS adjustments	b)	1.39	0.15
	Total Impact on account of restatement (B)		**(2.81)**	**(0.01)**
	Total Comprehensive Income as per Ind AS (A)+(B)		**265.62**	**30.01**

* **Notes to the reconciliations between Indian GAAP and Ind AS accounts**

a) Excise duty
Under IGAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses. There is no impact on the total equity and profit due to the said change.

b) Deferred Tax
Under Ind AS, the deferred tax asset and liabilities are required to be accounted based on the balance sheet approach. The Company has remeasured its deferred tax assets and liabilities as aforesaid and accounted in the Ind AS financial statements.

c) Remeasurements of post-employment benefit obligations

Under IGAAP, the management has accounted for employee defined benefit plan with respect to Gratuity by debiting profit and loss statement to the extent of actual premium paid to Life Insurance Corporation . Under Ind AS, the management has accounted for Gratuity and on the basis of actuarial calculation from 1st April, 2016 and accordingly the effect of differences has been accounted for in the profit and loss statement and other comprehensive income as required.

Under Ind AS, remeasurements that is actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in Other Comprehensive Income instead of profit or loss.

Under IGAAP, the management has accounted for employee defined benefit plan with respect to leave encashment by debiting statement of profit and loss on the basis of unpaid leave and its financial impact estimated by the management for employees calculated during the year . Under Ind AS, the management has accounted for Leave encashment on the basis of actuarial calculation from 1st April, 2016 and accordingly the effect of differences has been accounted for in the profit and loss statement and other comprehensive income as required.

Under Ind AS, remeasurements that is actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in Other Comprehensive Income instead of profit or loss.

d) Other Comprehensive Income
Under Ind AS, all items of income and expense recognized in a period are to be included in profit or loss for the period, unless a standard requires or permits otherwise. In accordance with Ind AS remeasurement of defined benefit plans is accounted in Other Comprehensive Income , net of taxes.

e) Statement of Cash flows
The transition from Indian GAAP to Ind AS has no had material impact on the statement of cash flows.

f) The figures of previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year and according to requirements of the schedule III of the Companies Act, 2013.

Note 42 Statement on Adjustments to Audited Financial Statements

Summarized below are the restatement adjustments made to the audited financial statements for the financial year ended March 31, 2019,March 31, 2018 and March 31, 2017 and their impact on the profit / (loss) of the Company:

(INR in Million)

Particulars	Note	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17 Proforma Ind AS
Net profit after tax as per Previous GAAP		-	**268.43**	**30.01**
(i) Material Ind AS restatement adjustments				
Aggregate impact of all Ind AS adjustments (refer notes 41 for detailed explanation of transition from Previous GAAP to Ind AS), net of tax	41	-	(2.81)	(0.01)
Net profit after tax as per Ind AS		**434.08**	**265.62**	**30.01**
(i) Other adjustments		-	-	-
Net profit, as restated		**434.08**	**265.62**	**30.01**

Notes to above adjustments:-

(i) Material regroupings

Appropriate adjustments have been made in the respective years of Restated Statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required,by reclassification of the corresponding items of income, expenses, assets and liabilities,in order to bring them in line with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act,to the extent applicable., and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

(ii) Reconciliation of retained earnings as at April 1, 2016

(INR in Million)

	Particulars	Note	As at 1-Apr-16
A	**Retained earnings as per Adjusted Previous GAAP computed**		164.28
	Aggregate impact of all Ind AS adjustments, net of tax	41	(3.13)
B	**Total Adjustment as per Ind AS**		(3.13)
	Material restatement adjustments		
	Audit qualifications		-
	Deferred tax impact on above restatement adjustments		-
C	**Total impact of adjustments**		-
	Opening balance of Other equity as at April 1, 2015 as restated as per Ind AS (A+B+C)		**161.15**

(iii) The impact of adjustments have been considered for disclosure under note 41 and have accordingly not been disclosed again.

CHEMCON SPECIALITY CHEMICALS LIMITED

(formerly known as chemcon speciality chemicals private limited)

CIN: U24231GJ1988PLC011652

ANNEXURE VII: RESTATED STATEMENT OF ACCOUNTING RATIOS

(Amt in INR)

	Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17 Proforma Ind AS
A	**Net Worth**	**957.74**	**536.22**	**270.60**
B	**Profit attributable to the owners of the company**	**430.41**	**263.81**	**28.24**
	Weighted average number of equity shares outstanding during the year (also refer note 40)			
C	For basic earnings per share	31.78	31.78	31.78
D	For diluted earnings per share	31.78	31.78	31.78
E	Number of shares outstanding at the end of the year (Prior to bonus issue)	7.94	7.94	7.94
F	Number of shares outstanding at the end of the year -Refer Note 1 below	31.78	31.78	31.78
G	Restated basic earnings per share (INR) (B/C)	13.54	8.30	0.89
H	Restated diluted earnings per share (INR) (B/D)	13.54	8.30	0.89
I	Return on net worth (%) (B/A)	44.94%	49.20%	10.44%
J	Net assets value per share of Rs. 10 each (Prior to bonus issue)(A/E)	**120.56**	**67.50**	**34.06**
K	Net assets value per share of Rs. 10 each (After bonus issue)(A/C)	**30.14**	**16.87**	**8.52**
L	EBITDA (INR)	**679.21**	**456.81**	**86.60**
M	Face value (INR)	10.00	10.00	10.00

Basic earnings per share (Rs)
$$\frac{\text{Net Profit as restated, attributable to the owners of the company}}{\text{Weighted average number of equity shares outstanding during the year/ period}}$$

Diluted Earnings per share (Rs)
$$\frac{\text{Net Profit as restated, attributable to the owners of the company}}{\text{Weighted average number of dilutive equity shares outstanding during the year/ period}}$$

Return on Net Worth (%)
$$\frac{\text{Net Profit as restated, attributable to the owners of the company}}{\text{Net Worth as restated, including Share Capital and Reserves \& Surplus, as restated at the end of the year/ period}}$$

Net Asset Value (NAV) per equity share (Rs.)
$$\frac{\text{Net Worth as restated, including Share Capital and Reserves \& Surplus, as restated at the end of the year/ period}}{\text{Number of equity shares outstanding at the end of the year/ period}}$$

Earnings before interest, Tax, Depreciation and Amortisation (EBITDA) (Rs.) Profit before tax + Finance costs + Depreciation and amortisation expense - Other Income

Notes:

1. Earnings per share calculations are in accordance with Indain Accounting Standard 33 - Earnings Per Share ('Ind AS 33') , notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2015. As per Ind AS 33 paragraph 28, in case of bonus share , the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported.
2. Net worth means the aggregate value of the paid up share capital of the Company and all reserves created out of profits and securities premium account, net of pre-issue expenses, as per Restated Statement of Assets and Liabilities of the Company.
3. The amounts disclosed above are based on the Restated Financial Information of the Company.

For K. C. Mehta & Co.
Chartered Accountants
Firm Registration No: 106237W

Vishal P. Doshi
Partner
Membership No. 101533

Place: Vadodara
Date: 18 July 2019

For and on behalf of the Board of Directors
CHEMCON SPECIALITY CHEMICALS LIMITED
CIN: U24231GJ1988PLC011652

Kamal Aggrawal
Managing Director
DIN: 00139199

Navdeep Goyal
Chairman & Director
DIN: 02604876

Rajesh Gandhi
Chief Financial Officer & Director
DIN: 03296784

Shahilkumar Kapatel
Company Secretary
ACS : 52211

CHEMCON SPECIALITY CHEMICALS LIMITED

(formerly known as chemcon speciality chemicals private limited)

CIN: U24231GJ1988PLC011652

ANNEXURE VIII : Restated Statement of Capitalisation

(Amt in INR)

Particulars		Pre issue As at 31-Mar-19	As adjusted for the Issue (Post issue) *
Borrowings:			
Current borrowings	A	297.38	-
Non-Current borrowings	B	33.71	-
Total Borrowings	C= A+B	**331.09**	**-**
Shareholders' fund (Net worth)			
Share capital	C	317.78	-
Other Equity (refer note 4 below)	D	639.97	-
Total shareholders' fund (Net worth)	**E= C+D**	**957.74**	
Non-Current borrowings/shareholders' fund (Net worth) ratio	**B/E**	**0.04**	**-**
Total borrowings/shareholders' fund (Net worth) ratio	**C/E**	**0.35**	**-**

Notes :

1 Non-Current borrowings are considered as borrowings other than short-term borrowings and include current maturities of long term borrowings.

2 The amounts disclosed above are based on the Restated Financial Information of the Company.

3 On November 03, 2018, the shareholders of the Company approved the issuance of the Bonus shares in the ratio of 3:1 (3 bonus shares for every 1 equity share held). Consequently, the number of equity shares has increased from 7.94 Million equity shares to 31.78 Million equity shares. Accordingly, the share capital has increased from Rs. 79.44 million to Rs. 317.78 million and the Reserves and Surplus has decreased by Rs. 238.33

* These amounts (as adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished. To be updated upon finalization of the Offer Price.

4 Other equity is net of pre-issue expenses.

For K. C. Mehta & Co.
Chartered Accountants
Firm Registration No: 106237W

For and on behalf of the Board of Directors
CHEMCON SPECIALITY CHEMICALS LIMITED
CIN: U24231GJ1988PLC011652

Vishal P. Doshi
Partner
Membership No. 101533

Kamal Aggrawal
Managing Director
DIN: 00139199

Navdeep Goyal
Chairman & Director
DIN: 02604876

Place: Vadodara
Date: 18 July 2019

Rajesh Gandhi
Chief Financial Officer & Director
DIN: 03296784

Shahilkumar Kapatel
Company Secretary
ACS : 52211

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at March 31, 2019, on the basis of our Restated Financial Statements:

(in ₹ million)

Particulars		Pre-Issue as at March 31, 2019	As adjusted for the Issue*
Borrowings:			
Current borrowings	A	297.38	-
Non-Current borrowings	B	33.71	-
Total Borrowings	C= A+B	**331.09**	**-**
Shareholders' fund (Net worth)			
Share capital	C	317.78	-
Other Equity (refer note 4 below)	D	639.97	-
Total shareholders' fund (Net worth)	**E= C+D**	**957.74**	
Non-Current borrowings/shareholders' fund (Net worth) ratio	**B/E**	**0.04**	**-**
Total borrowings/shareholders' fund (Net worth) ratio	**C/E**	**0.35**	**-**

** These amounts (as adjusted for Issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished. To be updated upon finalization of the Issue Price.*

Notes :

1. *Non-Current borrowings are considered as borrowings other than short-term borrowings and include current maturities of long term borrowings.*

2. *The amounts disclosed above are based on the Restated Financial Statements of the Company.*

3. *On November 3, 2018, the shareholders of the Company approved the issuance of the Bonus shares in the ratio of 3:1 (3 bonus shares for every 1 equity share held). Consequently, the number of equity shares has increased from 7,944,440 Equity Shares to 31,777,760 Equity Shares. Accordingly, the share capital has increased from ₹79.44 million to ₹317.78 million and the Reserves and Surplus has decreased by ₹238.33 million.*

4. *Other equity is net of pre-Issue expenses.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for Fiscals 2019, 2018 and 2017. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Restated Financial Statements included in "Restated Financial Statements" including the schedules, annexures and notes thereto and the reports thereon, beginning on page 182.

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter "Forward-Looking Statements" beginning on page 17 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" on page 22 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, and references to a particular Fiscal are to the twelve-month period ended March 31 of that year.

Unless otherwise indicated, industry and market data used in this chapter has been obtained or derived from publicly available information as well as industry publications and other sources. For details, see "Certain Conventions, Use Of Financial Information And Market Data And Currency Of Presentation" on page 15.

Overview

Overview

We are a manufacturer of specialised chemicals, such as HMDS and CMIC which are predominantly used in the pharmaceuticals industry (the "**Pharmaceutical Chemicals**"), and inorganic bromides, namely Calcium Bromide, Zinc Bromide and Sodium Bromide, which are predominantly used as completion fluids in the oilfields industry (the "**Oilwell Completion Chemicals**"). We were the only manufacturer of HMDS in India and were the eighth largest manufacturer of HMDS worldwide in terms of production in the calendar year 2018 (*source: Frost & Sullivan Report*). We were the largest manufacturer of CMIC in India and the second largest manufacturer of CMIC worldwide, in terms of production and capacity in calendar year 2018 (*source: Frost & Sullivan Report*). Further, we were the only manufacturer of Zinc Bromide and the largest manufacturer of Calcium Bromide in India, in terms of production in calendar year 2018 (*source: Frost & Sullivan Report*).

We supply our products to domestic customers and also export our products to countries including United States of America, People's Republic of China, Japan, United Arab Emirates, Azerbaijan, Serbia, Russia and Malaysia. In Fiscals 2019, 2018 and 2017, our revenue from exports (including Deemed Exports) contributed 32.23%, 48.06% and 65.09% respectively of our revenue from operations. Our revenues from exports (including Deemed Exports) have grown at a CAGR of 29.44% between Fiscals 2017 and 2019.

The key customers of our Pharmaceutical Chemicals include Hetero Labs Limited, Laurus Labs Limited, Aurobindo Pharma Limited, Sanjay Chemicals (India) Private Limited, Lantech Pharmaceuticals Limited, Ind-Swift Laboratories Limited, Vivin Drugs & Pharmaceuticals Limited, Macleods Pharmaceuticals Limited and the key customers of our Oilwell Completion Chemicals include Shree Radha Overseas, Water Systems Specialty Chemical DMCC, Universal Drilling Fluids and CC Gran Limited Liability Company.

We are an ISO 9001:2015 certified company for the "Manufacture and supply of Organosilicon Compounds, Heterocyclic Compounds, Fine Chemicals and their Derivatives". Our manufacturing facility is located at Manjusar near Vadodara in Gujarat (our "**Manufacturing Facility**"). As on the date of this Draft Red Herring Prospectus, within our Manufacturing Facility, we currently have five operational plants of which one plant is dedicated to the manufacturing of HMDS and ancillary products, two plants are dedicated to the manufacturing of CMIC and two plants dedicated to the manufacturing of our Oilwell Completion Chemicals, along with three warehouses for the storage of our products and raw materials. We also have an in-house laboratory at our Manufacturing Facility to test our raw materials procured, as well as our products at the various stages of the manufacturing process. Further, we have two leased warehouses located outside our Manufacturing Facility, in Manjusar, Vadodara. Our Corporate Office is located in Vadodara and sales and marketing offices are located in Hyderabad and Mohali.

For Fiscals 2019, 2018 and 2017, our revenue from operations was ₹3,041.68 million, ₹1,583.07 million and

₹898.92 million, respectively, growing at a CAGR of 83.95% between Fiscal 2017 and Fiscal 2019. Our EBITDA for Fiscals 2019, 2018 and 2017 was ₹679.21 million, ₹456.81 million and ₹86.60 million respectively, growing at a CAGR of 180.06% between Fiscal 2017 and Fiscal 2019, while our profit after tax for Fiscals 2019, 2018 and 2017 was ₹430.41 million, ₹263.81 million and ₹28.24 million respectively, growing at a CAGR of 290.39% between Fiscal 2017 and Fiscal 2019.

In Fiscals 2019, 2018 and 2017, our Pharmaceutical Chemicals, contributed 62.99%, 61.97% and 46.89% of our total revenue from operations respectively, while our Oilwell Completion Chemicals, contributed 35.42%, 35.86% and 50.23% respectively of our total revenue from operations.

Significant Factors Affecting our Results of Operations

Demand for our products in the Pharmaceuticals and Oilfields Industry

As on the date of this Draft Red Herring Prospectus, our product portfolio comprises of our Pharmaceutical Chemicals, majorly HMDS and CMIC and our Oilwell Completion Chemicals, namely Calcium Bromide (solution and powder), Zinc Bromide (solution) and Sodium Bromide (solution and powder). The Pharmaceuticals Chemicals and our Oilwell Completion Chemicals are targeted to and largely marketed and supplied to industries operating in the pharmaceuticals and the oilfields industries respectively.

Our Pharmaceuticals Chemicals business contributed 62.99%, 61.97% and 46.89% of our revenue from operations in Fiscals 2019, 2018 and 2017 respectively. The Pharmaceuticals Chemicals manufactured and supplied by us are primarily utilised for the manufacture of certain pharmaceuticals and related products. For details see "*Our Business - Our Products*" on page 133. The demand for our Pharmaceutical Chemicals from our customers determines our revenue levels and results of operations, and our sales are directly affected by the production and inventory levels of our customers. Our customers in turn are dependent on demand of their products from end use customers and government buyers, as well as general trends in the global pharmaceutical industry.

Our Oilwell Completion Chemicals business contributed 35.42%, 35.86% and 50.23% of our revenue from operations in Fiscals 2019, 2018 and 2017 respectively. The Oilwell Completion Chemicals manufactured and supplied by us are used as completion fluids in the oilfields industry. Accordingly, demand for our Oilwell Completion Chemicals from our customers determines our revenue levels and results of operations, and our sales are directly affected by the level of oil and gas exploration, development and production activities which have historically been cyclical in nature characterized by significant changes in the levels of exploration and development activities, requiring significant financing.

Any changes 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, will have an impact on demand for our products and will impact our revenues and results of operations. Our Company may be required to increase our capacity or to alter our manufacturing and/or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers which may have an impact on our profitability in the long run.

Further, while our Company has a large number of customers, as a result of the specialised nature of the chemicals we manufacture and the specific industries we target, we are dependent on a limited number of customers for a significant portion of our revenue. In Fiscals 2019, 2018 and 2017, 45.81%, 59.76% and 61.66%, respectively, of our revenue from operations were derived from our top five customers. Further, in Fiscals 2019, 2018 and 2017, 53.66%, 64.63% and 69.49% of our revenue from Pharmaceutical Chemicals were derived from our top five customers for our Pharmaceutical Chemicals, while 90.24%, 96.22% and 89.85% of our revenue from our Oilwell Completion Chemicals were derived from our top five customers from our Oilwell Completion Chemicals. We do not have long-term agreements or exclusivity arrangements with such customers and it is difficult for us to predict with certainty when our customers will decide to increase or reduce inventory levels or levels of production or exploration activities, which strategic direction they will pursue, when they might launch new products or open new facilities or venture into newer avenues, or whether future inventory levels will be consistent with historical levels.

Availability and cost of raw materials

The success of our operations depends on, among other things, our ability to source raw materials at competitive prices. Raw materials are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand, changes in government policies and regulatory sanctions.

Certain of our key raw materials have witnessed volatility in their prices. For instance, the global price of TMCS, a key raw material in the manufacturing of HMDS, fell from \$3.6 per kg to \$1.1 per kg between first quarter of calendar year 2013 and fourth quarter of calendar year 2014, rose to \$10.3 per kg by the third quarter of calendar year 2018 and subsequently fell to approximately \$5.4 per kg in the fourth quarter of calendar year 2018 (*source: Frost & Sullivan Report*). Likewise, the price of MCF, a key raw material in the manufacturing of CMIC, has witnessed numerous rises and falls between 2013 and 2018, with the global price for such period, ranging from approximately \$2.00 per kg to approximately \$3.10 per kg (*Source: Frost & Sullivan Report).*

We typically do not enter into long term supply contracts with any of our vendors and instead place purchase orders with them from time to time. As we continue to grow our product portfolio and increase our production capacities, we would need to procure additional volumes of raw materials. We are thus exposed to fluctuations in availability and prices of our raw materials. Any inability on our part to procure sufficient quantities of raw materials and on commercially acceptable terms, could lead to a change in our manufacturing and sales volumes. If we are unable to purchase the raw materials from such suppliers for any reason and on commercially acceptable terms, it will impact our revenue levels and results of operations

Additionally, certain of our key raw materials suppliers are based in China. Our ability to purchase such raw materials from our suppliers in China, may be hampered due to *inter alia* supply chain issues, change in government policies (including anti-dumping measures) and international geo-political situations. We may not be able to find suitable alternative suppliers providing the raw materials at similar or acceptable prices and other terms of purchase.

Capacity utilisation

One of the key drivers in the growth of our revenue from operations has been the volume of products manufactured and sold by us. Our revenues and, consequently, our profits are dependent on our ability to optimise and maximise our capacity utilisation which has helped us meet the demands of our customers and deliver our products in an efficient, reliable and timely manner. As on the date of this Draft Red Herring Prospectus, our Company had five operational plants at our Manufacturing Facility. The total volumetric reactor capacity at our Manufacturing Facility as on March 31, 2019 was 236.65 KL. For further details in relation to our Manufacturing Facility and plant-wise capacity details, see Manufacturing Facility, see "*Our Business- Our Manufacturing Facility*" on page 136. Our Company intends to build three additional plants with a total volumetric reactor capacity of 376.20 KL, which shall be utilised for the manufacturing of chemicals used in the pharmaceutical industry. Further, we are also in the process of rebuilding one plant, with a volumetric reactor capacity of 13.00 KL**,** which was destroyed due to a fire accident on January 9, 2018. This plant shall be used for the production of high purity HMDS, which finds application in the pharmaceuticals, semiconductors and rubber industries.

With the completion of such expansion our total volumetric reactor capacity at the Manufacturing Facility shall increase from our current capacity of 236.65 KL to 625.85 KL and will enable us to significantly benefit from economies of scale. Our prospects and growth in revenue would *inter alia* be dependent on the effective installation, commencement and utilisation of the additional plants being constructed and/or rebuilt.

The details of the installed production capacity, available capacity, actual production and capacity utilisation at our Manufacturing Facility for Fiscal 2019 is set forth below:

Product	**Installed production capacity at end of Fiscal (MT per annum) (A)**	**Available Capacity for the Fiscal Year (MT) (B)**	**Actual Production (MT) (C)**	**Capacity Utilization (%) (D=C/B)**
HMDS	1,800	1,800	1,674.39	93.02%
CMIC	1,800	1,250##	1,195.65	95.65%
Calcium Bromides (solution), Sodium Bromide (solution) and Zinc Bromide (solution)	14,400	14,400	8,247.77	57.28%
Calcium Bromide (Powder)	600	600	418	69.66%

New capacity of 600 MT per annum in Plant "P6" was commissioned in March 2019 and hence available for one month in

Fiscal 2019.

For further details in relation to capacity utilisation at our Manufacturing Facility for Fiscals 2019, 2018 and 2017, see "*Our Business- Our Manufacturing Facility*" on page 136.

Global movement in price of our Products

One of the key drivers in the growth of our revenue from operations has been increase in global prices of our products. There has been volatility in the global price of certain of our products including HMDS and CMIC with the global prices of HMDS having increased from $3.5 per kg in first quarter of calendar year 2017 to $18.5 per kg in third quarter of calendar year 2018 (*Source: Frost & Sullivan Report*). Similarly, the global prices of CMIC have increased from $6.00 per kg in third quarter of calendar year 2017 to $8.10 per kg in first quarter of calendar year 2018 (*Source: Frost & Sullivan Report*), resulting in significant increase in our revenue from operations.

Our ability to maintain as well as expand our international operations is dependent on us providing our products at prices competitive with international as well as local manufacturers. Our volatility to the global price of our products as against competitors whose manufacturing operations are less centralised. Our inability to price our products at the applicable prices in the international markets, may affect the demand for our products and consequently have a material adverse effect on our results of operations and financial condition.

Currency exchange rate fluctuations

A substantial part of our revenue from operations is generated from the export of our Products. In Fiscal 2019, 32.23% of our revenue from operations was from exports (including Deemed Exports). Further in Fiscal 2019, 50.89% of the raw materials purchased by us, were imported by us. Consequently, we are exposed to exchange rate fluctuations between the Indian Rupee and certain foreign currencies. For these reasons, our financial condition and results of operations are influenced by fluctuations in the relative values of the relevant currencies, especially between the Indian Rupee and the U.S. Dollar. We anticipate that a significant portion of our revenue from operations and raw materials purchased will continue to be in foreign currencies.

Basis of Preparation and Presentation

The Restated Financial Statements of the company have been specifically prepared for inclusion in the document to be filed by the Company with the SEBI, RoC and Stock Exchanges in connection with the proposed IPO of Equity Shares . The Restated Financial Statements comprise of their stated statement of assets and liabilities as at March 31, 2019, March 31, 2018 and March 31, 2017 the restated statement of profit and loss, there stated statement of changes in equity and the restated statement of cashflows for the years ended March 31, 2019, March 31, 2018 and March 31, 2017 and accompanying restated statements of significant accounting policies and notes to Restated Financial Statements.

The Restated Financial Statements have been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Act and the SEBI ICDR Regulations.

For all periods up to and including the year ended March 31, 2018, the company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) and have been translated into figures as per the Ind AS to align with accounting policies, exemptions and disclosures as adopted by the company on its first time adoption of Ind AS on April 1, 2017 ("transition date") and are captioned as "Proforma Ind AS Restated Financial Information" according to Guidance Note issued by Institute of Chartered Accountants of India on Reports in Company Prospectus. The restated financial statement of the company for the year ended March 31, 2019 and March 31, 2018 (Comparative) has been prepared under Ind AS. Refer to note 45 for information on how the company adopted Ind AS.

The restated financial information have been prepared on the historical cost basis except for the following items:

Net defined benefit (asset)/liability at fair value of plan assets less present value of defined benefit obligations.
Certain financial assets and liabilities measured at fair value (refer accounting policy related to financial instruments).

These Restated Financial Statements have been extracted by the Management from the Audited Financial

Statements and:

(a) There were no audit qualifications on these restated financial statements.
(b) there were no changes in accounting policies under Previous GAAP during the years of these financial statements.
(c) material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted.
(d) adjustments for remeasurement, reclassification and regrouping of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 read with Section 133 of the Companies Act, 2013, and the requirements of the SEBI regulations.
(e) the resultant material tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

The Company's functional currency is Indian Rupees (INR) and the restated financial statements are presented in INR and all values are presented in million (INR 000,000), except when otherwise indicated.

Use of Estimates and Judgements

The preparation of the financial statements is in conformity with Ind AS which requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

The estimates and underlying assumptions are reviewed on going concern basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, in the period of the revision and future periods if the revision affects both current and future.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the 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 best economic 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. Fair value for measurement and /or disclosure purpose in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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 statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For 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.

Significant Accounting Policies

A. REVENUES

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of this Ind AS 115 did not have any impact on the overall revenue and/or opening balance of retained earnings.

Revenue from contracts with customers

The company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.
Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

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.

Revenue is recognised in the Statement of Profit and Loss to the extent that it is probable that the economic benefits will flow to the company and the revenue and costs, if applicable, can be measured reliably. Revenue is presented gross of excise duties, wherever applicable. However, sales tax/ value added tax (VAT)/Goods & Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the Company on behalf of the Government. Accordingly, these are excluded from revenue.

Sale of Goods and Services

Revenue is recognised when the customer obtains control of the goods. The customer obtains control of goods at the different point in time based on the delivery terms. Accordingly, company satisfies its performance obligation at the time of dispatch of goods from the factory/stockyard/storage area/port as the case may be and accordingly revenue is recognised. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, rate differences including currency fluctuation and volume rebates.

The determination of transaction price, its allocation to promised goods and allocation of discount or variable compensation (if any) is done based on the contract with the customers.

Export incentives/ benefits

Incentives/ benefits available for exports such as duty draw back, DEPB/ MEIS licenses are accounted on Receipt basis.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. 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.

Dividend Income

Dividend income is recognized when the right to receive is established, which is generally when shareholders approve the dividend.

B. PROPERTY*, PLANT AND EQUIPMENT (PPE)*

Recognition and measurement:

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Freehold land are stated at cost. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the Property, plant and equipment is de-recognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure(including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

Depreciation methods, estimated useful lives and residual value

Depreciation on all property, plant & equipment are provided for, from the date of put to use for commercial production on straight line method at the useful lives prescribed in Schedule-II to the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

C. INTANGIBLE *ASSETS*

Acquired Intangible assets are initially recognized at cost after deducting refundable purchase taxes and including the transaction cost, if any. After initial recognition, intangibles are carried at cost less accumulated amortization and impairment losses.

Intangibles assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use.

Intangible asset is derecognized on disposal or when no future economic benefits are expected from continuing use or disposal. The estimated useful lives, residual values and amortization method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

D. INVENTORIES

Inventories of finished goods are valued at lower of cost arrived after considering material cost plus appropriate share of labour and manufacturing overheads including excise duty but excluding goods and service tax or net realizable value.

Raw Materials and other materials including packaging, stores and spares are valued at lower of cost, based on first-in-first-out method arrived at after including other expenditure directly attributable to acquisition or net realizable value.

Material in Transit / Machinery Stores are valued at Cost.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value.

E. FINANCIAL *INSTRUMENTS*

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories

(i) Debt instruments at amortised cost
(ii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

(iii) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

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 FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. 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 P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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 derecognised (i.e. removed from the Company's balance sheet) when:

(i) The rights to receive cash flows from the asset have expired, or
(ii) 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 (a) 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.

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:

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables

The application of simplified approach does not require the Company to track changes in Credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Company determines that whether there has been a significant increase in the Credit risk since initial recognition. If Credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if Credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, Credit quality of the instrument improves such that there is no longer a significant increase in Credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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 Company expects to receive, discounted at the original EIR. When estimating the cash flows, the Company is required to consider:

(i) 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 Company is required to use the remaining contractual term of the financial instrument;
(ii) Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms;

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost: 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.

For assessing increase in Credit risk and impairment loss, the Company combines financial instruments on the basis of shared Credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in Credit risk to be identified on a timely basis

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include loans and borrowings, trade and other payables

Subsequent measurement

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include derivatives. 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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the Criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own Credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

F. *CASH* AND *CASH EQUIVALENTS*

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposit , which are subject to insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined above.

G. EARNING PER SHARE

Basic Earnings Per Share is computed by dividing the net profit or loss (excluding other comprehensive income) to the weighted average number of Shares outstanding during the period & Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the company after adjusting the effect of all dilutive potential equity shares that were outstanding during the period to the weighted average number of shares outstanding during the period including the weighted average number of equity shares that could have issued upon conversion of all dilutive potential.

H. TAXATION

Current Tax

Current tax is tax expected, tax payable on the taxable income for the year, using the tax rate enacted at the reporting date, and any adjustment to the tax payable in respect of the earlier periods.
Current tax assets and liabilities are offset where the company has legal and enforceable right to offset and intends either to settle on net basis, or to realize the assets and settle the liability simultaneously.

Deferred Tax Assets and Liabilities

Deferred tax is recognized for all taxable temporary differences and is calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax balances relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the company intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Current and Deferred Tax for the Year

Current and deferred tax are recognized in the statement of profit & loss, except when they relates to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax is recognized directly in other comprehensive income or equity respectively.

Minimum alternate tax (MAT)

MAT paid in a year is charged to the Statement of profit and loss as current tax. MAT credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, which is the period for which MAT credit is allowed to be carried forward. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

I. EMPLOYEE *BENEFITS*

The company provides for the various benefits plans to the employees. These are categorized into Defined Benefits Plans and Defined Contributions Plans. Defined contribution plans includes the amount paid by the company towards the liability for Provident fund to the Employees Provident Fund Organization and defined benefits plans includes the retirement benefits, such as gratuity and paid absences (leave benefits) both accumulated and non-accumulated.

(a) In respect Defined Contribution Plans, contribution made to the specified fund based on the services rendered by the employees are charged to Statement of Profit & Loss in the year in which services are rendered by the employee.

(b) Liability in respect of Defined Long Term benefit plan is determined at the present value of the amounts payable determined using actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit methods. Re-measurement, comprising actuarial gain and losses, the effects of assets ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of Financial Position with a charge or credit recognized in other comprehensive income in the period in which they occur. Past Service cost is recognized in the statement of profit & loss in the period of plan amendment.

(c) Liabilities for accumulating paid absences is determined at the present value of the amounts payable determined using the actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit method. Actuarial gain or losses in respect of accumulating paid absences are charged to statement of profit & loss account.

(d) Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

(e) Liabilities for short term employee benefits are measured at undiscounted amount of the benefits expected to be paid and charged to Statement of Profit & Loss in the year in which the related service is rendered.

J. IMPAIRMENT

Intangible assets and property, plant and equipment

Intangible assets and property plant & equipment are evaluated for recoverability wherever events or changes in circumstances indicate that their carrying amount may not be recoverable.

For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs).

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such asset is considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit & loss if there have been changes in the estimates used to determine the recoverable amount. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceeds the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss has been recognized for the asset in prior years.

K. PROVISIONS, *CONTINGENT LIABILITIES AND CONTINGENT ASSETS*

A provision is recognized, if as a result of past event the company has present legal or constructive obligations that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to liability.

Contingent liabilities are disclosed for possible obligations arising out of uncertain events not wholly in control of the company.

Contingent assets are not recognized in the financial statements. However due disclosures are made in the financial statements for the contingent assets, where economic benefits is probable, and amount can be estimated reliably.

L. *FOREIGN* CURRENCY *TRANSACTIONS*

Functional Currency

The Companies functional currency is Indian Rupees (INR).

Transaction and translations

Transactions in currency other than Indian Rupees are recorded at the rate, as declared by the custom and excise department / inter-bank rates, ruling on the date of transaction.

Unsettled Foreign currency denominated monetary assets and liabilities, as at the balance sheet date, are translated using the exchange rates as at the balance sheet date. The gain or loss resulting from the translation is recognized in the profit & loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at cost are translated at the exchange rate at the date of the transaction.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured carried at fair value are translated at the date when the fair value is determined.

Transaction gain or losses realized upon settlement of foreign currency transaction are included in determining the net profit for the period in which transaction is settled.

M. *NON-CURRENT* ASSETS *HELD FOR SALE AND DISCONTINUED*

Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal company, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Company must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

N. LEASES

Payments made under operating leases are generally recognized in the profit and loss on a straight line basis over the term of leases unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost, lease incentive are recognized as integral part of the total lease expense over the term of the lease.

O. BORROWING *COST*

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

P. *CURRENT/ NON* CURRENT *CLASSIFICATION*

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised 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 All other assets are classified as non-current.

A liability is current when:

- It is Expected to be settled in normal operating cycle;
- It is Held primarily for the purpose of trading;
- is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the company has not applied as they are effective from April 1, 2019:

Ind AS - 116

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods. The Company does not expect this amendment to have any material impact on its financial statements.

Principal components of our Statement of Profit and Loss Account

The following description sets forth information on the key components of our Restated Statement of Profit and Loss for Fiscals 2019, 2018 and 2017, included in the Restated Financial Statements.

Income

Our total Income consists of Revenue from Operations and Other Income

Revenue from operations

Our revenue includes revenue from sale of products, revenue from sale of services and other operating revenues.

1. **Revenue from sale of products**

Our revenue generated from the sale of our products includes sale of Pharmaceutical Chemicals and Oilwell Completion Chemicals, domestically and through exports (including deemed exports).

The details of our revenue from operations from sale of products in the last three Fiscals is as follows:

Particulars	**Amount (in ₹ million)**	**% of Revenue from Operations**	**Amount (in ₹ million)**	**% of Revenue from Operations**	**Amount (in ₹ million)**	**% of Revenue from Operations**
	Fiscal 2019		**Fiscal 2018**		**Fiscal 2017**	
REVENUE FROM SALE OF PRODUCTS						
- Pharmaceutical Chemicals (A)	1,827.76	60.09%	934.02	59.00%	353.31	39.30%
HMDS (including ancillary products)	1,224.62	40.26%	607.06	38.35%	239.48	26.64%
CMIC	475.92	15.65%	326.96	20.65%	113.82	12.66%
Other Pharmaceutical Chemicals	127.22	4.18%	-	0.00%	-	0.00%
- Oilwell Completion Chemicals (B)	1,077.31	35.42%	567.64	35.86%	451.52	50.23%
- Others (C)	42.07	1.38%	28.09	1.77%	22.51	2.50%
Total Revenue from Sale of Products (A+B+C)	2,947.13	96.89%	1,529.75	96.63%	827.34	92.04%

2. **Revenue from job work services**

We also derive revenue from sale of services in the form of job work services to our customers in India for the pharmaceutical sector. The details of the revenue generated from job work services provided in the last three Fiscals is as follows:

Particulars	Amount (in ₹ million)	% of Revenue from Operations	Amount (in ₹ million)	% of Revenue from Operations	Amount (in ₹ million)	% of Revenue from Operations
	Fiscal 2019		Fiscal 2018		Fiscal 2017	
REVENUE FROM SALE OF SERVICES – JOBWORK CHARGES						
- Pharmaceutical Chemicals (A)	88.30	2.90%	46.96	2.97%	68.24	7.59%
HMDS (including ancillary products)	80.05	2.63%	45.73	2.89%	68.24	7.59%
CMIC	-	0.00%	-	0.00%	-	0.00%
Other Pharmaceutical Chemicals	8.25	0.27%	1.23	0.08%	-	0.00%
- Oilwell Completion Chemicals (B)	-	0.00%	-	0.00%	-	0.00%
Total Revenue from Sale of Services – Jobwork Charges (A+B)	88.30	2.90%	46.96	2.97%	68.24	7.59%

3. **Other operating revenues**

Our other operating revenues primarily includes export incentives received by our Company. Our other operational revenues for the Fiscals 2019, 2018 and 2017 were ₹ 6.24 million, ₹ 6.35 million and ₹ 3.34 million, respectively.

Our revenue from operations for Fiscals 2019, 2018 and 2017 were ₹ 3,041.68 million, ₹ 1,583.07 million and ₹ 898.92 million respectively. Our revenue from operations represented 99.95%, 99.90% and 99.88% of our total income in Fiscals 2019, 2018 and 2017 respectively.

Other income

Our other income primarily comprises of interest income generated from deposits with banks along with profit on the sale of property, plant and equipment and rent received.

Expenses

Our expenses include the cost of materials consumed, changes in inventories of finished goods and work-in progress, excise duty on sale of goods (till June 30, 2017), employee benefit expenses, finance costs, depreciation and amortisation expenses and other expenses.

Cost of materials consumed

The cost of the materials consumed comprises of the cost of the raw materials (indigenous and imported) and packing materials consumed for the production and packing of our products.

Changes in inventories of finished goods and work-in progress

Changes in inventories of finished goods and work-in-progress/semi-finished goods comprise increases or decreases in inventory levels of finished goods and work-in progress/semi-finished goods.

Excise duty

Excise duty relates to such duty on goods manufactured during the relevant fiscal period. Since GST was introduced in India effective July 1, 2017 and it replaced all excise duties that were applicable to our products as a result of which excise duty was only applicable for three months in Fiscal 2018 as compared to full year in Fiscal 2017.

Employee benefit expenses

Employee benefit expenses comprise of salaries, wages, bonus, benefits, amenities, directors remunerations, contributions to provident fund and other funds, gratuity expenses, leave encashment expenses and employee welfare expenses.

Finance costs

Finance costs comprise of: (a) interest on fixed period loans and other loans and liabilities availed; and (b) discounting and other bank charges.

Depreciation and amortisation expenses

Depreciation and amortisation expenses comprise of depreciation on property, plant and equipment and amortisation of intangible assets

Other expenses

Our other expenses comprise of: (a) manufacturing expenses primarily comprising of job work charges, expense on consumable stores, import expenses, power charges, fuel consumption and lifting charges; (b) selling, marketing and distribution expenses primarily comprising of freight outward, export expenses, travelling and conveyance expenses, exhibition expenses and sales commission paid; and (c) administrative and other expenses primarily comprising of legal, professional and consultancy fees paid, insurance expenses, petrol and motor vehicle expenses, rent expenses, other repair and CSR contributions made.

Results of Operations

The table below sets forth our results of operation derived from our Restated Financial Statements for Fiscals 2019, 2018 and 2017, expressed in absolute terms and as a percentage of our total income for the relevant Fiscal:

Particulars	**Fiscal 2019**		**Fiscal 2018**		**Fiscal 2017**	
	Amount (in ₹ million)	**% of total income**	**Amount (in ₹ million)**	**% of total income**	**Amount (in ₹ million)**	**% of total income**
Income						
Revenue from operations						
Revenue from sale of products	2,947.14	96.84	1,529.76	96.53	827.34	91.93
Revenue from sale of services (job work)	88.30	2.90	46.96	2.96	68.24	7.58
Other operating revenue:						
Export incentives	4.64	0.15	3.38	0.21	0.50	0.06
Lifting charges received	0.22	0.01	2.21	0.14	0.00	0.00
Sales commission received	1.08	0.04	0.49	0.03	0.00	0.00
Discount- Kasar	0.29	0.01	0.27	0.02	2.84	0.32
Total Other operating revenue	6.24	0.21	6.35	0.40	3.34	0.37
Total Revenue from operations	3,041.68	99.95	1,583.07	99.90	898.92	99.88
Other Income	1.48	0.05	1.65	0.10	1.04	0.12
Total income	**3,043.16**	**100.00**	**1,584.71**	**100.00**	**899.96**	**100.00**
Expenses						
Cost of materials consumed	1,937.29	63.66	794.63	50.14	583.15	64.80
Changes in inventories of finished goods and work-in progress	(98.23)	(3.23)	(20.67)	(1.30)	(17.50)	(1.94)
Excise duty	0.00	0.00	4.86	0.31	22.05	2.45
Employee benefit expenses	241.12	7.92	188.04	11.87	114.76	12.75
Finance costs	40.02	1.31	30.36	1.92	19.97	2.22
Depreciation and amortisation expenses	28.64	0.94	22.59	1.43	23.36	2.60
Other expenses	282.29	9.28	159.40	10.06	109.87	12.21
Total expenses	**2,431.13**	**79.89**	**1,179.22**	**74.41**	**855.66**	**95.08**
Profit before tax	**612.03**	**20.11**	**405.51**	**25.59**	**44.30**	**4.92**
Tax Expenses						
Current tax	175.29	5.76	142.51	8.99	15.06	1.67
Deferred tax (credit)/charge	6.33	0.21	(0.81)	(0.05)	0.99	0.11
Total tax expenses	**181.62**	**5.97**	**141.70**	**8.94**	**16.06**	**1.78**
Profit after tax	**430.41**	**14.14**	**263.81**	**16.65**	**28.24**	**3.14**

Particulars	Fiscal 2019		Fiscal 2018		Fiscal 2017	
	Amount (in ₹ million)	% of total income	Amount (in ₹ million)	% of total income	Amount (in ₹ million)	% of total income
Other comprehensive income						
Items that will not be reclassified subsequently to Profit and Loss						
Remeasurement of Gains/(Losses) on defined benefit Plans	5.48	0.18	2.71	0.17	2.64	0.29
Income Tax relating to items that will not be reclassified to Profit & Loss	(1.81)	(0.06)	(0.90)	(0.06)	(0.87)	(0.10)
Other comprehensive income, net of tax	**3.67**	**0.12**	**1.81**	**0.11**	**1.77**	**0.20**
Total comprehensive income for the year	**434.08**	**14.26**	**265.62**	**16.76**	**30.01**	**3.33**

Fiscal 2019 compared to Fiscal 2018

Total income

Our total income increased by 92.03% to ₹3,043.16 million in Fiscal 2019 from ₹1,584.72 million in Fiscal 2018, due to an increase in our revenue from operations, which was nominally offset by a decrease in our other income, for the reasons mentioned below.

Revenue from operations

Our revenue from operations increased by 92.14% to ₹3,041.68 million in Fiscal 2019 from ₹1,583.07 million in Fiscal 2018, predominantly as a result of an increase in our revenue from the sale of our products for the reasons mentioned below.

Revenue from sale of products - Our revenue from the sale of our products increased by 92.65% to ₹2,947.14 million in Fiscal 2019 from ₹1,529.76 million in Fiscal 2018, primarily as a result of increase in sales of our Pharmaceutical Chemicals as well as our Oilwell Completion Chemicals. Our revenue from the sale of products of Pharmaceutical Chemicals, increased by 95.69% to ₹1,827.76 million in Fiscal 2019 from ₹934.02 million in Fiscal 2018, as a result of increase in sales of HMDS and CMIC. The increase in sales of HMDS and CMIC has been primarily due to an increase in the prices of these products in Fiscal 2019. Our revenue from the sale of products of Oilwell Completion Chemicals, increased by 89.79% to ₹1,077.31 million in Fiscal 2019 from ₹567.64 million in Fiscal 2018, primarily as a result of increase in both the volume as well as the prices of these products in Fiscal 2019.

Other income

Our other income reduced to ₹1.48 million in Fiscal 2019 from ₹1.65 million in Fiscal 2018, since our Company had benefitted due to one-time profit from the sale of property, plant and equipment for ₹0.55 million in Fiscal 2018.

Expenses

Our total expenses increased by 106.17% to ₹2,431.12 million in Fiscal 2019 from ₹1,179.21 million in Fiscal 2018, primarily due to an increase in the cost of the raw materials consumed and other expenses for the reasons mentioned below. As a percentage of our total income, our expenses increased to 79.89% in Fiscal 2019 from 74.41% in Fiscal 2018

Cost of materials consumed

Our cost of raw materials consumed increased by 143.80% to ₹1,937.29 million in Fiscal 2019 from ₹794.63 million in Fiscal 2018. Further, as a percentage of our total income, the cost of raw materials consumed increased to 63.66% in Fiscal 2019 from 50.14% in Fiscal 2018. This increase in cost of raw materials consumed as well as value of raw materials consumed as a percentage of our total income was primarily due to (a) increase in volume of production and (b) increase in prices of our key raw materials. Further, our Company had benefited from higher value in sales in Fiscal 2018 due to a sharp increase in prices of our Products during Fiscal 2018, while our Company had been holding inventory of raw material at the beginning of Fiscal 2018 which was procured at a low cost, which was not available to our Company in Fiscal 2019 resulting in increase in value of raw materials consumed as a percentage of our total income.

Changes in inventories of finished goods and work-in progress

Increase in inventories of finished goods and work-in-progress was ₹98.23 million in Fiscal 2019 as compared to ₹20.67 million in Fiscal 2018. The change in inventory of finished goods and work-in-progress was higher for Fiscal 2019 as compared to Fiscal 2018 due to (a) Increase in revenue from operations; (b) Increase in the price of raw materials; (c) Increase in inventory holding period (number of days).

Employee benefit expenses

Our employee benefit expenses increased by 28.23% to ₹241.12 million in Fiscal 2019 from ₹188.04 million in Fiscal 2018, primarily due to an increase in remunerations paid to our directors. Further, as a percentage of our total income, the cost of employee benefit expenses reduced to 7.92% in Fiscal 2019 from 11.86% in Fiscal 2018.

Finance costs

Our finance costs increased by 31.82% to ₹40.02 million in Fiscal 2019 from ₹30.36 million in Fiscal 2018, due to increase in borrowings. However, as a percentage of our total income, our finance costs reduced to 1.31% in Fiscal 2019 from 1.92% in Fiscal 2018.

Depreciation and amortisation expenses

Our depreciation and amortisation expense collectively increased by 26.81% to ₹28.64 million in Fiscal 2019 from ₹22.59 million in Fiscal 2018. Our depreciation expense for property, plant and equipment increased by 26.70% to ₹28.61 million in Fiscal 2019 from ₹22.59 million in Fiscal 2018, primarily due to new capital expenditure and resulting increase in fixed assets.

Other expenses

Our other expenses increased by 77.09% to ₹282.29 million in Fiscal 2019 from ₹159.40 million in Fiscal 2018, primarily due to an increase in our manufacturing expenses and administrative and other expenses as mentioned below.

Manufacturing expenses - Our manufacturing expenses increased by 108.94% to ₹205.15 million in Fiscal 2019 from ₹98.18 million in Fiscal 2018, primarily due to an increase in job work charges and an increase in import expenses. However, as a percentage of our total income, our manufacturing expenses increased to 6.74% in Fiscal 2019 from 6.20% in Fiscal 2018.

Selling, marketing and distribution expenses - Our selling, marketing and distribution expenses increased by 14.77% to ₹45.29 million in Fiscal 2019 from ₹39.46 million in Fiscal 2018, primarily due to *inter alia* an increase freight outward expenses incurred by our Company. However, as a percentage of our total income, our Selling, marketing and distribution expenses reduced to 1.49% in Fiscal 2019 from 2.49% in Fiscal 2018.

Administrative and other expenses - Our administrative and other expenses increased by 46.40% to ₹31.85 million in Fiscal 2019 from ₹21.75 million in Fiscal 2018, primarily due to *inter alia* an increase in legal, professional /consultancy expenses, insurance expenses and contribution to CSR. However, as a percentage of our total income, our administrative and other expenses reduced to 1.05% in Fiscal 2019 from 1.37% in Fiscal 2018.

Further, as a percentage of our total income, other expenses reduced to 9.28% in Fiscal 2019 from 10.06% in Fiscal 2018.

Profit before tax

As a result of the foregoing factors, our profit before tax increased by 50.93% to ₹612.03 million in Fiscal 2019 from ₹405.51 million in Fiscal 2018, which constituted 20.11% and 25.59% of our total income in Fiscal 2019 and 2018 respectively.

Tax expenses

Our tax expenses increased by 28.17% to ₹181.62 million in Fiscal 2019 from ₹141.70 million in Fiscal 2018, due to an increase in our profit resulting increase in current tax and deferred tax liability.

Profit after tax

As a result of the foregoing factors, our profit after tax increased by 63.15% to ₹430.41 million in Fiscal 2019 from ₹263.81 million in Fiscal 2018, comprising 14.14% and 16.65% of our total income in Fiscal 2019 and Fiscal 2018 respectively.

Fiscal 2018 compared to Fiscal 2017

Total income

Our total income increased by 76.09% to ₹1,584.72 million in Fiscal 2018 from ₹899.96 million in Fiscal 2017, due to an increase in our revenue from operations and other income, for the reasons mentioned below.

Revenue from operations

Our revenue from operations increased by 76.11% to ₹1,583.07 million in Fiscal 2018 from ₹898.92 million in Fiscal 2017, predominantly as a result of an increase in our revenue from the sale of our products for the reasons mentioned below.

Revenue from sale of products - Our revenue from the sale of our products i.e. the Pharmaceutical Chemicals and the Oilwell Completion Chemicals, increased by 84.90% to ₹1,529.76 million in Fiscal 2018 from ₹827.34 million in Fiscal 2017, primarily as a result of increase in sales of our Pharmaceutical Chemicals as well as our Oilwell Completion Chemicals. Our revenue from the sale of products of Pharmaceutical Chemicals, increased by 164.37% to ₹934.02 million in Fiscal 2018 from ₹353.31 million in Fiscal 2017, as a result of increase in sales of both HMDS and CMIC. The increase in sales of HMDS and CMIC has been due to an increase in both, volume and prices of these products. Our revenue from the sale of products of Oilwell Completion Chemicals, increased by 25.72% to ₹567.64 million in Fiscal 2018 from ₹451.52 million in Fiscal 2017, as a result of increase in both, volume and prices of these products.

Other income

Our other income was ₹1.65 million in Fiscal 2018 as compared to ₹1.04 million in Fiscal 2017. The increase in other income was due to an increase in interest income and a one-time profit on sale of property, plant and equipment in Fiscal 2018.

Expenses

Our total expenses increased by 37.81% to ₹1,179.21 million in Fiscal 2018 from ₹855.66 million in Fiscal 2017, primarily due to an increase in the cost of the raw materials consumed, finance costs and other expenses for the reasons mentioned below. As a percentage of our total income, our expenses reduced to 74.41% in Fiscal 2018 from 95.08% in Fiscal 2017.

Cost of materials consumed

Our cost of raw materials consumed increased by 36.26% to ₹794.63 million in Fiscal 2018 from ₹583.15 million in Fiscal 2017. Further, as a percentage of our total income, the cost of raw materials consumed reduced to 50.14% in Fiscal 2018 from 64.80% in Fiscal 2017. This increase in cost of raw materials consumed was primarily due to (a) increase in volume of production; (b) increase in prices of our key material. The reduction in value of raw material consumed as a percentage of total income is due to benefits achieved by our Company in Fiscal 2018 because of a one-time sharp increase in prices during Fiscal 2018 and our Company holding inventory of raw material at the beginning of Fiscal 2018 which was procured at a low cost.

Changes in inventories of finished goods and work-in progress

Increase in inventories of finished goods and work-in-progress was ₹20.67 million in Fiscal 2018 as compared to

₹17.50 million in Fiscal 2017. The change in inventory of finished goods and work-in-progress was higher for Fiscal 2018 as compared to Fiscal 2017 due to (a) Increase in revenue from operations; (b) Increase in the price of raw materials; (c) Increase in inventory holding period (number of days).

Excise duty

Excise duty expenses on domestic sales of our products reduced to ₹4.86 million in Fiscal 2018 from ₹22.05 million in Fiscal 2017, since GST was introduced in India effective July 1, 2017 and it replaced all excise duties that were applicable to our products as a result of which excise duty was only applicable for three months in Fiscal 2018 as compared to full year in Fiscal 2017.

Employee benefit expenses

Our employee benefit expenses increased by 63.86% to ₹188.04 million in Fiscal 2018 from ₹114.76 million in Fiscal 2017. Further, as a percentage of our total income, the cost of employee benefit expenses reduced to 11.87% in Fiscal 2018 from 12.75% in Fiscal 2017.

Finance costs

Our finance costs increased by 51.98% to ₹30.36 million in Fiscal 2018 from ₹19.97 million in Fiscal 2017 due to increase in interest paid on export packing credit and discounting and other bank charges. However, as a percentage of our total income, our finance costs reduced to 1.92% in Fiscal 2018 from 2.22% in Fiscal 2017.

Depreciation and amortisation expenses

Our depreciation and amortisation expense collectively reduced by 3.32% to ₹22.59 million in Fiscal 2018 from ₹23.36 million in Fiscal 2017, as one of our plant was destroyed by a fire accident during the year resulting in reduction in depreciation.

Other expenses

Our other expenses increased by 45.08% to ₹159.40 million in Fiscal 2018 from ₹109.87 million in Fiscal 2017, due to an increase in our manufacturing expenses, selling, distribution and marketing and administrative and other expenses as mentioned below:
Manufacturing expenses - Our manufacturing expenses increased by 59.83% to ₹98.18 million in Fiscal 2018 from ₹61.43 million in Fiscal 2017, primarily due to an increase in job work charges, consumable stores and an increase in import expenses paid. However, as a percentage of our total income, our manufacturing expenses reduced to 6.20% in Fiscal 2018 from 6.83% in Fiscal 2017.

Selling, marketing and distribution expenses - Our selling, marketing and distribution expenses increased by 52.30% to ₹39.46 million in Fiscal 2018 from ₹25.91 million in Fiscal 2017, primarily due to an increase in freight outward and export expenses incurred by our Company. However, as a percentage of our total income, our selling marketing and distribution expenses reduced to 2.49% in Fiscal 2018 from 2.88% in Fiscal 2017.

Administrative and other expenses - Our administrative and other expenses reduced by 3.46% to ₹21.75 million in Fiscal 2018 from ₹22.53 million in Fiscal 2017.

Further, as a percentage of our total income, other expenses reduced to 10.06% in Fiscal 2018 from 12.21% in Fiscal 2017.

Profit before tax

As a result of the foregoing factors, our profit before tax increased by 815.42% to ₹405.51 million in Fiscal 2018 from ₹44.30 million in Fiscal 2017, which constituted 25.59% and 4.92% of our total income in Fiscal 2018 and 2017 respectively.

Tax expenses

Our tax expenses increased by 782.51% to ₹141.70 million in Fiscal 2018 from ₹16.06 million in Fiscal 2017, due to an increase in our profit resulting an increase in current tax liability.

Profit after tax

As a result of the foregoing factors, our profit after tax increased by 834.12% to ₹263.81 million in Fiscal 2018 from ₹28.24 million in Fiscal 2017, comprising 16.65% and 3.14% of our total income in Fiscal 2018 and Fiscal 2017 respectively.

Liquidity and Capital Resources

As on March 31, 2019, our cash and cash equivalents comprising bank balances (current and deposit accounts) were ₹115.89 million. Historically, our liquidity requirements have been to finance the working capital and capital expenditure, primarily financed through cash flow from operations as well as from financing facilities availed from banks and financial institutions.

Cash Flow

The following table sets out a summary of our cash flows for the periods indicated:

(*in ₹ million*)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Net cash generated from operating activities	113.71	139.97	24.32
Net cash used in investing activities	(133.65)	(72.37)	(78.04)
Net cash generated from/(used in) financing activities	120.93	(61.28)	51.64
Net increase/(decrease) in cash and cash equivalents	100.99	6.32	(2.08)

Net cash generated from operating activities

Fiscal 2019

Our net cash generated from operating activities in Fiscal 2019 was ₹113.71 million. Our net profit before tax for Fiscal 2019 was ₹612.03 million operating profit before working capital changes was ₹679.72 million, working capital adjustments were ₹390.71 million and tax paid was ₹175.29 million. The working capital adjustments were primarily due to increases in trade receivables by ₹345.63 million and inventories by ₹248.78 million and decrease in other current liabilities and provisions by ₹36.34 million, which were partially offset by increases in trade payables by ₹115.97 million and other financial liabilities by ₹82.36 million and decrease in other assets by ₹44.10 million.

Fiscal 2018

Our net cash generated from operating activities in Fiscal 2018 was ₹139.97 million. Our net profit before tax for Fiscal 2018 was ₹405.51 million, our operating profit before working capital changes was ₹456.81 million, working capital adjustments were ₹174.32 million and tax paid was ₹142.51 million. The working capital adjustments were primarily due to increases in trade receivables by ₹71.68 million, inventories by ₹119.95 million, other current financial assets by ₹13.64 million, other assets by ₹80.72 million and a decrease in other financial liabilities by ₹24.17 million, which were partially offset by increases in trade payables by ₹85.09 million and other current liabilities and provisions by ₹50.84 million.

Fiscal 2017

Our net cash generated from operating activities in Fiscal 2017 was ₹24.32 million. Our net profit before tax for Fiscal 2017 was ₹44.30 million, our operating profit before working capital changes was ₹87.51 million, working capital adjustments were ₹48.13 million and tax paid was ₹15.06 million. The working capital adjustments were primarily due to increases in trade receivables by ₹89.69 million, inventories by ₹12.84 million and other assets by ₹7.33 million, which were partially offset by an increase in trade payables by ₹42.34 million and other financial liabilities by ₹1.33 million.

Net cash used in investing activities

Fiscal 2019

Our net cash used in investing activities in Fiscal 2019, was ₹133.65 million, primarily on account of expenditure incurred on the purchase of property, plant and equipment, investment property and intangibles of ₹142.73 million, which was partially offset by the proceeds from the sale of property, plant and equipment of ₹7.60 million and interest received from banks and others of ₹1.48 million.

Fiscal 2018

Our net cash used in investing activities in Fiscal 2018, was ₹72.37 million, primarily on account of expenditure incurred on the purchase of property, plant and equipment, investment property and intangibles of ₹80.68 million, which was partially offset by the proceeds from the sale of property, plant and equipment of ₹7.21 million and interest received from banks and others of ₹1.10 million.

Fiscal 2017

Our net cash used in investing activities in Fiscal 2017, was ₹78.04 million, primarily on account of expenditure incurred on the purchase of property, plant and equipment, investment property and intangibles of ₹78.93 million, which was partially offset by the proceeds from the sale of property, plant and equipment of ₹0.60 million and interest received from banks and others of ₹0.29 million.

Net cash generated from/(used in) financing activities

Fiscal 2019

Our net cash generated from financing activities in Fiscal 2019 was ₹120.93 million, primarily on account of increase in short-term borrowings amounting to ₹161.24 million, which were partially offset by finance costs of ₹40.02 million and repayment of long term borrowings amounting to ₹0.29 million.

Fiscal 2018

Our net cash used financing activities in Fiscal 2018 was ₹61.28 million, primarily on account of finance costs of ₹30.36 million and repayment of short-term borrowings amounting to ₹35.09 million, which were partially offset by increase of long-term borrowings amounting to ₹4.17 million.

Fiscal 2017

Our net cash generated from financing activities in Fiscal 2017 was ₹51.64 million, primarily on account of increase in short-term borrowings amounting to ₹69.48 million and long-term borrowings amounting to ₹2.14 million, which were partially offset by finance costs of ₹19.97 million.

Indebtedness

As on March 31, 2019, our total outstanding indebtedness was ₹331.09 million, comprising of non-current financial borrowings of ₹24.66 million and current financial borrowings (including current portion of non- current borrowings) of ₹306.43 million.

See "*Financial Indebtedness"* on page 258 for a description of the broad items of our indebtedness as on June 30, 2019.

In the event our lenders declare an event of default, such current and any future defaults could lead to acceleration of our obligations, termination of one or more of our financing agreements or force us to sell our assets, which may adversely affect our business, results of operations and financial condition.

Capital and Other Commitments

As of March 31, 2019, we do not have capital and other commitments, as disclosed in the notes to our Restated Financial Statements.

The following table sets forth a summary of the maturity profile of our contractual obligations as of March 31, 2019:

(*in ₹ million*)

Particulars	Due within 12 months from March 31, 2019	Due beyond 12 months from March 31, 2019	Total amount
Borrowings	297.38	24.66	322.03
Trade payables	288.72	-	288.72
Other financial liabilities	105.99*	-	105.99
Total	**692.09**	**24.66**	**716.75**

**includes current portion of non-current borrowings.*

Capital Expenditure

In Fiscal 2019, we acquired property, plant and equipment for ₹ 135.75 million, primarily in the form of plant and equipment, buildings, vehicles and furniture and fixtures. In Fiscal 2018, we acquired property, plant and equipment for ₹ 80.68 million, primarily in the form of plant and equipment, buildings and vehicles. In Fiscal 2017, we acquired property, plant and equipment for ₹ 78.93 million, primarily in the form of land, plant and equipment, buildings and vehicles. Further, in Fiscal 2019, we added capital work-in progress of ₹6.70 million.

Contingent liabilities and off-balance sheet arrangements

Our contingent liabilities as on March 31, 2019 were as below:

(in ₹ million)

Particulars	Amount
Letters of credit issued for purchase of raw material	20.24

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

NON GAAP MEASURES

EBITDA and EBITDA Margin

The following table sets forth our earnings before interest, taxes, depreciation and amortisation expenses ("**EBITDA**") from our profit before tax, as restated, and the manner in which it is calculated for the Fiscals 2019, 2018 and 2017. We define our EBITDA Margin as EBITDA divided by revenue from operations.

(*in ₹ million except for EBITDA Margin*)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Profit Before Tax, as restated	612.03	405.51	44.30
Add: Finance costs	40.02	30.36	19.97
Add: Depreciation and amortization expense	28.64	22.59	23.36
Less: Other Income	1.48	1.65	1.04
EBITDA	679.21	456.81	86.60
EBITDA Margin (EBITDA as a percentage of revenue from operations)	22.33%	28.86%	9.63%

Related Party Transactions

We have entered into transactions with a number of related parties. For further information regarding our related party transactions, please refer to "*Restated Financial Statements- Annexure VI- Note 34: Related Party Disclosures*" at page 217.

Quantitative and qualitative analysis of market risks

In the course of business, amongst others, our Company is exposed to several financial risks such as market risk, credit risk, liquidity risk and commodity price risk. These risks may be caused by the internal and external factors resulting into impairment of the assets of our Company causing adverse influence on the achievement of our Company's strategies, operational and financial objectives, earning capacity and financial position.

Our Company has formulated an appropriate policy and established a risk management framework, the objectives of which are: (a) embedding the management of risk as an integral part of our business processes; (b) establishing an effective system of risk identification, analysis, evaluation and treatment within all areas and levels of our Company; (c) avoiding exposure to significant financial loss; (d) contributing to the achievement of our Company's objectives; and (e) accessing the benefits and cost of implementation of available options and controls to manage risk.

Commodity price risk

Our company is exposed to the foreign currency risk from transactions. Transactional exposures are arising from the transactions entered into foreign currency. Our management keeps a close watch of the maturity of the financial assets in foreign currency and payment obligations of the financial liabilities.

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. Our Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Further, our Company's investments in deposits is with banks and electricity authorities and therefore do not expose our Company to significant interest rates risk. Our Company's variable rate borrowing is subject to interest rate risk. However, the management considers the impact of fair value interest rate risk on variable rate borrowings to be immaterial.

Credit Risk

Credit Risk refers to the risks that arise on default by the counterparty on its contractual obligation resulting into financial loss to the company. The company may carry this risk on trade and other receivables, liquid assets and some of the non-current financial assets. In case of trade receivables, our Company has framed an appropriate policy for extending credits period & limit to each customer based on their profile, financial position and their external rating etc. The collections of trade dues are strictly monitored.

The credit risk on cash & cash equivalent, investment in fixed deposits and deposits are insignificant as counterparties are banks with high credit ratings assigned by the trading agencies of international repute.

Liquidity Risk

Liquidity risk arises when the company is unable to meet its short term financial obligations as and when they fall due. Our Company maintains adequate liquidity in the system so as to meet its all financial liabilities timely. In addition to this, our Company's overall financial position is very strong so as to meet any eventuality of liquidity tightness.

Total turnover of each major industry segment in which our company operated

Our Company is engaged in the manufacturing of specialised chemical and has only one operating segment.

Seasonality

Seasonality does not have a material impact on our operations.

Unusual or Infrequent Events or Transactions

Other than as described in this chapter and the chapters "Our *Business*", "*Risk Factors*" and "*History and Certain Corporate Matters*" beginning on pages 129, 22 and 150, there have been no events or transactions which may be described as "unusual" or "infrequent".

Known trends or uncertainties

Other than as described in this Chapter and the section "*Risk Factors*" starting on page 22, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our sale, revenues or income from continuing operations.

Significant economic changes that materially affected or are likely to affect income from operations

Other than as described in this chapter and the chapters "*Our Business*", *Risk Factors*" and "*Industry Overview*" on pages 129, 22 and 88, there have been no significant economic changes that materially affected or are likely to affect our Company's income from operations.

Material increases in net income and sales

Material increases in our Company's net income and sales are primarily due to the reasons described in *"- Results of Operations*" above on page 248.

Significant dependence on a single or few customers or suppliers

Other than as described in this Draft Red Herring Prospectus, particularly in sections "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 22 and 232, respectively, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

New products or business segments

Other than as described in the chapter "Our *Business*" on page 129, we do intend to enter into any new product or business segments.

Future relationship between cost and income

Other than as described elsewhere in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" beginning on pages 22, 129 and 232, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

Competitive Conditions

For a description of the competitive conditions in which our Company operates, see "*Our Business—Competitors*" and "*Industry Overview*" on pages 144 and 88, respectively.

Recent Indian Accounting Standards

For a discussion on certain new IndAS and amendments to existing IndAS, which have not been applied in the Restated Financial Statements, since they are effective from April 1, 2019, see "*Restated Financial Statements-Annexure V- 2.30: Recent Indian Accounting Standards*" on page 200.

Significant Developments after March 31, 2019

There has been no subsequent development after the date of the Restated Financial Statements, which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Our Company avails loans and bank facilities in the ordinary course of its business. As on the date of this Draft Red Herring Prospectus, such indebtedness is primarily availed to fund our working capital requirements, to finance the purchase of certain vehicles by our Company and to finance the purchase of a commercial property by our Company. Our Company has obtained the necessary consents required under the relevant financing documentation for undertaking the Issue**.**

Pursuant to a resolution passed by our Shareholders at their extra-ordinary general meeting held on June 14, 2019, our Board has been authorised to borrow any sum or sums of monies in excess of our Company's aggregate paid-up capital and free reserves, provided that the total amount which may be so borrowed and outstanding shall not exceed a sum of ₹ 8,000 million.

The details of the indebtedness of our Company as on June 30, 2019 is provided below:

(in ₹ million)

Category of borrowing	Sanctioned amount	Outstanding amount as on June 30, 2019
Secured		
Working capital facilities	530.00	341.45
Vehicle loans	26.78	19.07
Commercial property loan	14.50	8.03
Total secured facilities (A)	**571.28**	**368.55**
Unsecured		
Nil	*Not Applicable*	*Not Applicable*
Total unsecured facilities (B)	-	-
Total borrowings (A + B)	**571.28**	**368.55**

For details in relation to the outstanding borrowings of our Company as on March 31, 2019*, see "Restated Financial Statements-Annexure VI- Note 13: Non-Current Financial Borrowings" and "Restated Financial Statements-Annexure VI- Note 15: Current Financial Borrowings"* on pages 206 and 209 respectively .

Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various loan documentation executed by our Company in relation to our indebtedness.

1. ***Interest:*** In terms of the working capital facilities availed by us, the interest rate (with respect to fund based facilities) and rate of commission (with respect to non-fund based facilities) is mutually decided between HDFC and our Company and is linked to the base rate of a specific lender and margin of the specific lender is linked. The interest rates for our vehicle loans are decided by the relevant lender and typically ranges from 8% to 9.50% per annum. The interest rate for the commercial property loan availed by us, is 12.00% per annum.

2. ***Penal Interest***: The terms of certain financing facilities availed by us prescribe penalties for non-compliance with certain obligations by our Company. The terms of the working capital facilities availed by us, prescribe a 3% penalty per annum over and above the applicable interest rate. In terms of the vehicle loans availed by us from HDFC, the rate of penalty over and above the applicable interest rate, is 2% per month, of the outstanding instalment amount.

3. ***Pre-payment penalty:*** Certain of the vehicle loans availed by us carry a pre-payment penalty of up to 6% on the outstanding principal amount, as on the date of foreclosure of the loan. The commercial property loan availed by us carries a pre-payment penalty of 4% p.a. on the outstanding principal amount, in the event that our Company makes a pre-payment of an amount greater than 25% of the outstanding principal amount.

4. ***Validity/Tenor:*** The working capital facilities availed by us are available for a period of twelve (12) months, subject to periodic review by the relevant lender. The tenor of the vehicle loans availed by us typically ranges from three (3) to five (5) years. The tenor of the commercial property loan availed by us is ten (10) years.

5. ***Security:*** In terms of our borrowings where security needs to be created, such security typically includes:

(a) With respect to the working capital facilities, first exclusive charge on certain movable and immovable assets and all current assets of our Company and a guarantee provided by one of our Promoters, Kamalkumar Rajendra Aggarwal and a member of our Promoter Group, Naresh Vijaykumar Goyal; and
(b) With respect to the vehicle and commercial property loans availed by us, exclusive charge over the vehicles and commercial property purchased using such loans.

6. ***Repayment:*** The working capital facilities availed by us are payable on demand. Further, the vehicle loans and commercial property loan availed by us are typically required to be repaid to the relevant lender in monthly instalments.

7. ***Key Covenants:*** The financing documentation executed by our Company in relation to our working capital facilities and certain of our vehicle financing facilities, entail certain restrictive covenants and conditions restricting certain corporate actions, and for which we are required to take the prior approval of the respective lender before carrying out such actions, including for:

(a) effectuating any change in the shareholding pattern and management control in the Company;
(b) diversifying into non-core areas of business;
(c) resorting to any additional borrowing in the Company;
(d) undertaking or permitting *inter alia* any merger, de-merger, consolidation, re-organisation or permitting any company to become a subsidiary of the Company;
(e) undertaking further capital expenditure unless the same is funded by the Company's own resources;
(f) undertaking guarantee obligations or extending letters of comfort on behalf of any other company/person/trust/any third party; and
(g) **s**elling, assigning, mortgaging, or otherwise disposing any of its fixed assets.

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding (1) criminal proceedings involving our Company, Directors, or Promoters; (2) actions by statutory or regulatory authorities involving our Company, Directors, or Promoters; (3) claims involving our Company, Directors, or Promoters for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved); (4) proceeding involving our Company, Directors or Promoters (other than proceedings covered under (1) to (3) above) which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below).

In terms of the Materiality Policy, other than outstanding criminal proceedings, statutory or regulatory actions and claims for any direct or indirect tax liabilities mentioned in point (1) to (3) above, all other pending litigation:

A. *involving our Company:*

(i) *where the aggregate monetary claim made by or against our Company, in any such pending litigation proceeding is in excess of (i) five percent of our profit after tax; or (ii) one percent of our total income of our Company, whichever is lower, in the most recently completed Fiscal as per the Restated Financial Statements.*

The profit after tax of our Company for Fiscal 2019 as per the Restated Financial Statements was ₹430.41 million while the total income of our Company for Fiscal 2019 was ₹3,043.16 million. Accordingly, we have disclosed all such outstanding litigation proceedings where the aggregate monetary claim made by or against our Company, in any such pending litigation proceeding is in excess of ₹ 21.52 million (being five per cent of our total profit after tax in Fiscal 2019 as per the Restated Financial Statements); and

(ii) *where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless have a material adverse effect on the position, business, operations, prospects or reputation of our Company have been considered "material" and accordingly have been disclosed in this Draft Red Herring Prospectus.*

B. *involving our Promoter(s) and/or our Director(s), the outcome of which could have a material adverse effect on the position, business, operations, prospects or reputation of our Company, irrespective of the amount involved in such litigation, shall be considered "material" and accordingly have been disclosed in this Draft Red Herring Prospectus.*

Further, except as disclosed in this section, there are no (i) disciplinary action taken against any of our Promoters by SEBI or any Stock Exchange in the five Fiscals preceding the date of this Draft Red Herring Prospectus; and (ii) any litigation involving any Group Company which may have a material impact on our Company;

Further, in accordance with the Materiality Policy, our Company considers such creditors 'material' to whom the amount due exceeds five percent of the trade payables of our Company as of the end of the most recent period covered in the Restated Financial Statements. The trade payable of our Company as on March 31, 2019 was ₹ 288.72 million. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹14.44 million as on March 31, 2019.

For the purposes of the above, pre-litigation notices received by our Company, Directors, Group Companies or Promoters from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that the Company, or such Director, Group Company or Promoters, as the case may be, is impleaded as a defendant in litigation before any judicial/arbitral forum.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

A. *Litigation proceedings involving our Company*

I. *Litigation proceedings initiated against our Company*

(a) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated against our Company.

(b) *Statutory or regulatory proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending actions taken by statutory or regulatory authorities initiated against our Company.

(c) *Other pending proceedings*

As on the date of this Draft Red Herring Prospectus there are no other proceedings pending against our Company, which have been considered material by our Company in accordance with the Litigation Materiality Policy.

(d) *Claims related to direct and indirect taxes*

(₹ *in million*)

Sr. No.	Type of tax	No. of Cases	Amount demanded/ in dispute*
1.	Direct tax	*Nil*	Not Applicable
2.	Indirect tax	1	0.35

* *To the extent quantified.*

II. *Litigation proceedings initiated by our Company*

(a) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by our Company.

(b) *Other pending proceedings*

As on the date of this Draft Red Herring Prospectus there are no other pending proceedings initiated by our Company, which have been considered material by our Company in accordance with the Litigation Materiality Policy.

B. *Litigation proceedings involving our Directors*

I. *Litigation proceedings initiated against our Directors*

(a) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings against any of our Directors.

(b) *Statutory or regulatory proceedings*

As on the date of this Draft Red Herring Prospectus, other than as disclosed in "*-Litigation proceedings involving our Promoters- Litigation proceedings initiated against our Promoters- Statutory or regulatory proceedings*" on page 262, there are no pending actions taken by statutory or regulatory authorities initiated against our Directors.

(c) Claims related to direct and indirect taxes

(*₹ in million*)

Sr. No.	Type of tax	No. of Cases	Amount demanded/ in dispute
1.	Direct tax	*Nil*	Not Applicable
2.	Indirect tax	*Nil*	Not Applicable

(d) Other pending proceedings

As on the date of this Draft Red Herring Prospectus there are no other pending proceedings initiated against any of our Directors, which have been considered material by our Company in accordance with the Litigation Materiality Policy.

II. Litigation proceedings initiated by our Directors

(a) Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by any of our Directors.

(b) Other pending proceedings

As on the date of this Draft Red Herring Prospectus there are no other pending proceedings initiated by any of our Directors, which have been considered material by our Company in accordance with the Litigation Materiality Policy.

C. *Litigation* proceedings involving our Promoters

I. *Litigation proceedings initiated against our Promoters*

(a) Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated against any of our Promoters.

(b) Statutory or regulatory proceedings

Other than as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities initiated against our Promoters.

Our Promoters, Kamalkumar Rajendra Aggarwal, Shubharangana Goyal and Navdeep Naresh Goyal and certain members of our Promoter Group, namely, Naresh Vijaykumar Goyal and Minal Kamal Aggarwal, have filed a settlement application dated March 10, 2019 with SEBI in relation to their inadvertent failure to make certain disclosures required under the Takeover Regulations and the SEBI Insider Trading Regulations in relation to their holdings in Overseas Synthetics Limited, a company listed on BSE Limited, which is a member of the Promoter Group.

(c) Claims related to direct and indirect taxes

(*₹ in million*)

Sr. No.	Nature of tax	No. of Cases	Amount demanded/ in dispute
1.	Direct tax	*Nil*	Not Applicable
2.	Indirect tax	*Nil*	Not Applicable

(d) Other pending proceedings

As on the date of this Draft Red Herring Prospectus there are no other pending proceedings initiated against any of our Promoters, which have been considered material by our Company in accordance with the Litigation Materiality Policy.

(e) Disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchange

No disciplinary action has been taken against our Promoter in the five Fiscals ***preceding*** the date of this Draft Red Herring Prospectus either by SEBI or any stock exchange.

II. *Litigation initiated by our Promoters*

A. Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by any of our Promoters.

B. Other pending proceedings

As on the date of this Draft Red Herring Prospectus there are no other pending proceedings initiated by any of our Promoters, which have been considered material by our Company in accordance with the Litigation Materiality Policy.

III. *Litigation proceedings involving our Group Companies*

There is no litigation proceeding involving any Group Company which may have a material impact on our Company.

IV. Micro, small and medium enterprises or any other creditors

In terms of the Materiality Policy, our Board considers such creditors 'material' to whom the amount due by our Company exceeds five per cent of the trade payables of our Company as on March 31, 2019 as per the Restated Financial Statements i.e. ₹ 14.44 million (the "**Material Creditors**").

The details of outstanding dues (trade payables) owed to micro, small and medium enterprises, Material Creditors and other creditors as on March 31, 2019 is as set forth below:

Particulars	Number of creditors	₹ in million
Due to micro, small and medium enterprises	5*	28.37*
Dues to Material Creditors	7*	218.21*
Dues to other creditors	191	60.24
Total dues to creditors	**202***	**288.72***

** One creditor to whom an aggregate amount of `18.10 million was payable on March 31, 2019, is both a Material Creditor (in accordance with the Materiality Policy) and a micro, small and medium enterprise.*

The details pertaining to outstanding dues to Material Creditors as on March 31, 2019, along with the name and amount involved for each such Material Creditor, are available on the website of our Company at http://www.cscpl.com/financials.html.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein, we have obtained all material consents, licenses, registrations, permissions and approvals from various governmental, statutory and regulatory authorities, which are necessary for undertaking our Company's current business activities and operations. Except as disclosed below, no further material approvals are required for carrying on the present business operations of our Company. In the event any of the approvals and licenses that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework within which our Company operates, see "Key Regulations and Policies in India" on page 146.

For Issue related approvals, see "Other Regulatory and Statutory Disclosures" on page 266 and for incorporation details of our Company, see "History and Certain Corporate Matters" on page 150.

Material approvals in relation to our business and operations

Business related approvals

1. Factories License issued by the Directorate of Industrial Safety & Health (Gujarat) under the Factories Act, to enable our Company to operate a factory within the Manufacturing Facility.

2. License issued by the office of the Deputy Chief Controller of Explosives (Vadodara), Petroleum & Explosives Safety Organization, Ministry of Commerce & Industry, GoI, under the Explosives Act to enable our Company to store compressed gas in pressure vehicles.

3. Certificate for use of a boiler issued by the office of the Assistant Director of Boilers, Gujarat Boiler Inspection Department under the Boilers Act, to enable our Company to operate a boiler within for its operations within its premises.

4. No objection and consent to abstract ground water issued by the Central Ground Water Authority, Ministry of Water Resources, River Development and Ganga Rejuvenation, to enable our Company to gain access to water for its operations.

5. Consolidated consent and authorization to (i) operate a facility for the collection and storage of hazardous wastes under the Hazardous Wastes Rules; (ii) operate an industrial plant for the manufacture of certain items capable of causing air emission; and (iii) operate an industrial plant for the manufacture of certain items capable of discharging industrial effluent, issued by the Gujarat Pollution Control Board, under the Environment Protection Act.

6. Certificate of Importer-Exporter Code issued by the office of the Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India, under the Foreign Trade (Development and Regulation) Act, 1992, to enable our Company to carry out its export and import operations.

7. Registration-cum-Membership certificate, issued by the Basic Chemicals, Cosmetics and Dyes Export Promotion Council, established by the Ministry of Commerce and Industry, Government of India, under the Foreign Trade (Development and Regulation) Act, 1992 read with Notification 18/2015-Customs, issued by the Ministry of Finance, Government of India, as a small scale manufacturer cum merchant exporter with respect to basic inorganic and organic chemicals (including agrochemicals).

8. Advance authorisation license issued by the Joint Directorate General of Foreign Trade under the Foreign Trade (Development and Regulation) Act, 1992 read with the Trade Policy, to enable our Company eligible for availing duty-free imports into India.

9. UN certificate, issued by the Indian Institute of Packaging, under the International Maritime Dangerous Goods Code- Volume 1, allowing our Company to transport certain chemicals, namely, TMCS and HMDS.

Labour/employment related approvals

1. Shops and establishments registration under the applicable provisions of the shops and establishments legislation of the State of Gujarat, for our Corporate Office, issued by Vadodara Municipal Corporation. This license is periodically renewed.

2. Certificates for contract labor under the Contract Labor (Regulation & Abolition) Act, 1970 for our Manufacturing Facility, issued by relevant registering officer. These approvals are periodically renewed, whenever applicable.

3. Registration for employees' provident fund issued by the Employees' Provident Fund Organization under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

4. Registration for employees' insurance issued by the Regional Office, Employees State Insurance Corporation of different states in India under the Employees' State Insurance Act, 1948.

Tax related approvals

1. Permanent account number issued by the Income Tax Department under the Income Tax Act, 1961.

2. Tax deduction account number issued by the Income Tax Department under the Income Tax Act, 1961.

3. Goods and services tax registration issued by the GoI, under the Goods and Service Tax Act, 2017.

Material approvals which have expired for which renewal applications have been made

Nature of approval	Issuing authority	Date of acknowledgement of renewal application / date of renewal application
No objection certificate to abstract ground water	Central Ground Water Authority, Ministry of Water Resources, River Development and Ganga Rejuvenation	April 3, 2018

Intellectual property rights

Our Company has obtained a trademark registration of its *"Chemcon"* logo (under Class 1) with the Registrar of Trademarks under the Trademarks Act, 1999. For details, see "*Our Business-Intellectual Property*" on page 144.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by a resolution of our Board dated June 14, 2019 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated June 14, 2019.

Our Board has approved this Draft Red Herring Prospectus pursuant to their resolution dated August 7, 2019.

Kamalkumar Rajendra Aggarwal has consented to participate in the Offer for Sale pursuant to his consent letter dated July 18, 2019 and has consented to offer up to 2,150,000 Equity Shares in the Offer for Sale.

Naresh Vijaykumar Goyal has consented to participate in the Offer for Sale pursuant to his consent letter dated July 18, 2019 and has consented to offer up to 2,150,000 Equity Shares in the Offer for Sale.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group and each of the Selling Shareholders have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters, the members of the Promoter Group and each of the Selling Shareholders are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent in force and applicable.

Directors associated with the Securities Market

None of the Directors are, in any manner, associated with the securities market. Other than as disclosed in "*Outstanding Litigation and Other Material Developments-Litigation proceedings involving our Promoters*" on page 262, there are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has had net tangible assets of at least ₹ 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 was converted into a public limited company, and consequently, a fresh certificate of incorporation dated April 10, 2019 was issued by the RoC recording the change of our Company's name to our present name. However, there has not been any corresponding change in the business activities of our Company.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last three Fiscals ended March 31, 2019, 2018 and 2017 are set forth below:

(₹ *in million, unless otherwise stated*)

	As at March 31, 2019 and for the Fiscal ended March 31, 2019	As at March 31, 2018 and for the Fiscal ended March 31, 2018	As at March 31, 2017 and for the Fiscal ended March 31, 2017
Net tangible assets, as restated [1]	981.84	552.42	286.71
Monetary assets, as restated [2]	115.90	14.90	8.57
Monetary assets, as a percentage of net tangible assets, as restated	11.80%	2.70%	2.99%
Operating profit/ (loss), as restated [3]	650.57	434.22	63.24
Net worth, as restated [4]	957.74	536.22	270.60

Notes:

[1] *Net tangible assets' means the sum of all net assets of the Company excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38 issued by Institute of Chartered Accountants of India.*

[2] *'Monetary assets' is the aggregate of cash on hand and balance with banks (including the bank deposits and interest accrued thereon).*

[3] *'Operating Profit' has been calculated as profit before tax excluding other income and finance costs, each on a restated basis.*

[4] *'Net worth' means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account, net of pre-issue expenses, as per the restated statement of assets and liabilities of our Company in the Restated Financial Statements .*

Our Company has operating profits in each of Fiscal 2017, 2018 and 2019 in terms of our Restated Financial Statements.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

(a) None of our Company, our Promoters, members of our Promoter Group, our Directors or any of the Selling Shareholders are debarred from accessing the capital markets by the SEBI.
(b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
(c) None of our Company, our Promoters or Directors is a wilful defaulter.
(d) None of our Promoters or Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.
(e) There are no fully paid up convertible securities that are required to be converted on or before the filing of the Red Herring Prospectus;
(f) 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.

Each of the Selling Shareholders confirms that it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF 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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, INTENSIVE FISCAL SERVICES PRIVATE LIMITED AND AMBIT CAPITAL PRIVATE 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. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 7, 2019 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, the Selling Shareholders and the BRLMs

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.cscpl.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Vadodara only.

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Issue in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India.

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

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 the 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

[●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares.

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Statutory Auditors, our previous Statutory Auditor, M/s Shah Mehta and Bakshi, Chartered Accountants, Legal Counsel to the Issue, Banker to our Company, the BRLMs, the Registrar to the Issue, Frost & Sullivan and N.G Vithalani, Chartered Engineer have been obtained; and consents in writing of the Syndicate Members, Sponsor Bank, Escrow Collection Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Expert to the Issue

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

Our Company has received written consent from the Statutory Auditors namely, K.C. Mehta & Co., Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the: (i) Restated Financial Statements and their examination report dated July 18, 2019 on the Restated Financial Statements; (ii) the statement of possible special tax benefits dated August 6, 2019 included in this Draft Red Herring Prospectus; and (iii) the certificate dated August 6, 2019 in relation to the capital expenditure incurred by our Company as on July 31, 2019 towards the expansion of the Manufacturing Facility proposed to be financed utilising a portion of the Net Proceeds. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Our Company has received written consent from N.G Vithalani, a chartered engineer, to include his name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in his capacity as a chartered engineer and with respect to the: (a) certificate dated July 31, 2019 issued by him on the capacity details of the existing plants at our Manufacturing Facility; and (b) certificate dated July 31, 2019 issued by him on *inter alia* the estimated cost and capacity details of the additional plants to be constructed at our Manufacturing Facility.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Draft Red Herring Prospectus.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by our Company

Other than as disclosed in "*Capital Structure-Notes to the Capital Structure*", our Company has not undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by our listed Group Companies of our Company

None of the securities of any of Group Companies are listed on any stock exchange.

Price information of past issues handled by the BRLMs (during the current Fiscal and two Fiscals preceding the current Fiscal)

A. Intensive Fiscal Services Private Limited

1. Price information of past issues handled by Intensive Fiscal Services Private Limited

   Nil

2. Summary statement of price information of past issues handled by Intensive Fiscal Services Private Limited

   Nil

B. Ambit Capital Private Limited

1. Price information of past issues handled by Ambit Capital Private Limited

   Nil

2. Summary statement of price information of past issues handled by Ambit Capital Private Limited

   Nil

Track record of past issues handled by the BRLMs

The BRLMs have not handled any public issues in the current Fiscal (Fiscal 2020) and the last two Fiscals (Fiscal 2019 and 2018).

Stock Market Data of Equity Shares

This being an initial public issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Redressal of Investor Grievances

The agreement between the Registrar to the Issue, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Anchor Investors are required to address all grievances in relation to the Issue to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue 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.

We shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares.

Our Company has also appointed Shahilkumar Maheshbhai Kapatel, Company Secretary of our Company, as the Compliance Officer for the Issue. For details, “*General Information- Company Secretary and Compliance Officer*” beginning on page 50.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus.

None of our Group Companies are listed on any stock exchange.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

SECTION XI - ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered and transferred pursuant to this Issue are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Issue and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Issue.

The Issue

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

The listing fees shall be borne by our Company. Other Issue-related expenses shall be shared be borne by each Selling Shareholder in proportion to the Equity Shares to be offered by each Selling Shareholder.

Provided that all Issue-related expenses shall initially be borne by our Company. Upon successful completion of the Issue, each of Selling Shareholder shall reimburse our Company their proportionate share of the Issue-related expenses.

Ranking of the Equity Shares

The Equity Shares being offered and transferred in the Issue shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of the Articles of Association*" beginning on page 298.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum and Articles, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable law. For further details in relation to dividends, see *"Dividend Policy"* and *"Main Provisions of the Articles of Association"* beginning on pages 180 and 298, respectively.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share. The Price Band and minimum Bid Lot for the Issue will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●], and [●] editions of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat, where our Registered Office is located), each with wide circulation, respectively, at least two Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Issue Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting';
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Main Provisions of the Articles of Association*" beginning on page 298.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only.

Market Lot and Trading Lot

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Vadodara, India will have exclusive jurisdiction in relation to this Issue.

Period of operation of subscription list

See "*Issue Structure – Bid/Issue Programme*" beginning on page 279.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Issue as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days after the issuer becomes liable to pay the amount, the issuer and every director of the issuer who are officers in default, shall pay interest at the rate of fifteen percent per annum.

In the event of under-subscription in the Issue, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, Allotment will be first made towards the Fresh Issue from the valid Bids.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Issue Equity Shares, the Promoters' Contribution and Equity Shares allotted to Anchor Investors pursuant to the Issue, as detailed in "*Capital Structure*" beginning on page 58 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Main Provisions of the Articles of Association*" at page 298.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Issue

Our Company and the Selling Shareholders in consultation with the BRLMs, reserve the right not to proceed with the entire or portion of the Issue for any reason at any time after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date, providing reasons for not proceeding with the Issue. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Issue and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC.

ISSUE STRUCTURE

The Issue is being made through the Book Building Process. Issue is of up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 1,750 million by our Company and an Offer of Sale of up to 4,300,000 Equity Shares aggregating to ₹ [●] million by the Selling Shareholders. The Issue will constitute [●] % of the post-Issue paid-up Equity Share capital of our Company.

Particulars	QIBs (1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation* (2)	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size available for Allotment/ allocation	Not more than 50% of the Issue size shall be allocated to QIB Bidders. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund portion will be available to QIBs.	Not less than 15% of the Issue, or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Issue, or the Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors	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 details see, "*Issue Procedure*" beginning on page 281
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Mode of allotment	Compulsorily in dematerialised form		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply(3)	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, Mutual Funds, FPIs other than	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

Particulars	QIBs [(1)]	Non-Institutional Bidders	Retail Individual Bidders
	Category III FPIs, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.	institutions societies and trusts, Category III FPIs	
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) that is specified in the ASBA Form at the time of submission of the ASBA Form		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).	Only through the ASBA process.	Only through the ASBA process

* *Assuming full subscription in the Issue*

[(1)] *Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see "Issue Procedure" beginning on page* 281.

[(2)] *Subject to valid Bids being received at or above the Issue Price. The Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price.*

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see "Terms of the Issue" beginning on page 273.

[(3)] *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*

[(4)] *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Issue Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

Bid/Issue Programme

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

******Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date.*

***Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account	[●]
Credit of the Equity Shares to depository accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs. While our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Issue Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company and the Selling Shareholders, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each Selling Shareholder confirms that it shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Issue Closing Date, or within such other period as may be prescribed.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time (“**IST**”)) during the Bid/Issue Period (except on the Bid/Issue Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form **except that:**

(i) on the QIB Bid/Issue Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST);

(ii) on the Bid/Issue Closing Date:

(a) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and

(b) in case of Bids by Retail Individual Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Issue. Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the

Stock Exchanges. Neither our Company, nor the Selling Shareholders, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/Issue Opening Date.

In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

ISSUE PROCEDURE

All Bidders should review 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. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iii) Payment Instructions for ASBA Bidders/Applicants; (iv)Issuance of CAN and Allotment in the Issue; (v) General instructions (limited to instructions for completing the Bid Form); (vi) Submission of Bid Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.

*SEBI through 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, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 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, with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI.*

Our Company, the Selling Shareholders and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus.

This Issue shall be one of the first initial public offerings through the UPI Mechanism under the UPI Phase II. Our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Book Building Procedure

The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be Allotted to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the price at which allocation is made to Anchor Investors. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category (other than Anchor Investor Portion). 5% of the QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category 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 Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue 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 Issue Price.

Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN and UPI ID (for RIBs using the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased implementation of UPI for Bids by Retail Individual Bidders as per the UPI Circular

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 (collectively the "**UPI Circular**") in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be 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 Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

(a) **Phase I:** This phase was applicable from January 1, 2019 and till June 30, 2019. Under this phase, a Retail Individual Bidder had the option to submit the Bid cum Application Form with any of the intermediaries 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 will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Bid cum Application Form by a Retail Individual Bidder through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

(c) **Phase III:** Subsequently, under this phase, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders into the UPI Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Managers.

Bid cum Application Form

Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Issue. Anchor Investors are not permitted to participate in this Issue through the ASBA process.

Copies of the ASBA Forms and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered Office. The ASBA Forms 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/Issue Opening Date. Anchor Investor Application Forms shall be available at the offices of the BRLMs at least one day prior to the Anchor Investor Bidding Date.

Bidders (other than RIBs using the UPI Mechanism and Anchor Investors) must provide bank account details and authorisation by the ASBA bank account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such detail are liable to be rejected. The Sponsor Bank shall provide details of the UPI linked bank account of the Bidders to the Registrar to the Issue for purpose of reconciliation.

RIBs using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only the UPI ID is mentioned in the Field Number 7 i.e. Payment Details in the Bid cum Application Form. ASBA Forms submitted by RIBs to Designated Intermediary (other than SCSBs) with ASBA Account details in Field Number 7, are liable to be rejected.

Further, such Bidders (other than Anchor Investors), including RIBs using the UPI Mechanism, shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of the relevant Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms (except electronic Bid-cum-Application Forms) not bearing such specified stamp may be liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a RIB who is not Bidding using the UPI Mechanism.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including FPIs and Eligible NRIs, FVCIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors**	[●]

** Excluding electronic Bid cum Application Forms*
***Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.*

In case of ASBA Forms, Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form (except a Bid cum Application Form from RIBs using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any escrow bank. Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a RIB who is not Bidding using the UPI Mechanism.

For RIBs using UPI Mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

Who can Bid?

In addition to the category of Bidders set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- FPIs, other than Category III FPIs;
- Category III FPIs who are foreign corporates or foreign individuals only under the Non-Institutional Portion
- Scientific and/or industrial research organisations in India, which are authorised to invest in equity shares; and
- Any other person eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

Participation by associates and affiliates of the BRLMs and the Syndicate Members, Promoters, Promoter Group and persons related to Promoters/Promoter Group

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Issue, either in the Net QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such Bid subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs or any associate of 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 Category III FPIs sponsored by the entities which are associate of the BRLMs) nor any "*person related to the Promoters or Promoter Group*" shall apply in the Issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "*person related to the Promoters or Promoter Group*": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of a BRLM, if: (a) either of them controls , directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLM.

The Selling Shareholders and the Members of the Promoter Group will not participate in the Issue except to the extent of the Offered Shares.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason therefore.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme.

Bids by HUFs

Bids by HUFs Hindu Undivided Families or HUFs, 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 Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the BRLMs, Syndicate Member and sub-syndicate members at select locations as specified in the Bid cum Application Form. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSB or should confirm/accept the UPI Mandate Request (in case of RIBs using the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their SCSB or should confirm/accept the UPI Mandate Request (in case of RIBs Bidding using the UPI Mechanism) to block their Non- Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. However, NRIs applying in the Issue through the UPI Mechanism, are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their Bid cum Application.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of equity shares to a single FPI or an investor group (which means multiple entities having common ownership, directly or indirectly, of more than fifty percent. or common control) must be below 10% of the post-issue equity share capital of a company. Further, in terms of FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company. In terms of FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Additionally, the aggregate foreign portfolio investment up to 24% of the paid-up capital on a fully diluted basis or the sectoral/statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance of sectoral conditions as laid down in these regulations.

In accordance with the FEMA Regulations, participation by FPIs is restricted under Schedule 2 of the FEMA Regulations, in accordance with applicable law, subject to limit of the individual holding of an FPI below 10% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment not exceeding 24% of the post-Issue paid-up capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap, if any by way of a resolution passed by the board of directors followed by a special resolution passed by the shareholders of a company. For details of restrictions on investment by FPIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 297.

Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI date January 4, 2018 (updated as on March 8, 2019) the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, 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 an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) such offshore derivative instruments shall not be issued to or transferred to persons who do not satisfy the conditions specified in Regulation 4 of the SEBI FPI Regulations. An FPI is also required to ensure, *inter alia*, that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

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.

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 SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations, *inter-alia*, prescribe the respective investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI. Accordingly, the holding by any individual VCF or FVCI registered with SEBI, in any company should not exceed 25% of the corpus of the VCF. Further, VCFs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission. Neither our Company, nor the Selling Shareholders nor the BRLMs will be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are 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.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 (the "**Financial Services Directions**"), 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. 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 *inter alia* make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed under 5(b)(i) of the Financial Services Directions), and (ii) 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 Financial Services

Directions. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the 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 systemically important non-banking financial companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. NBFC-SIs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers is prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDAI Investment Regulations**") are set forth below:

(i) equity shares of a company: the lower of 10%* of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;

(ii) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(iii) the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time including the IRDAI Investment Regulations.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million, in each case, subject to applicable law and in accordance with their respective constitutional documents a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the BRLMs, may deem fit, without assigning any reasons thereof.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

(i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.
(iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
(iv) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.
(v) Our Company and the 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:

    (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
    (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
    (c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.
(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
(viii) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price shall still be the Anchor Investor Office Price.
(ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
(x) Neither the BRLMs or any associate of the BRLMs ((except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than Category III FPIs sponsored by the entities which are associate of the BRLMs) nor any "person related to the Promoters or Promoter Group" shall apply in the Issue under the Anchor Investor Portion. For further details, see "-*Participation by associates and* affiliates of the BRLMs *and the Syndicate Members, Promoters, Promoter Group and persons related to Promoters/Promoter Group*" beginning on page 284.
(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
(xii) For more information, see the General Information Document.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason therefor.

The Equity Shares offered in the Issue have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the laws of any state of the United States and may not be offered or sold in the United States (as defined in Regulation S under the U.S. Securities Act ("Regulation S")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States pursuant to Regulation S.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the members of Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in this Red Herring Prospectus and Prospectus.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Issue**.**

Information for Bidders

The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip (**Acknowledgement Slip**), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form. It is the Bidder's responsibility to obtain the Acknowledgment Slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised Acknowledgment Slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus or this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

In the event of an upward revision in the Price Band, RIBs who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed ₹ 200,000 with respect to RIBs if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. If the total amount (i.e. the original Bid Amount plus additional payment) exceeds ₹ 200,000 with respect to RIBs, the Bid will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.

In the event of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.

Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will, after registering this Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located). Our Company shall, in the pre-Issue advertisement state the Bid/Issue Opening Date, the Bid/Issue Closing Date and the QIB Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed under the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Issue Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC, in accordance with applicable law. The Prospectus will contain details of the Issue Price, Anchor Investor Issue Price, Issue size and underwriting arrangements and will be complete in all material respects.

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. Retail Individual Bidders can revise their Bid(s) during the Bid/Issue Period and withdraw their Bid(s) until Bid/Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that your Bid cum Application Form bearing the stamp of the relevant Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

6. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;

7. Bidders (other than RIIs bidding through the non-UPI Mechanism) should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. RIIs bidding through the non-UPI Mechanism should either submit the physical Bid cum Application Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the 2018 Circular on Streamlining of Public Issues) or submit the Bid cum Application Form online using the facility of 3-in 1 type accounts under Channel II (described in the 2018 Circular on Streamlining of Public Issues).

8. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Bid cum Application Form;

9. RIBs using the UPI Mechanism should ensure that the correct UPI ID is mentioned in the Bid cum Application Form;

10. RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue;

11. RIBs submitting a Bid cum Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid is listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;

12. RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the Field Number 7: Payment Details in the Bid cum Application Form;

13. RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;

14. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

16. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

17. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

18. Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

19. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

20. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

21. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

22. Ensure that Anchor Investors submit their Anchor Investor Application Form only to the BRLMs;

23. Ensure that the Demographic Details are updated, true and correct in all respects;

24. 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;

25. Ensure that the correct investor category and the investor status is indicated in the Bid cum Application Form;

26. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;

27. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

28. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;

29. Ensure that where the Bid cum Application Form is submitted in joint names, the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

30. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors) is submitted to a Designated Intermediary in a Bidding Centre and in case of Bidding through a Designated Intermediary (other than for Anchor Investors and RIBs) the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in) or such other websites as updated from time to time;

31. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

32. For RIBs using the UPI Mechanism, ensure that you approve the Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

33. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

34. RIBs using the UPI Mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the Bid cum Application Form;

35. RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and

36. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Issue.

Don’ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case maybe, after you have submitted a Bid to a Designated Intermediary;

4. RIB should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;

5. RIB should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;

6. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

8. Anchor Investors should not Bid through the ASBA process;

9. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company or at a location other than the Bidding Centres. Provided that RIBs not using the UPI Mechanism should not submit Bid cum Application Forms with Designated Intermediaries (other than SCSBs);

10. Do not Bid on a physical ASBA Form that does not have the stamp of the relevant Designated Intermediary;

11. Do not Bid at Cut-off Price in case of Bids by QIBs and Non-Institutional Bidders;

12. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Red Herring Prospectus;

13. If you are a Non-Institutional Bidder or a Retail Individual Bidder, do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date;

14. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/ Issue Closing Date;

15. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

16. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Bidders;

17. Do not submit the General Index Register (GIR) number instead of the PAN;

18. Do not submit incorrect UPI ID details if you are a RIB Bidding through the UPI Mechanism;

19. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

20. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;

21. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs using the UPI Mechanism;

22. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations;

23. 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;

24. 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;

25. 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;

26. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidders using the UPI Mechanism;

27. 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;

28. 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);

29. Do not submit a Bid cum Application Form using a third party bank account or using third party linked bank account UPI ID (in case of in case of Bids submitted by RIBs using the UPI Mechanism).and

30. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if any of the above instructions or any other condition mentioned in this Red Herring Prospectus, as applicable, is not complied with.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account or UPI ID (for RIBs using the UPI Mechanism) details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by RIBs using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;

5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID, subject to availability of information from the Sponsor Bank;

6. Bids by HUFs not mentioned correctly as provided in -*"Who can bid?"* beginning on page 283;

7. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

8. Bids submitted without the signature of the First Bidder or sole Bidder;

9. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 200,000;

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash; and

15. Bids by OCB.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares through the Offer Document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent. of the Issue may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

Payment into Escrow Account

Anchor Investors are not permitted to Bid in the Issue through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(i) In case of resident Anchor Investors: "[●]"

(ii) In case of non-resident Anchor Investors: "[●]"

Depository Arrangements

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated December 31, 2018 among NSDL, our Company and the Registrar to the Issue.

- Tripartite Agreement dated February 11, 2019 among CDSL, our Company and Registrar to the Issue.

Undertakings by our Company

Our Company undertakes the following:

(i) that the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

(ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

(iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Issue Closing Date or such other time as may be prescribed ;

(iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

(v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) that if our Company does not proceed with the Issue after the Bid/Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(vii) that if our Company and the Selling Shareholders, in consultation with the BRLMs, withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company subsequently decides to proceed with the Issue thereafter;

(viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

(ix) that no further issue of Equity Shares shall be made until the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

Undertakings by each Selling Shareholder

Each Selling Shareholder, severally and not jointly, undertakes the following in respect of itself as a Selling Shareholder and its respective portion of the Offered Shares:

(i) that the Offered Shares are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or encumbrances and are eligible to be a part of the Offer for Sale, in accordance with Regulation 8 of the SEBI ICDR Regulations and shall continue to be in dematerialised form at the time of transfer;

(ii) that it is the legal and beneficial owner of and has full title to its respective portion of the Offered Shares;

(iii) that it shall provide all support and cooperation as may be reasonably requested by our Company and the BRLMs to the extent such support and cooperation is in relation to its Offered Shares and in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of its respective portion of the Offered Shares;

(iv) that each Selling Shareholder specifically confirms that it shall not have any recourse to the proceeds of the Issue, until final listing and trading approvals have been received from the Stock Exchanges;

(v) that it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Issue, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Issue, except as permitted under applicable law;

(vi) that it shall not offer, lend, pledge, create lien, charge, encumber, sell, contract to sell or otherwise transfer or dispose of, directly or indirectly, any of the Equity Shares offered in the Issue;

(vii) that it will provide such assistance as may be required by our Company and BRLMs acting reasonably, in redressal of such investor grievances that pertain to the Equity Shares being offered pursuant to the Issue and statements specifically made or confirmed by it in relation to itself as a Selling Shareholder; and

(viii) that it shall transfer its portion of the Offered Shares to an escrow demat account in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement.

The Selling Shareholders have authorised the Compliance Officer of our Company and the Registrar to the Issue to redress any complaints received from Bidders in respect of their respective portion of Offered Shares.

Utilisation of Issue Proceeds

Our Company and the Selling Shareholders, severally and not jointly, specifically confirm and declare (i) that all monies received from the Issue shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013; and (ii) details of all monies utilised out of the proceeds from the Fresh Issue shall be disclosed, and continue to be disclosed till all the time any part of the proceeds from the Fresh Issue remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised, or the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is governed 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 Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the DIPP, the Ministry of Finance, the Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP issued the Consolidated Foreign Direct Investment Policy notified by the D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017, with effect from August 28, 2017 (the "**FDI Policy**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect prior to August 28, 2017. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

For further details, see "*Issue Procedure*" beginning on page 281.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION X - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

1. PRELIMINARY

Save as provided herein, the regulations contained in Table "F" in Schedule I to the Companies Act, 2013, or in the Schedule to any previous Act (as defined below) shall not apply to the Company, except in regard to matters not specifically provided in these Articles.

These Articles shall be binding on the Company and its Members as if the same constituted the terms of anagreement between them.

The regulation for the management of the Company and for the observance of the Members thereof and their representatives shall be such as are contained in these Articles, subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Resolution as prescribed or permitted by the Act, be such as are contained in these Articles.

2. SHARE CAPITAL

(a) The authorised Share Capital of the Company shall be as set forth in Clause 5 of the Memorandum of Association of the Company and shall have the rights, privileges, and conditions attached herewith, as are provided by these Articles with power to increase and/or reduce the Share Capital and divide the Share Capital into several classes and to attach thereto respectively such differential, preferential, qualified or special rights, privileges, or conditions, as may be determined by or in accordance with these Articles and to modify the conditions in such manner as may be permitted by Applicable Laws and these Articles.

(b) Subject to the provisions of these Articles, the Company may by a resolution passed at a General Meeting increase the authorised or issued or paid up Share Capital or reduce the Share Capital or otherwise amend the Memorandum and these Articles in accordance with the provisions of the Act and the provisions of these Articles.

(c) The paid up Share Capital shall be at all times at least a minimum of such amount as may be prescribed under the Act.

(d) The Company may issue the following kinds of Shares in accordance with these Articles, the Act, the Rules and other Applicable Laws:

   (a) Equity Share Capital-

      (i) with voting rights; or

      (ii) with differential rights as to dividend, voting or otherwise in accordance with such rules as may be prescribed; and

   (b) Preference Share Capital.

(e) If at any time Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the Shares of that class) may, subject to these Articles and the provisions of section 48 of the Act, and whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourth of the issued Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class, as prescribed by the Act.

(f) To every such separate meetings as referred in 4(e) above, the provisions of these Article relating to General Meetings shall *mutatis mutandis* apply.

(g) The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

(h) Subject to these Articles and the provisions of section 55 of the Act, any preference shares may, with the sanction of a special resolution, be issued or re-issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, determine.

(i) The Board may allot and issue Shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any Shares which may be so allotted may be issued as fully/partly paid up Shares and if so issued shall be deemed as fully/partly paid up Shares. However, the aforesaid shall be subject to the approval of Shareholders under the relevant provisions of the Act and Rules.

(j) The amount payable on application on each Share shall not be less than five percent of the nominal value of the Share or, as may be specified by SEBI.

(k) Nothing herein contained shall prevent the Directors from issuing fully paid up Shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

(l) The fully paid Shares shall be free from all lien and that 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.

(m) Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new Equity Shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(n) Any application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any Shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.

(o) The money, (if any), which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

(p) Except as required by Applicable Law, no Person shall be recognized by the Company as holding any Shares 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 Shares, or any interest in any fractional part of a Share or (except only as by these Articles or by Applicable Law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered Shareholder.

(q) Except so far as otherwise provided by the conditions of the issue or by these presents, any capital raised by the creation of new Equity Shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(r) All the provisions of these Articles shall apply to the Shareholders of the Company.

(s) Subject to the provisions of these Articles, the Company shall have the power, subject to and in accordance with the provisions of Section 54 of the Companies Act, 2013 and other relevant regulations in this regard from time to time, to issue sweat equity shares to its employees and/or Directors on such terms and conditions and in such manner as may be prescribed by Applicable Law from time to time.

(t) Subject to the provisions of these Articles, the Share Capital shall be under the control of the Board who may, subject to Applicable Law, issue, allot or otherwise dispose of the same to such Persons, on such terms and conditions and at such time as the Board thinks fit with full power to give to any Person the option to call for any Shares or other Securities either at par or at a premium and for such consideration as the Board thinks fit. Subject to these Articles and the Act, the Directors shall have the power, from time to time, to increase and to consolidate or divide the Share Capital in the original or any additional Share Capital into different classes and attach thereto at its discretion any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise, as may be determined by or in accordance with the provisions hereof and to vary, modify or abrogate any such right, privilege, or condition, or restriction in such manner as may for the time being be permitted in accordance with the provisions hereto or the legislative provisions for the time being in force.

(u) Subject to the provisions of these Articles, and subject to the provisions of section 68 to 70 and other applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own Equity Shares or other specified securities.

3. SECURITIES

The Company shall, subject to the applicable provisions of the Act and in compliance with Applicable Law and the consent of the Board, have the power to issue Securities on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

4. DEMATERIALISATION OF SECURITIES

Definitions

For the purpose of this Article:

(a) "Beneficial Owner" means a person or persons whose name is recorded as such with a Depository;

(b) "SEBI" means the Securities and Exchange Board of India;

(c) "Depository" means a company formed and registered under the Companies Act, 2013, or any previous law, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder; and

(d) "Security" means such security as may be specified by SEBI from time to time.

The Company shall be entitled to dematerialise the Share Capital and to offer Securities in a dematerialised form in accordance with the Depositories Act, 1996, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other Applicable Law. The Company shall, on a request made by a beneficial owner, rematerialize Securities which are in dematerialised form.

Notwithstanding anything in the Act or these Articles to the contrary, 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 digital storage devices or any other mode as prescribed by Applicable Law from time to time.

Nothing contained in Section 56 of the Act or these Articles shall apply to a Transfer of securities effected by a transferor and transferee both of who are entered as beneficial owners in the records of a depository.

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such Securities.

Nothing contained in the Act or these Articles regarding the necessity to have distinctive numbers for Securities issued by the Company shall apply to Securities held with a depository.

All Securities held by a Depository shall be dematerialised and shall be in a fungible form.

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 any Transfer of ownership of Shares on behalf of the beneficial owners.

Save as otherwise provided in above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of Securities held by it.
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 the owner of such Securities and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Securities shall be entitled to all the liabilities in respect of his Securities which are held by a depository.

5. SHARES AND SHARE CERTIFICATES

(a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(b) A duplicate certificate of Shares may be issued, if such certificate:

(i) is proved to have been lost or destroyed; or

(ii) has been defaced, mutilated or torn and is surrendered to the Company.

(c) A certificate, issued under the common seal of the Company, specifying the Shares held by any Person shall be prima facie evidence of the title of the Person to such Shares. Where the Shares are held in dematerialized form, the record of depository shall be the prima facie evidence of the interest of the Beneficial Owner.

(d) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees twenty (20) for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law including rules made under the Securities Contracts (Regulation) Act, 1956, as amended or any other Act, or rules applicable in this behalf.

The provisions of this Article shall *mutatis mutandis* apply to the debentures of the Company.

(e) The provisions of this Article shall *mutatis mutandis* apply any other Securities of the Company.

(f) When a new share certificate has been issued in pursuance of sub-article (d) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.

(g) Where a new share certificate has been issued in pursuance of sub-articles (d) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.

(h) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine–numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the company secretary or of such other person as the Board may authorize for the purpose and the company secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(i) The company secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (h) of this Article.

(j) All books referred to in sub-article (i) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.

(k) In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one share certificate for all such holders. If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register Of Members shall as regards receipt of dividends or bonus, or service of notices and all or any other matter connected with the Company except voting at meetings and the transfer of Shares, be deemed the sole holder thereof, but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such Shares, and for all incidents thereof according to these Articles.

(l) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any Share or whose name appears as the beneficial owner of Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such Share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

(m) Subject to applicable provisions of the Act, the Company shall issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within a period of 30 (thirty) days from the date of such lodgement.

6. FURTHER ISSUE OF CAPITAL

(a) Where at any time, in terms of Section 62 of the Act, the Company proposes to increase its subscribed capital by the issue of further Shares, such Shares shall be offered—

(i) to persons who, on the date specified under Law, are holders of the Equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid up Share Capital on those Shares by sending a letter of offer subject to the following conditions, namely:

a. the offer shall be made by notice specifying the number of Shares offered and limiting a time, as prescribed under the Act, from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person; and the notice referred to in clause (i) above shall contain a statement of this right; and

c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the Company.

(ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer subject to compliance with applicable provisions of Chapter II of the Act and the Rules framed thereunder.

(b) The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing Shareholders at least 3 (three) days before the opening of the issue.

(c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company:

Provided that the terms of issue of such Debentures or loan include a term providing for such an option have:

(i) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in a General Meeting.

(d) The provisions contained in this Article shall be subject to Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.

(e) Provided that notwithstanding anything hereinbefore contained the further Shares aforesaid may be offered to any persons, whether or not those persons include the persons referred in this Article 8, in any manner whatsoever,

(i) if a Special Resolution to that effect is passed by the Company in General Meetings; or

(ii) where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by the Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting.

7. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

8. ALTERATION OF CAPITAL

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in a General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say:

(a) it may increase its Share Capital by such amount as it thinks expedient.

(b) reclassify unissued preference Share Capital into Equity Share Capital and vice versa.

(c) consolidate and divide all or any of its Share Capital into shares of a larger amount than its existing Shares.

Provided that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.

(d) convert all or any of its fully paid-up Shares into stock and reconvert that stock into fully paid-up Shares of any denomination.

(e) sub-divide its Shares or any of them into shares of smaller amount than is fixed by the Memorandum so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the Share from which the reduced share is derived.

(f) cancel Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. Such cancellation of Shares shall not be deemed to be a reduction of Share Capital.

(g) The Company shall have power, subject to and in accordance with all applicable provisions of the Act and Articles, to purchase any of its own fully paid Shares whether or not they are redeemable and may make payment out of Share Capital in respect of such purchase.

(h) Subject to Applicable Law, the Company may issue Shares; either equity or any other kind with non-voting rights and the resolution authorizing such issue shall prescribe the terms and conditions of that issue.

9. STATUTORY REGISTERS

The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of employee stock options, register of sweat equity shares, register of shares or securities bought back, register of renewed and duplicate share certificate, register of deposits, register of director and KMPs, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

10. COMMISSION AND BROKERAGE

(a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any Securities in accordance with the provisions of the Act.

(b) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in one way and partly in the another.

11. SHARES AT THE DISPOSAL OF THE DIRECTORS

(a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the Shares in the Share Capital of the Company for the time being (including any Shares forming part of any increased Share Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium, at par or at a discount (subject to compliance with Section 53 and Section 54 of the Act) 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 of the Company either at par or premium during such time and for such consideration as the Board thinks fit and may issue and allot Shares of the Company 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 of the Company which may be so allotted may be issued as fully paid up Shares of the Company and if so issued, shall be deemed to be fully paid up Shares. Provided that option or right to call of Shares of the Company shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

(b) If, by the conditions of allotment of any Share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the Shares or by his executor or administrator.

(c) Every Shareholder, or his heirs, executors, or administrators shall pay to the Company, the portion of the capital represented by his Share or Shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

(d) In accordance with the applicable provisions of the Act and the rules:

(i) Every Shareholder or allottee of Shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the Shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of Shares of the Company. Every such certificate shall be signed by either 2 (two) Directors or by a Director and company secretary or any other person authorised by the Board and such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of persons required to sign the same. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupees Twenty (20).

(ii) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its Shares as the case may be. Every certificate of Shares shall be in the form and manner as specified in these Articles and in respect of a Share or Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to the first named joint holder shall be sufficient delivery to all such holders.

(iii) Every certificate shall be under the seal and shall specify the number and distinctive numbers of Shares in respect of which it is issued and the amount paid-up thereon and shall be in the prescribed form under Applicable Law.

(iv) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.

(v) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

12. CALLS ON SHARES

(a) Subject to the provisions of Section 49 and other applicable provisions of the Act, the Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the Shares held by them respectively and each Shareholder shall pay the amount of every call so made to him to the Company and at the times and places appointed by the Board and shall not give the option or right to call on Shares to any person except with the sanction of the Company in the General Meeting.

(b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.

(c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.

(d) The Board may, from time to time, make calls upon the Shareholders in respect of any moneys unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) or by the conditions of allotment thereof made payable at fixed times.

    (i) Each Shareholder shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at time or times and place so specified, the amount called on his Shares.

    (ii) A call may be revoked or postponed at the discretion of the Board.

(e) A call in accordance with the Act on partly-paid Shares, is deemed to have been made at time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

(f) A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by those Members whose names appear on the Register of Members on such date, or, at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.

(g) The Board may from time to time, at their discretion extend the time for the payment of any call and may extend such time as to payment of call for any of the Members, the Directors may deem entitled to such extension save as a matter of grace and favour.

(h) If the sum payable in respect of any call or instalments be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the Share(s) in respect of which a call shall have been made or the instalments shall be due shall pay interest on the same at such rate as the Directors shall fix from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

    (i) The joint Shareholders shall be jointly and severally liable to pay all calls in respect thereof.

    (j) If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at rate as the Board may determine.

    (k) The Board shall be at liberty to waive payment of any such interest wholly or in part.

    (l) Any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of nominal value of the Share or by way of premium, shall, for the purpose of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum become payable.

(m) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

(n) The Board-

(i) may, if it thinks fit, receive from any Shareholder willing to advance the same, all or any part of the moneys uncalled and unpaid upon any Shares held by him; and

(ii) upon all or any moneys advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate (per cent annum), as may be agreed upon between the Board and the Shareholder paying the sum in advance.

(o) The Board may, if it thinks fit (subject to the provisions of the Act) agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the company may pay interest at such rate, as the Member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

However, no Member shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.

(p) The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

(q) Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any Shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any Shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such Shares as herein provided.

(r) The provisions of these Articles shall *mutatis mutandis* apply to the calls on debentures of the company.

On trial or hearing of any action for the recovery of money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the register of the holder of the Shares in respect of which such debts accrued, that the resolution making the calls was duly given to the Members sued, in pursuance of these Articles and it shall not be necessary to prove the appointment of the Directors who made such calls, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of debt.

13. BORROWINGS

Subject to the provisions of these Articles and subject to Applicable Laws:

(a) the Board may from time to time at their discretion raise or borrow from the Directors, Members, or other Persons any sum or sums or money for the purpose of the Company at such interest and/or upon such security or conditions as they may consider proper or expedient.

(b) the Board may raise or secure the payment of repayment of such sum or sums in such manner and upon such terms and conditions in all respect as they think fit and in particular by the issue of debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for time being.

(c) debentures, debenture stock, bonds or other securities may be made assignable free from any equities, between the Company and the Person to whom the same be issued.

(d) subject to the provisions of the Act, any debentures, debenture-stock, bonds 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 special privileges to redemption, surrender, drawings, allotment of Shares, attendance in General Meetings, appointment of Directors or 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.

14. LIEN ON SHARES/DEBENTURES

Subject to the provisions of these Articles, the Company shall have first and paramount lien upon all 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 such Shares/debentures shall operate as a waiver of the Company's lien if any, on such Shares/debentures. The Board may at any time declare any Shares/debentures wholly or in part to be exempt from the provisions of this Article.

Subject to the provisions of these Articles, the Shares of any Member who is indebted to the Company may be sold by a resolution of the Board to satisfy the Company's lien thereon and be transferred to the name of the purchaser without the consent and notwithstanding any opposition on the part of the indebted Member with complete title of the Shares of any such Member which shall be sold and transferred against such indebted Member, and all Persons claiming under him whether he may be deemed to be the holder of such Shares, which shall stand discharged from all dues and calls made prior to such application of the purchase and the purchaser by virtue of such sale and Transfer shall not be bound to see the application of the purchase money not his title to the Shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

The Company lien, if any, on a Share shall extend to all dividends payable thereon and the Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien:

Provided that no sale shall be made –

(i) Unless a sum in respect of which the lien exists is presently payable, or

(ii) Until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered Shareholder for the time being of the Share or the Person entitled thereto by reason of his death or insolvency.

To give effect to any such sale, the Board may authorize some Person to transfer the Shares sold to the purchaser thereof.

(i) The purchaser shall be registered as the Shareholder of the Shares comprised in any such Transfer.

(ii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by irregularity or invalidity in the proceedings in the reference to the sale.

The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the Person entitled to the Shares at the date of the sale.

In exercising its lien, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such Share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

15. TRANSFER OF SHARES

(a) A common form of transfer shall be used for the purpose of transfer of Shares. The instrument of transfer of any Share in the Company shall be executed by or on behalf of both the transferor and transferee. Subject to the provisions of Section 56 of the Act, the rules prescribed there under and these Articles, the Shares in the Company shall be transferred by an instrument in writing in the prescribed form and duly stamped and delivered to the Company within the period prescribed in the Act and provisions of Section 56 of the Act shall be duly complied with in respect of all transfers of Shares and registration thereof.

(b) The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register of Members in respect thereof.

(c) The Board may, subject to the right of appeal conferred by section 58 of the Act, decline to register-

  (i) the transfer of a Share, not being a fully paid up Share, to a Person of whom they do not approve; or
  (ii) any transfer of Shares on which the Company has a lien.

(d) The Board may also decline to recognise any instrument of transfer unless-

  (i) The instrument of transfer is in the form prescribed by the Act;

  (ii) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

  (iii) the instrument of transfer is in respect of only one class of Shares.

(e) Subject to the provisions of section 91 of the Act, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty-five) days in the aggregate in any year.

(f) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of Shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of Shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

(g) Subject to the provisions of these Articles and any other Law for the time being in force, the Directors may refuse (whether in pursuance of any power of the Company under these Articles or otherwise) to register the transfer of or the transmission by operation of law of the right to, any securities or interest of a Member in the Company and 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 the Company, communicate the same to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

(h) A transfer of a Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be valid as if he had been a Member at the time of the execution of the instrument of transfer.

16. TRANSMISSION OF SHARES

(i) On the death of a Shareholder, the survivor or survivors where the Shareholder was a joint Shareholder, and his nominee or nominees or his legal representatives where he was a sole Shareholder, shall be the only Persons recognized by the Company as having any title to his interest in the Shares.

(ii) Nothing in (i) above shall release the estate of a deceased joint Shareholder from liability in respect of any Share which had been jointly held by him with other Persons.

(iii) Any Person becoming entitled to a Share in consequence of the death or insolvency of any Shareholder 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 a Shareholder; or

(b) To make such transfer of the Share as the deceased or insolvent Shareholder could have made.

(iv) 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 Shareholder had transferred the Share before his death or insolvency.

(v) If the Person so becoming entitled shall elect to be registered as a Shareholder himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(vi) If the Person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.

(vii) All the limitations, restriction and provisions of these Articles relating to the right of transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Shareholder had not occurred and the notice or transfer were a transfer signed by that Shareholder.

(viii) A Person becoming entitled to a Share by reason of death or insolvency of the Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payments of all dividends, bonuses or money payable in respect of the Share, until the requirements of the notice have been complied with.

(ix) The Company shall be fully indemnified by such person from all liabilities, if any, by actions taken by the Board to give effect to registration or transfer.

The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

17. BUY-BACK OF SHARES

Notwithstanding anything contained in these Articles, but subject to the provisions of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

18. COMPANY NOT LIABLE TO NOTICE OF EQUITABLE RIGHTS

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Transfer) to the prejudice of persons having or claiming any equitable rights, title or interest in the said Shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

19. FORFEITURE OF SHARES

(a) If any Member fails to pay the whole or any part of any call or instalment or any money due in respect of any Shares either by way of principle or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or instalment or any part thereof of other money as aforesaid remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the Shares by transmission, requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.

(b) The notice aforesaid shall-

(a) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(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 will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not be complied with, any Share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, instalments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other money payable in respect of the forfeited Share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by Applicable Law.

(d) When any Share shall have been so forfeited, an entry of the forfeiture, with the date thereof, shall be made in the Register of Members and notice of the forfeiture shall be given to the Member in whose name they stood immediately prior to the forfeiture but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any entry as aforesaid.

(e) Any Share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.

(f) A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable be liable to pay and shall forthwith pay to the Company all calls, instalments, interest, expenses and other moneys owing upon or in respect of such Shares at the time of forfeiture together with interest thereon from the time of the forfeiture until payment at such rates as the Directors may determine and the Directors may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of forfeiture but shall not be under any obligation to do so.

(g) The liability of such Person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the Shares.

(h) 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.

(i) The forfeiture of a Share shall involve the extinction at the time of the forfeiture of all interest and claims and demands against the Company in respect of the Shares forfeited and all other rights incidental to the Share, except only such of those right as by these presents are expressly saved.

(j) The Directors may, subject to the provisions of the Act, accept a surrender of any Share from or by any Member desirous of surrendering them on such terms and conditions as has been agreed to, between the parties.

(k) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

(l) 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.

(m) The transferee shall thereupon be registered as the Shareholder and 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.

(n) The Board may, at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof, upon such conditions as it thinks fit.

(o) The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, 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.

The provisions of these Articles relating to forfeiture of Shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

20. CONVERSION OF SHARES INTO STOCK

(a) The Company may, by ordinary resolution in General Meeting may-

(i) Convert any paid up Shares into stock; and

(ii) Reconvert any stock into paid up Shares of any denomination.

(b) The holder of the stock may transfer the same or any part thereof in the same manner as, and subject to the Articles under which, the Share from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.

(c) Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.

(d) The holders of the stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

(e) Such of the Articles of the Company (other than those relating to share warrants), as are applicable to paid up Shares shall apply to stock and the words "**Share**" and "**Shareholder**" in those Articles shall include "**stock**" and "**stockholder**" respectively

21. RIGHT TO ISSUE SHARE WARRANTS

The Company may issue share warrants subject to, and in accordance with the provisions of the Act.

(a) The Board may, in its discretion, with respect to any Share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

22. RIGHTS OF WARRANT HOLDERS

(a) The bearer of the share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a Member at any meeting held after the expiry of two (2) clear days from time of the deposit, as if his name were inserted in the Register as the holder of the shares included in the deposited warrant.

(b) Not more than one person shall be recognized as the depositor of the share warrant.

(c) The Company shall, on two (2) days written notice, return the deposited share warrant to the depositor.

Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.

(d) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register as the holder of the shares included in the warrant, and he shall be Member of the Company.

23. BOARD TO MAKE RULES

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

24. ISSUE OF BONUS SHARES

The Company in its General Meeting may resolve to issue bonus Shares to its Members subject to the applicable provisions of the Act and other laws as may be applicable in this behalf from time to time.

25. PROCEEDINGS AT GENERAL MEETING

(a) The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its annual general meeting, at the intervals and in accordance with the provisions of the Act. All General Meetings including annual general meetings shall be convened by giving at least 21 (twenty one) days' clear notice to Shareholders or to the authorised representative of the Shareholders in respect of each meeting of the Shareholders, in writing or through electronic mode in such manner <u>as may be prescribed</u> under the Act. However, any General Meeting may be convened by giving a shorter notice than 21 (twenty one) days with the consent of the Shareholders representing not less than 95% (ninety five percent) of the Members of the Company entitled to vote thereat, in case of annual general meeting and with the consent of the majority in number of the Members entitled to vote, representing not less than 95% (ninety five percent) of paid up capital of the Company in case of Extra ordinary General Meeting. Where a Member is entitled to vote on some resolution or resolutions to be moved at a General Meeting and not on the others, for the computation of the above, such Members shall only be taken into account in respect of the former resolution or resolutions and not in respect of the latter.

(i) All General Meetings other than annual general meetings shall be called extraordinary general meetings.

(ii) The quorum for the General Meeting shall be as prescribed in the Act.

(iii) The Board may, whenever it thinks fit, call an extraordinary General Meeting.

(iv) The Board shall, at the requisition made by such number of Members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up Share Capital of the company as on that date carries the right of voting, call an extraordinary General Meeting of the Company within the period of 21 (twenty one) days from the date of receipt of a valid requisition.

(v) No business shall be transacted at any General Meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business.

(vi) The Chairman of the Board shall preside as chairman at every General Meeting.

(vii) If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman of the meeting, the Directors present shall elect one of the Directors to be the chairman of the meeting.

(viii) If at any meeting no Director is willing to act as chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Shareholders present shall choose one of the Shareholders to be the chairman of the meeting.

(ix) The chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(x) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(xi) When a meeting is adjourned for 30 (thirty) days or more, notice of adjourned meeting shall be given as in the case of an original meeting.

(xii) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

    (i) On any business at any General Meeting, in case of an equality of votes, whether on a show of hands or electronically or a poll, the chairman shall have a second or casting vote.

    (ii) The chairman shall have a second or casting vote in a General Meeting.

    (iii) Any business other than that upon which poll has been demanded may be proceeded with, pending the taking of the poll.

    (iv) General Meetings shall be held in accordance with the provisions of the Act and these Articles of Association. Each Shareholder shall declare to the other Shareholder(s) any interest it has in a matter requiring its consent or on which it is intended to vote in the General Meeting.

    (v) The notice of each General Meeting shall specify the date, time and include an agenda setting out the business proposed to be transacted at the meeting, together with copies of all relevant papers connected therewith and/or proposed to be placed before or tabled at the General Meeting.

(vi) The Company shall cause minutes of all proceedings of every General Meeting, of any class of Shareholders or creditors, and every resolution passed by Postal Ballot, to be kept in accordance with the provisions of Section 118 of the Act by preparing such minutes, within 30 (thirty) days of the conclusion of each such meeting, entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of the Chairman within that period, by a Director duly authorized by the Board for that purpose, in no case the minutes of the proceedings or a meeting shall be attached to any such book as aforesaid by pasting or otherwise. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.

(b) All General Meetings, resolutions put to the vote at the meeting shall be decided in accordance with the Act. Each Shareholder shall have one vote for each Equity Share held by it, and all Shareholders' matters shall be decided in accordance with the Act and the provisions contained in these Articles of Association. Shareholders or their proxies must submit the proxy form, duly completed at or prior to each General Meeting and in accordance with the Act.

(c) The books containing the aforesaid minutes shall be kept at the registered office and be open for inspection by any Members without any charge, during 11.00 AM to 01.00 PM, to the inspection of any Member, on all working days, except Saturdays and Sundays, without charge subject to such reasonable restrictions as the Company may by these Articles or in General Meeting impose in accordance with Section 119 of the Act. Any Member shall be entitled to be furnished, within 7 (seven) days after he had made a request in that behalf to the Company with a copy of the minutes on payment of Rs 10 per page or part of any page. Provided that a Member who has made a request for provision of soft copy in respect of minutes of any previous General Meetings held during a period immediately preceding three financial years shall be entitled to be furnished, with the same free of cost.

26. VOTES OF MEMBERS

(a) Subject to the provisions of the Act:

(i) On a show of hands, every holder of Equity Shares entitled to vote and present in person shall have one vote and upon a poll every holder of Equity Shares entitled to vote and present in person or by proxy shall have voting rights in proportion to his Share in the paid-up equity Share Capital of the Company.

(ii) Every holder of a preference share in the Share Capital of Company shall be entitled to vote at a General Meeting of Company only in accordance with the limitations and provisions laid down in Section 47(2) of the Act:

(b) Subject to the provisions of the Act and these Articles, votes may be given either personally or by proxy (only on poll) or in the case of a body corporate also by a representative duly authorized under Section 113 of the Act. A Member may exercise his vote at a General Meeting by electronic means in accordance with Section 108 of the Act and rules prescribed under the Act, the Listing Regulations and shall vote only once.

(c) In case of joint Shareholders, the vote of the senior who tenders the vote, whether in a person or in a proxy, shall be accepted to the exclusion of votes of the other joint Shareholders.

(d) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members. Where there are several executors or administrators of a deceased Member in whose sole name any Shares stand, any one of such executors or administrators may vote in respect of such Shares unless any other of such executors is present at the meeting at which such vote is tendered and object to the votes in which case no such vote shall be exercised except with the unanimous consent of all the executors or administrators present.

(e) Subject to the provisions of the Act, no Member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or be reckoned in a quorum whilst any call or other sums shall be due and payable to the Company in respect of any of the Shares of such Member, or in regard to which the Company has exercised any right of lien.

(f) 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.

(g) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

(h) The instrument appointing proxy and the power of attorney or other authority, if any under which it is signed or a notarised certified copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote, or in the case of the poll, not less than 24 hours before the time appointed for the taking of the poll; and in the default the instrument of proxy shall not be treated as valid. One Member shall be entitled to appoint only one proxy for his entire Shareholding.

(i) An instrument appointing proxy shall be in Form MGT-11 as provided in Rule 19 of the Companies (Management and Administration) Rules, 2014, and in compliance with Section 105(6) of the Companies Act, 2013.

(j) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting at which the proxy is used.

27. BOARD OF DIRECTORS

(i) Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a Special Resolution in a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Regulations, as amended. The Board shall have an optimum combination of executive, non-executive and independent directors, including at least 1 (one) woman Director, and as may be prescribed by Law from time to time.

The first Directors of the Company are:

1. Mayurdhvaj Jadeja and

2. Mina M. Jadeja

The Board shall have the power to determine the Directors whose period of office is or is not liable to determine by retirement of Directors by rotation.

(ii) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.

(iii) The remuneration payable to the Directors, including any managing or whole time Director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in General Meeting.

(iv) Subject to provisions contained in Section 197 of the Act, if any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a Member of any committee formed by the Director(s) the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration, subject to provisions of the Act and confirmation by the Company in General Meeting.

(v) If it is provided by any trust deed, security or otherwise, in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director or Directors of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director or Directors accordingly. Any Director so appointed is herein referred to as "Debenture Director". A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification Shares. A Debenture Director shall not if so agreed by the company be liable to retire by rotation; but shall automatically cease to hold office as a Director if and when the debentures are fully discharged.

(vi) 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 meeting of the Company; or

(b) in connection with the business of the Company.

(vii) The Directors need not hold any qualification Share.

(viii) The Company may exercise the powers conferred by the Act with regard to having an official Seal for use abroad, and such powers shall be vested in the Board.

(ix) The Company may exercise the powers conferred on it by section of the Act with regard to a keeping of a foreign register; and the Board may (subject to the provision of those sections) make and vary such regulation as it may think fit respecting the keeping of such register.

(x) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instrument, and all receipts for money paid to Company, shall be signed drawn, accepted, endorsed, or otherwise executed, as the case may be, by such Person and such manner as the Board shall from time to time by resolution determine.

(xi) Every Director present at the meeting of the Board shall sign his name in the book to be kept for that purpose, and the company secretary or the Chairman shall record the presence of Director present through video conferencing.

(xii) Subject to the provisions of Section 161 and other applicable provisions (if any) of the Act, the Directors shall have power at any time and from time to time to appoint a person or persons, other than a person who fails to get appointed as a Director in a General Meeting, as additional Director or Directors. Such Additional Director shall hold office only up to the date of the next annual general meeting of the Company or the last date on which the annual general meeting should have been held, whichever is earlier, but shall be eligible for re- election at that meeting as a Director, provided that the number of Directors and the Additional Director together, shall not exceed the maximum strength fixed by the Board under these Articles. Further, in accordance with the provisions of the Act, Board may appoint the alternate Directors and Nominee Directors.

(xiii) Subject to provisions of the relevant laws and these Articles, not less than 2/3rd of the total number of Directors for the time being shall be those whose period of office is liable for determination of retirement by rotation, and their appointment shall, save as otherwise expressly provided in their presence, be in the General Meeting.

(xiv) Circular Resolution: Subject to as expressly provided in the Act, a resolution by circulation shall be as valid and effectual provided it is compliant with the secretarial standard on meetings of the Board of Directors as a resolution duly passed at a meeting of the Directors called and held, provided it has been circulated in draft form, together with the relevant papers, if any, to all the Directors and has been approved by a majority of the Directors entitled to vote thereon.

(xv) Participation through Video Conferencing or other audio visual means: In accordance with Rule 3 of the Companies (Meetings of Board and its Powers), Rules, 2014 and other applicable provisions, the Directors may participate in relevant meetings through video conferencing or other audio visual means, provided that such Director, who desires to participate through video conferencing or other audio visual means, shall give prior intimation to that effect sufficiently in advance so that the Company is able to make suitable arrangements in that behalf. However, the Company shall not deal with the matters as prescribed under Rule 4 of the Companies (Meeting of Board and its Powers) Rules, 2014 through video conferencing or other audio visual means, provided that where there is quorum in a meeting through physical presence of Directors, any other Director may participate through video conferencing or other audio visual means.

(xvi) The Directors may, from time to time, at their discretion raise or borrow for the purpose of the Company's business such sum of money as they think fit. The Directors may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future including the uncalled capital or by the issue, at such price as they may think fit, of bonds or debentures of debentures-stock, either charged upon the whole or any part of the property and assets of the Company or not so charged or in such other way as the Directors may think expedient.

(xvii) The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers of the Company, as the Company by its memorandum of association or otherwise and to do such acts and things as are allowed under the Act, or any other Applicable Law, required to be exercised by the Company in General Meeting, subject nevertheless to these Articles and memorandum of association the Company, the provisions of the act, or any other act and to such regulation being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting, shall invalidate any prior of the Board which would have being valid if that regulation had not been made.

(xviii) The Directors may, from time to time, accept deposits from Shareholders (either in advance of calls or otherwise) and from Persons and generally raise or borrow any sums of money for the purpose of the Company from the Shareholders or other Persons, or the Directors may themselves advance money to the Company on such interest as may be approved by the Board.

(xix) The Directors may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respect as they deem fit and in particular by the issue of debentures, bonds of the Company or any mortgage, charge hypothecation, pledge, lien or other security of all or any part or portion of the property of the Company and the uncalled for the time being.

(xx) The Directors, may grant retiring Persons, pension or annuities or other allowances, including allowance on death to any Person or to the widow or dependents of any Person in respect of services rendered by him to the Company as Managing Directors, manager or as an officer, or employee of the Company, or of any Subsidiary company(ies) or of its holding company (if any) notwithstanding that he may have been a Director and may make any payments toward insurance or trusts for such purpose in respect of such pensions, annuities and allowances in terms of engagement of such Persons.

(xxi) Subject to the provisions of the Act and notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the financing company or body or financing corporation or credit corporation or bank or any insurance corporation (each such financing company or body of financing corporation of credit corporation or any insurance corporation is herein after referred to as financial institution) out of any loans granted by the financial institution to the Company or so long as the financial institution hold Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the financial institution on behalf of the Company remains outstanding the financing institution shall have a right to appoint from time to time, its nominee/s as a Director or Directors (which Director or Directors is/are hereinafter referred to as nominee Director/s) on the Board of the Company and to remove from such office the nominee Director/s so appointed, and the time of removal and also in the case of death or resignation of the nominee Director/s appointed at any time appoint any other Person/Persons in his/her place and also fill any vacancy which may occur as a result of such Director/ceasing to hold office for any reasons whatsoever; such appointment or removal shall be made in writing on behalf of the financial institution appointing such nominee Director/s and shall be delivered to the Company at its registered office.

(xxii) Subject to the provisions of the Act and of these Articles, the Board shall have the power to appoint from time to time any one or more of its Directors as Managing Directors, whole time directors of the Company in accordance with the provisions of the Act and upon such terms and conditions as the Board think fit, the Board may by resolution vest in such Managing Director/s or whole time director/s such of the powers hereby vested in the Board generally as it thinks fit, as such power may be exercisable for such conditions and subject to such restriction as it may determine. The remuneration of managing director/s, and whole time director/s may be by way of monthly payment, fee for each meeting or participation in profits, or by all or any these modes or any other mode not expressly prohibited by the Act.

(xxiii) A Director may be paid a sitting fee for each meeting of the Board or committee of the Board attended by him in accordance with the provisions of the Act. It is further provided that the Directors may be paid different sitting fee for attending physical Board Meeting and meeting through video conferencing.

(xxiv) Subject to the provisions of Section 161(4), 169(7) and other applicable provisions (if any) of the Act, any casual vacancy occurring in the office of a Director before the term of office of such Director expires, may be filled up by the Directors at a meeting of the Board. Any person so appointed would have held office, if the vacancy had not occurred and shall hold office only upto the date which the Director in whose place he is so appointed would have held office if it had not been vacated. Provided that, where a vacancy is created by removal of a Director, the Director who was removed from office shall not be re-appointed as the Director by the Board.

(xxv) Vacation of Office of Director: The office of the Director shall ipso facto become vacant if at any time he commits any of the acts set out in the Section 167 of the Act.

(xxvi) Subject to the applicable provisions of the Act, a Director may resign from his office at any time by notice in writing addressed to the Board.

28. PROCEEDINGS OF BOARD MEETINGS/ COMMITTEE

(a) The Board of Directors shall meet at least four times in a year for the dispatch of business, adjourn and otherwise regulate its meeting and proceeding as it thinks fit provided that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

Subject to requirements of notice as prescribed in these Articles, the Managing Director or the Chairman, or the company secretary of the Company or any other officer as may be authorized in this regard, may at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director, inter-alia through email.

(b) 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.

(c) At least seven days written notice shall be given to each of the Directors including the alternate Directors in respect of each meeting of the Board, at the address notified from time to time by each Director of the Company, or through e-mail at their registered e-mail id.

Provided that a meeting of the Board may be called at shorter notice, in accordance with the Act, to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting.

Provided further that in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director, if any.

(d) The notice of each Board Meeting shall specify the date, time and include an agenda setting out the business proposed to be transacted at the meeting, together with copies of all relevant papers connected therewith and/or proposed to be placed before or tabled at the Board Meeting. Notice of the Board Meeting shall be sent at least 7 (seven) days in advance to each of the Directors.

(e) Minutes of each meeting of the Board shall be recorded in English and kept by the Company in accordance with Applicable Law.

(f) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of the votes.

(g) The chairman of the Board ("**Chairman**") shall be one of the Directors appointed by the Board for the purpose of the Board Meeting. The Chairman shall have a second or casting vote.

(h) If no such Chairman is elected, or if at any meeting the Chairman is not present within 30 minutes after the time appointed for holding the meeting, the Directors present may choose one of them to be chairman of the meeting.

(i) Subject to the provisions of the Act and related regulations, the Board may from time to time, constitute committees of the Board and may determine their functions, powers, authorities and responsibilities. Such a committee may elect a chairman of its meetings and if no such Chairman is elected, or if at any meeting the Chairman is not present within 30 minutes after the appointed time for the meeting, the Members present may choose one of their Members as the Chairman for that meeting.

(j) All acts done by 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 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.

(k) Subject to the provisions of the Act and other provisions of these Articles-

(i) A chief executive officer, manager,companysecretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager company secretary or chief financial officer so appointed may be removed by the Board;

(ii) A Director may be appointed as chief executive officer, managercompanysecretary or chief financial officer.

(l) A provision of the actor regulations, or these Articles requiring or authorizing a thing to be done by or to a Director or a manager or company secretary or chief executive officer or chief financial officer shall not be satisfied by its being done by or to some Person acting both as Director and as or in the place of, the manager or company secretary or chief executive officer or chief financial officer.

29. POWER AND DUTIES OF MANAGING DIRECTORS AND WHOLE TIME DIRECTORS

The Managing Director/whole-time director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these Articles by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

30. REMOVAL OF DIRECTORS

(a) The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles remove any Director before the expiry of his period of office, by passing an ordinary resolution.

(b) Special notice as provided by Section 115 of the Act and Rule 23 of the Companies (Management and Administration) Rules, 2014, shall be given, of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.

(c) On receipt of notice of any such resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of the Company) shall be entitled to be heard on the resolution at the meeting.

(d) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto, representation in writing to the Company and requests its notification to Members of the Company, the Company shall unless the representation is received by it too late for it to do (a) in the notice of the resolution given to the Members of the Company state the fact of the representation having been made and (b) send a copy of the representation to every Member of the Company to whom the notice of the meeting has been sent (whether before or after receipt of the representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting. Provided that copies of the representation shall not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.

(e) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, be filled by the appointment of another Director in his place by the meeting at which he is removed provided Special Notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.

(f) If the vacancy is not filled under clause (e) it may be filled as casual vacancy in accordance with the provisions (in so far they are applicable) of the Act.

(g) A Director who was removed from office under this Article shall not be re-appointed as Director by the Board of Directors.

(h) Nothing contained in this Article shall be taken:

(i) as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment terminating with that as Director, or

(ii) as derogating from any power to remove a Director which may exist apart from this Article.

31. SHAREHOLDER MEETINGS

(a) Frequency and Location

Subject to the provisions of the Act, the Company shall hold at least 1 (one) General Meeting to be called as annual general meeting in any given calendar year within 6 (six) months following the end of the previous Financial Year. All General Meetings shall be governed by Applicable Laws, the provisions of these Articles and Memorandum of Association. All other General Meetings, other than the annual general meeting shall be extraordinary general meetings. Annual general meeting and extraordinary general meetings will be held at the registered office of the Company or elsewhere subject to Applicable Laws.

(b) Venue, Day and Time for holding General Meeting

(i) Every annual general meeting / extraordinary general meeting shall be called during such hours, on such day, at such place and in such manner as may be prescribed under the Act.

(ii) Every Member of the Company shall be entitled to attend the General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at a General Meeting in which any business is conducted which concerns him as Auditor. The Directors are also entitled to attend the General Meeting.

(c) In case an extraordinary general meeting is called on requisition, upon the receipt of such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty one) days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than 45 (forty five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

(i) An extraordinary general meeting called by the requisitionists shall be called in the same manner, as nearly as possible, as that in which a meeting is called by the Board.

(ii) The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

(iii) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

(iv) The General Meeting called under this Article shall be subject to and will be held in accordance with the provisions contained under the Act.

(d) Notice

Prior written notice of at least twenty one (21) clear days for a General Meeting shall be given to all Shareholders of the Company, provided however, that any General Meeting may be held upon shorter notice in accordance with the provisions of the Act. All notices for General Meetings shall be issued in compliance with Applicable Laws and shall be accompanied by an agenda setting out the particulars of the businesses proposed to be transacted at such meeting, in the business proposed to be transacted at such meeting.

(e) Quorum

The quorum for a General Meeting shall be constituted by the presence, "in Person", of such number of Shareholders as required under the Act. If, within half-an-hour of the time appointed for the meeting, a quorum is not present, the meeting shall be adjourned and reconvened for the date that falls 7 (seven) days after such adjourned meeting at the same time and place, or to such other date and such other time and place as determined by the Board, it being understood that the agenda for such adjourned meeting shall remain unchanged and the quorum for such adjourned meeting shall be the same as required for the original meeting. At the said adjourned General Meeting, if the quorum is not present within half-an-hour from the time appointed for the said adjourned General Meeting, the Members present shall constitute a valid quorum.

(f) Voting

(i) Subject to the provisions of the Act, a Shareholder shall be entitled to exercise its right to vote at General Meetings by proxy and/or by an authorized representative, and such proxy or authorized representative need not be a Shareholder.

(ii) Subject to Applicable Law, all decisions of the Shareholders shall be made by ordinary or special resolutions, as required under the Act.

(g) Adoption of Financial Statements

The Board shall provide the audited Financial Statements of the Company's previous Financial Year to all Shareholders in accordance with the Act before the annual general meeting is held to approve and adopt the audited Financial Statements, unless shorter notice consent has been granted by the Members.

32. DIVIDEND

(a) The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

(b) Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends of such amount on such class of Shares and at such times as it may think fit.

(c) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it think fit as a reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, think fit.

(d) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

(e) Subject to the rights of persons, if any, entitled to Shares with special right as to dividends, all dividend shall be declared and paid accordingly to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the company, dividends may be declared and paid according to the amount of the Shares.

(f) 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.

(g) 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.

(h) 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.

(i) The Board may retain dividends payable upon Shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such Shares.

(j) Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holder 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.

(k) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(l) 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 a 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.

(m) Any one of two or more joint holders of a Share may give effective receipts for any dividend, bonuses or other monies payable in respect of such Shares.

(n) Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

(o) No dividend shall bear interest against the Company.

(p) The waiver in whole or in part of any dividend on any Share by any document (whether or not under seal) shall be effective only if such document is signed by the Member (or the person entitled to Share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

33. UNPAID OR UNCLAIMED DIVIDEND

(a) Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 (thirty) days, 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 transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under Section 125 of the Act.

(b) No unclaimed or unpaid dividend shall be forfeited by the Board.

34. WINDING UP

Subject to the applicable provisions of the Act and rules made thereunder, if the company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets may be divided by the liquidator, with the sanction of a special resolution of the Company, and any other sanction required by the Act, 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.

For the purpose aforesaid, the liquidator may set such values 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. The liquidator may, with the like sanction, vest the whole or any part of such assets trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit but so that no Member shall be compelled to accept any Shares or other securities whereon there is any liability.

35. CAPITALISATION OF PROFITS

(a) The Company in General Meeting may, upon the recommendation of the Board, resolve:

(i) That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve account, or to the credit of the profit and loss account, or otherwise available for distribution; and

(ii) That such sum be accordingly set free for distribution amongst the Shareholders who would have been entitled thereto, if distributed in the way of dividend and in the same proportions.

(b) Whenever such a resolution as aforesaid shall have been passed, the Board shall-

(i) Make all appropriations and application of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid Shares if any; and.

(ii) Generally do all acts and things required to give effect thereto.

36. APPOINTMENT OF AUDITOR

Subject to the provisions of Section 139 of the Act and Rule 3 of the Companies (Audit and Auditors) Rules, 2014,

(i) The Company shall at an annual general meeting appoint an auditor or auditors to hold office for a maximum period of 5 (five) consecutive years or an auditor firm for a more than 2 (two) terms of five consecutive years. The Company shall appoint and reappoint auditor or auditors or auditor firm in terms of Applicable Law.

(ii) Rights and duties of the auditors shall be regulated in accordance with Section 143 of the Act.

(iii) Subject to Section 137 and other provisions of the Companies Act, at least once every year, the Financial Statements of the Company shall be audited and the correctness of the Financial statements shall be ascertained by one or more auditor or auditors.

Every audited Financial Statements of the Company shall be adopted at an annual general meeting of the Company.

37. MISCELLANEOUS

INDEMNITY

Subject to provisions of the Act, the Chairman, Directors, Auditors, Managing Directors and other officers for the time being of the Company and any trustees for the time being acting in relation to any of the affairs of the Company and their heirs and executors, shall be indemnified out of the assets and funds of the Company from or against all bonafide suits, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or about the execution of their duties in their respective offices except those done through their wilful neglects or defaults of any other officer or trustee.The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and KMP's 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.

(a) General Authority

Where the Act requires that a company cannot undertake any act or exercise any rights or powers unless expressly authorized by its articles, these Articles shall in relation to the Company, be deemed to confer such right, authority or power.

(b) Common Seal

(i) The Directors shall provide a common seal for the purpose of the company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Directors shall provide for safe custody of the Seal. The Seal shall not be affixed to any instrument, if so required except by authority of resolution of the Board or a committee of the Board authorised by it in that behalf and except in the presence of at least 1 (one) Director and that 1 (one) Director shall sign every instrument to which the seal of the Company is so affixed in his presence. Share certificates will, however, be signed and sealed in accordance with Rule 5(3) of Companies (Share Capital and Debentures) Rules, 2014.

(ii) Provided that the certificates of Shares or debentures shall be sealed in the manner and in conformity with the provisions of the Act or any statutory modification thereof for the time being in force.

(iii) The Company shall also be at liberty to have an official seal in accordance with the Act for use in any territory, district or place outside India and such power shall accordingly be vested in the Directors or by or under the authority of the Directors granted, in favour of any person appointed for the purpose in that territory, district or place outside India.

38. POWER TO ESTABLISH BRANCH OFFICES

The Company shall have the power to establish branch offices (as defined under the Act).

39. AUTHENTICATION OF DOCUMENTS AND PROCEEDINGS

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company or contracts made by or on behalf of the Company may be signed by the KMP or an officer duly authorised by the Board.

40. NOT RESPONSIBLE FOR ACTS OF OTHERS

Subject to the provisions of the Act, no Director or other officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own willful act or default.

41. FILING FEES

Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company

42. SECRECY

No Shareholder shall be entitled to visit or inspect any work of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's secret process or any other matter which is or may be in the nature of a trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

43. ALTERATION IN ARTICLES OF ASSOCIATION

The Company, may from time to time alter, add to amend or delete any of the existing Articles or may add a new Article thereto or adopt a new set in accordance with the provisions of the Act.

SECTION XI - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company, which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Issue

1. Registrar Agreement dated July 31, 2019, entered into between our Company, the Selling Shareholders and the Registrar to the Issue.
2. Issue Agreement dated August 7, 2019 entered into between our Company, the Selling Shareholders and the BRLMs.
3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into between our Company, the Selling Shareholders, the Registrar to the Issue, the BRLMs and the Banker(s) to the Issue.
4. Share Escrow Agreement dated [●] entered into between the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] entered into between our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.
6. Agreement dated [●] entered into between our Company and the Monitoring Agency.
7. Underwriting Agreement to be entered into between our Company, the Selling Shareholders, and the Underwriters.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated December 15, 1988.
3. Fresh certificate of incorporation on change of name dated July 27, 2004.
4. Fresh certificate of incorporation consequent upon conversion to public limited company dated April 10, 2019.
5. Resolution of the Board of Directors dated June 14, 2019 in relation to the Issue and other related matters.
6. Resolution of the Shareholders of our Company dated June 14, 2019 approving the Fresh Issue.
7. Resolution of the Board of Directors of our Company dated August 7, 2019 approving the Draft Red Herring Prospectus.
8. Consent letter dated July 18, 2019 from Kamalkumar Rajendra Aggarwal, as a Selling Shareholder in relation to the Offer for Sale.

9. Consent letter dated July 18, 2019 from Naresh Vijaykumar Goyal, as a Selling Shareholder in relation to the Offer for Sale.

10. Consent dated June 19, 2019 from Frost & Sullivan to rely on and reproduce part or whole of the Frost & Sullivan Report and include their name in this Draft Red Herring Prospectus.

11. Consent dated August 6, 2019, from the Statutory Auditors namely, K.C. Mehta & Co., Chartered Accountants, to include their name as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditors and in respect of the: (i) Restated Financial Statements and their examination report dated July 18, 2019 on the Restated Financial Statements; (ii) the statement of possible special tax benefits dated August 6, 2019 included in this Draft Red Herring Prospectus; and (iii) the certificate dated August 6, 2019 in relation to the capital expenditure incurred by our Company as on July 31, 2019 towards the expansion of the Manufacturing Facility proposed to be financed utilising a portion of the Net Proceeds, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

12. The statement of possible special tax benefits dated August 6, 2019 from the Statutory Auditors.

13. Industry report titled "Independent Market Report- Global Pharmaceuticals Intermediates and Oilfield Chemicals Market" dated June 19, 2019 prepared by Frost & Sullivan.

14. The certificates issued by N.G Vithalani, Chartered Engineer, both dated July 31, 2019, on the: (a) capacity details of the existing plants at our Manufacturing Facility; and (b) the estimated cost and capacity details of the additional plants to be constructed at our Manufacturing Facility, respectively.

15. Copies of annual reports of our Company for the preceding three Fiscals.

16. Consent of the Directors, BRLMs, Syndicate Members, our previous Statutory Auditor, M/s Shah Mehta and Bakshi, Chartered Accountants, the Legal Counsel to the Issue, Registrar to the Issue, Banker(s) to the Issue, Banker to our Company, Company Secretary and Compliance Officer, N.G Vithalani, Chartered Engineer and our customers, as referred to in their specific capacities.

17. Personal guarantee issued by Kamalkumar Rajendra Aggarwal and Naresh Vijaykumar Goyal to HDFC Bank Limited.

18. Tripartite agreement dated December 31, 2018, among our Company, NSDL and the Registrar to the Issue.

19. Tripartite agreement dated February 11, 2019, among our Company, CDSL and the Registrar to the Issue.

20. Due diligence certificate dated August 7, 2019 addressed to SEBI from the BRLMs.

21. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Kamalkumar Rajendra Aggarwal
(Chairman and Managing Director)

Navdeep Naresh Goyal
(Deputy Managing Director)

Rajesh Chimanlal Gandhi
(Whole-Time Director and Chief Financial Officer)

Himanshu Purohit
(Whole-Time Director)

Rajveer Aggarwal
(Whole-Time Director)

Lalit Chaudhary
(Independent Director)

Bharat Shah
(Independent Director)

Neelu Shah
(Independent Director)

Devendra Rajkumar Mangla
(Independent Director)

Samir Chandrakant Patel
(Independent Director)

Place: Vadodara

Date: August 7, 2019

DECLARATION

I, the undersigned, Kamalkumar Rajendra Aggarwal, as a Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself and the Equity Shares being offered by me in the Issue are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

Kamalkumar Rajendra Aggarwal

Place: Vadodara

Date: August 7, 2019

DECLARATION

I, the undersigned, Naresh Vijaykumar Goyal, the undersigned, acting as a Selling Shareholder hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself and the Equity Shares being offered by me in the Offer for Sale are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

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Naresh Vijaykumar Goyal

Place: Vadodara

Date: August 7, 2019