(Please scan this QR code to view the Draft Red Herring Prospectus)

DRAFT RED HERRING PROSPECTUS
Dated August 21, 2023
Please read section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

Shiva

SHIVA PHARMACHEM LIMITED

CORPORATE IDENTITY NUMBER: U24231GJ1999PLC035615

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
12th Floor, SHIVA, Sarabhai Complex, Dr. Vikram Sarabhai Marg, Vadiwadi, Vadodara – 390 023, Gujarat, India	Tarang Maru *(Company Secretary and Compliance Officer)*	**Telephone**: +91 265 2335432 **Email**: shivacs@shivapharmachem.com	www.shivapharmachem.com

OUR PROMOTERS: RAKESH SHIWEBHAGWAN AGRAWAL, VISHAL RAKESH AGRAWAL, RAHUL RAKESH AGRAWAL, RAKESH AGRAWAL FAMILY TRUST, VISHAL AGRAWAL FAMILY TRUST AND RAHUL AGRAWAL FAMILY TRUST

DETAILS OF THE OFFER

TYPE	FRESH ISSUE SIZE	SIZE OF THE OFFER FOR SALE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QUALIFIED INSTITUTIONAL BUYERS, NON-INSTITUTIONAL BIDDERS AND RETAIL INDIVIDUAL BIDDERS
Offer for Sale	Not applicable	Up to [●] Equity Shares aggregating up to ₹ 9,000.00 million	Up to ₹ 9,000.00 million	This Offer is being made in compliance with Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”). For details of share reservation among Qualified Institutional Buyer (“**QIBs**”), Non-Institutional Bidders (“**NIBs**”) and Retail Individual Bidders (“**RIBs**”), see section titled “*Offer Structure*” on page 430.

DETAILS OF THE OFFER FOR SALE

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED/AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION [(1)] (IN ₹ PER EQUITY SHARE)
Vishal Rakesh Agrawal	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 3,830.00 million	0.12
Rahul Rakesh Agrawal	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 3,830.00 million	0.20
Geetganga Investment Private Limited	Promoter Group Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 1,340.00 million	1.37

[(1)] *As certified by Talati & Talati LLP, Chartered Accountants, pursuant to their certificate dated August 21, 2023.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 2 each. The Offer Price, Floor Price and Cap Price (as determined by our Company and the Selling Shareholders in consultation with the BRLMs) on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations, as stated under the section titled “*Basis for Offer Price*” on page 104, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active 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 Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have 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 Bidders is invited to the section titled “*Risk Factors*” on page 28.

ISSUER’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

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

Shareholder assumes no responsibility for any other statements, including, *inter alia*, any of the statements made by or relating to our Company or in relation to our business in this Draft Red Herring Prospectus.

LISTING

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

BOOK RUNNING LEAD MANAGERS

LOGO OF THE BRLM	NAME	CONTACT PERSON	EMAIL AND TELEPHONE
JM FINANCIAL	**JM Financial Limited**	Prachee Dhuri	**Telephone**: +91 22 6630 3030 **E-mail**: shiva.pharmachem@jmfl.com
kotak® Investment Banking	**Kotak Mahindra Capital Company Limited**	Ganesh Rane	**Telephone:** +91 22 4336 0000 **E-mail:** shivapharma.ipo@kotak.com

REGISTRAR TO THE OFFER

NAME	CONTACT PERSON	EMAIL AND TELEPHONE
Link Intime India Private Limited	Shanti Gopalkrishnan	**Telephone:** +91 810 811 4949 **E-mail**: shivapharmachem.ipo@linkintime.co.in

BID/OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE	[●]	BID/OFFER OPENS ON	[●]	BID/OFFER CLOSES ON	[●]**#

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

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

#The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.

DRAFT RED HERRING PROSPECTUS
Dated August 21, 2023
Please read section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

SHIVA PHARMACHEM LIMITED

Our Company was originally incorporated as "*Shiva Pharmachem Private Limited*" at Ahmedabad, Gujarat as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated March 18, 1999 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Thereafter, our Company was converted into a public limited company, approved *vide* a shareholders' resolution dated February 18, 2010 pursuant to which the name of our Company was changed to "*Shiva Pharmachem Limited*" and a fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at Ahmedabad on June 30, 2010. Subsequently, the name of our Company was changed to "*SPPL India Limited*" and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at Ahmedabad on April 1, 2011, approved *vide* a shareholders' resolution dated March 14, 2011. The name of the Company was then changed to its present name "*Shiva Pharmachem Limited*" pursuant to a fresh certificate of incorporation consequent upon change of name by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at Ahmedabad dated July 4, 2011, approved *vide* a shareholders' resolution dated June 2, 2011.

Registered and Corporate Office: 12th Floor, SHIVA, Sarabhai Complex, Dr. Vikram Sarabhai Marg, Vadiwadi- Vadodara 390 023, Gujarat, India;
Contact Person: Tarang Maru, Company Secretary and Compliance Officer; **Telephone**: +91 265 2335432;
E-mail: shivacs@shivapharmachem.com; **Website**: www.shivapharmachem.com; **Corporate Identity Number**: U24231GJ1999PLC035615

THE PROMOTERS OF OUR COMPANY ARE RAKESH SHIWEBHAGWAN AGRAWAL, VISHAL RAKESH AGRAWAL, RAHUL RAKESH AGRAWAL, RAKESH AGRAWAL FAMILY TRUST, VISHAL AGRAWAL FAMILY TRUST AND RAHUL AGRAWAL FAMILY TRUST

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF SHIVA PHARMACHEM LIMITED ("OUR COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ 9,000.00 MILLION ("OFFER") THROUGH AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,830.00 MILLION BY VISHAL RAKESH AGRAWAL, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,830.00 MILLION BY RAHUL RAKESH AGRAWAL (COLLECTIVELY, "PROMOTER SELLING SHAREHOLDERS") AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 1,340.00 MILLION BY GEETGANGA INVESTMENT PRIVATE LIMITED ("PROMOTER GROUP SELLING SHAREHOLDER") (THE PROMOTER SELLING SHAREHOLDERS AND PROMOTER GROUP SELLING SHAREHOLDER, COLLECTIVELY REFERRED TO AS "SELLING SHAREHOLDERS" AND SUCH OFFER FOR SALE BY THE SELLING SHAREHOLDERS, "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE [•] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED GUJARATI DAILY NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

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

The Offer 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 SEBI ICDR Regulations. This Offer 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 Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**" and such portion, "**QIB Portion**"), provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**"). 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 in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than Anchor Investor Portion) ("**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, (a) not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders (out of which one third shall be reserved for Bidders with Bids exceeding ₹ 0.2 million and up to ₹ 1 million and two-thirds shall be reserved for Bidders with Bids exceeding ₹ 1 million) and (b) not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders ('**RIBs**') in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders, other than Anchor Investors, are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID in case of UPI Bidders (defined hereinafter), which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or the Sponsor Bank(s), as the case may be, to the extent of their respective Bid Amounts. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see the section titled "*Offer Procedure*" on page 433.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 2 each. The Offer Price, Floor Price and Cap Price as determined by our Company and the Selling Shareholders in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under section titled "*Basis for Offer Price*" on page 104, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active 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 Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have 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 Bidders is invited to the section titled "*Risk Factors*" on page 28.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the Registrar of Companies, Gujarat at Ahmedabad ("**RoC**") in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/Offer Closing Date, see the section titled "*Material Contracts and Documents for Inspection*" on page 507.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi Mumbai – 400 025, Maharashtra, India **Telephone**: +91 22 6630 3030 **E-mail**: shiva.pharmachem@jmfl.com **Investor grievance E-mail**: grievance.ibd@jmfl.com **Website**: www.jmfl.com **Contact person**: Prachee Dhuri **SEBI registration number**: INM000010361	**Kotak Mahindra Capital Company Limited** 1st Floor, 27 BKC Plot No. C-27, 'G' Block, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051, Maharashtra, India **Telephone:** +91 22 4336 0000 **E-mail:** shivapharma.ipo@kotak.com **Investor grievance E-mail:** kmccredressal@kotak.com **Website:** https://investmentbank.kotak.com **Contact person:** Ganesh Rane **SEBI registration number:** INM000008704	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai – 400 083, Maharashtra, India **Telephone**: +91 810 811 4949 **E-mail**: shivapharmachem.ipo@linkintime.co.in **Investor grievance E-mail**: shivapharmachem.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Contact person**: Shanti Gopalkrishnan **SEBI registration number**: INR000004058

BID/OFFER PROGRAMME

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

**Our Company and the Selling Shareholders in consultation with the BRLMs may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
***Our Company and the Selling Shareholders in consultation with the BRLMs may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*
#*The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date*

TABLE OF CONTENTS

SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below, and references to any legislation, act, regulation, rules, guidelines, directions, circulars, notifications, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, directions, circulars, notifications, clarifications or policies 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 Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Further, the Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document (as defined below). In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Notwithstanding the foregoing, terms in "Description of Equity Shares and Terms of the Articles of Association", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "Basis for Offer Price", "Financial Information" and "Outstanding Litigation and Material Developments" on pages 455, 114, 119, 206, 104, 253 and 402 respectively, will have the meaning ascribed to such terms in those respective sections.

General terms

Term	Description
our Company/ the Company, the Issuer	Shiva Pharmachem Limited, a public limited company incorporated under the Companies Act, 1956, having its Registered and Corporate Office at 12th Floor, SHIVA, Sarabhai Complex, Dr. Vikram Sarabhai Marg, Vadiwadi-Vadodara– 390 023, Gujarat, India
we/us/ our	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries on a consolidated basis. However, for the purpose of the Restated Consolidated Financial Information, all references to such terms includes our Company, our subsidiaries which existed for that relevant Financial Year

Company and Selling Shareholders related terms

Term	Description
AoA/Articles of Association or Articles	The articles of association of our Company, as amended
Audit Committee	Audit committee of our Board, described in section titled "*Our Management-Committees of our Board"* on page 231
Auditors/ Statutory Auditors	The statutory auditors of our Company, being Talati & Talati LLP, Chartered Accountants
Board/ Board of Directors	The board of directors of our Company, as constituted from time to time
Chief Financial Officer/ CFO	The chief financial officer of our Company, being Anil Shantilal Inani. For further information, please see "*Our Management- Key Managerial Personnel*" on page 239
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Tarang Maru. For further information, please see sections titled "*General Information*" and "*Our Management- Key Managerial Personnel*" on pages 76 and 239 respectively
CSR Committee/ Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, described in "*Our Management - Committees of our Board*" on page 231
Director(s)	The director(s) on our Board
Equity Shares	The equity shares of our Company of face value of ₹ 2 each
Executive Director(s)	Whole-time director(s) on the Board of our Company, namely Vishal Rakesh Agrawal and Jagmohan Manmohan Zalani. For further details of our Executive Director(s), see "*Our Management- Board of Directors*" on page 223
F&S Report	Report titled "*Independent Market Report – India Chemical & Speciality Chemical Market Overview"* dated August 2023, prepared and issued by Frost & Sullivan

Term	Description
Frost & Sullivan/ Industry Data Provider	Frost & Sullivan (India) Private Limited
Group Companies	Group companies of our Company in accordance with the SEBI ICDR Regulations and the Materiality Policy as set out in the section titled "*Group Companies*" on page 249
Independent Director(s)	Non-executive and independent director(s) of our Company who are eligible to be appointed as independent director(s) under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations namely, Sivaraman Narayanaswami, Prem Kumar Taneja, Rati Ajay Desai and Dukhabandhu Rath. For details of the Independent Directors, see "*Our Management- Board of Directors*" on page 223
IPO Committee	The IPO committee of our Board
Key Managerial Personnel/ KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013, as applicable and as further described in "*Our Management-Key Managerial Personnel*" on page 239
Managing Director	The managing director of our Company, namely Vishal Rakesh Agrawal
Material Subsidiaries	The material subsidiaries of our Company in accordance with SEBI Listing Regulations, namely Shiva Pharmachem AG, Shiva Pharmachem International Inc. and SPL Europe Limited Liability Company
Materiality Policy	The policy adopted by our Board on June 9, 2023, for identification of: (a) outstanding material litigation proceedings; (b) Group Companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus
MoA/ Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, described in "*Our Management - Committees of our Board*" on page 231
Non-Executive Chairman	The Non-Executive Director and chairman of our Company being, Rakesh Shiwebhagwan Agrawal
Non-Executive Director(s)	The non-executive non-independent directors of our Company being, Rakesh Shiwebhagwan Agrawal and Rahul Rakesh Agrawal as described in the section titled "*Our Management*" on page 223
Promoter Directors	Rakesh Shiwebhagwan Agrawal, Vishal Rakesh Agrawal and Rahul Rakesh Agrawal
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in the section titled "*Our Promoters and Promoter Group*" on page 242
Promoter Group Selling Shareholder	Geetganga Investment Private Limited
Promoter Selling Shareholders	Vishal Rakesh Agrawal and Rahul Rakesh Agrawal
Promoter Trusts	Collectively, Rakesh Agrawal Family Trust, Vishal Agrawal Family Trust and Rahul Agrawal Family Trust
Promoters	The promoters of our Company in terms of Regulation 2(1)(oo) of the SEBI ICDR Regulations being, Rakesh Shiwebhagwan Agrawal, Vishal Rakesh Agrawal, Rahul Rakesh Agrawal, Rakesh Agrawal Family Trust, Vishal Agrawal Family Trust and Rahul Agrawal Family Trust
Registered and Corporate Office	The registered and corporate office of our Company, situated at 12th Floor, SHIVA, Sarabhai Complex, Dr. Vikram Sarabhai Marg, Vadiwadi- Vadodara 390 023, Gujarat, India
Registrar of Companies/RoC	The Registrar of Companies, Gujarat at Ahmedabad
Restated Consolidated Financial Information	The restated consolidated financial information of our Company and our subsidiaries which comprises the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021; the restated consolidated statement of profit and loss (including other comprehensive income); the restated consolidated statement of changes in equity; the restated consolidated cash flow statement for the years ended March 31, 2023, March 31, 2022, and March 31, 2021 and the summary statement of significant accounting policies and other explanatory information prepared in terms of the requirements of Section 26 of Part I of the Chapter III 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
Risk Management Committee	The risk management committee of our Board, described in "*Our Management - Committees of our Board*" on page 231
Scheme I	Composite scheme of arrangement amongst our Company, Tash Investment Private Limited, Geetganga Investment Private Limited, Geetganga Properties Private Limited

Term	Description
	and their respective shareholders and creditors, approved by the National Company Law Tribunal, Ahmedabad bench pursuant to its order dated September 10, 2020
Scheme II	Scheme of arrangement amongst our Company, Shiva Performance Materials Private Limited and their respective shareholders and creditors approved by the National Company Law Tribunal, Ahmedabad bench pursuant to its order dated December 18, 2020
Scheme III	Scheme of arrangement amongst our Company, VR Finechem Private Limited and their respective shareholders and creditors, approved by the National Company Law Tribunal, Ahmedabad bench pursuant to its order dated September 26, 2022
Schemes of Arrangement	Collectively, Scheme I, Scheme II and Scheme III
Selling Shareholders	Collectively, the Promoter Selling Shareholders and Promoter Group Selling Shareholder
Senior Management/ SMP	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations as further described in "*Our Management-Senior Management*" on page 239
Shareholder(s)	The holders of the Equity Shares from time to time
SPL Europe LLC	SPL Europe Limited Liability Company (*also known as SPL Europe Korlátolt Felelősségű Társaság*) (formerly known as Kischemicals Manufacturing & Mercantile LLC)
Stakeholders Relationship Committee	The stakeholders' relationship committee of our Board as described in "*Our Management - Committees of our Board*" on page 231
Subsidiaries	The subsidiaries of our Company as on the date of this Draft Red Herring Prospectus, as described in the section titled "*Our Subsidiaries*" on page 220 For the purpose of Restated Consolidated Financial Information included in this Draft Red Herring Prospectus, "subsidiaries" would mean subsidiaries of our Company as at and for the relevant Financial Year
VFPL	VR Finechem Private Limited

Offer related terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the transfer of Offered Shares pursuant to the Offer for Sale to successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs during the Anchor Investor Bidding Date
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bidding Date	The date, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date

Term	Description
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders in consultation with the 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 only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount/ 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 ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidder with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the amount specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank(s) and Public Offer Account Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in section titled "*Offer Procedure*" on page 433
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid(s)	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid/ Offer Period	Except in relation to Bids by Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus. 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, in consultation with the BRLMs may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In cases of *force majeure*, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered and Corporate Office is located). Our Company and the Selling Shareholders, in consultation with the BRLMs may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall be widely disseminated by notification to the

Term	Description
	Stock Exchanges, by issuing a public notice, and also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members, and by intimation to the Designated Intermediaries and the Sponsor Bank(s)
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered and Corporate Office is located). In case of any revision, the extended Bid/ Offer Opening Date shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members, and by intimation to the Designated Intermediaries and the Sponsor Bank(s)
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 ASBA Bidder and an Anchor Investor
Bidding Centres	Centres at which 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 CRTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers/ BRLMs	The book running lead managers to the Offer being, JM Financial Limited and Kotak Mahindra Capital Company Limited
Broker Centres	Broker centres of the Registered Brokers where ASBA Bidders can submit the ASBA Forms, provided that RIBs may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall not be more than 120% of the Floor Price, provided that the Cap Price shall be at least 105% of the Floor Price
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the SEBI UPI Circulars, issued by SEBI and as per the list available on the websites of BSE and NSE
Collecting Registrar and Share Transfer Agents/ CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of, among others, circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI and available on the websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com
Confirmation of Allocation Note/ CAN	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
Cut-off Price	Offer 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 (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details, PAN and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders (other than Anchor Investors) 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 Offer Account(s) or the Refund Account(s), as appropriate, in terms of the Red Herring

Term	Description
	Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs, Non-Institutional Bidders Bidding with an application size of up to ₹ 0.50 million (not using the UPI Mechanism) authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate, Registered Brokers, CDPs and RTAs In relation to ASBA Forms submitted by QIBs (excluding Anchor Investors) and NIBs (not using the UPI Mechanism), Designated Intermediaries shall mean SCSBs, Syndicate, sub-Syndicate, Registered Brokers, CDPs and CRTAs
Designated RTA Locations	Such locations of the CRTAs where ASBA Bidders can submit the ASBA Forms to CRTAs The details of such Designated CRTA Locations, along with names and contact details of the CRTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated 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 https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/ DRHP	This draft red herring prospectus dated August 21, 2023 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer including any addenda or corrigenda thereto
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for 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 and Sponsor Bank Agreement	The escrow and sponsor bank agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members and Banker(s) to the Offer in accordance with the UPI Circulars, for, among other things, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable remitting refunds, if any, to Bidders, on the terms and conditions thereof
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI BTI Regulations 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 Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
General Information Document	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, issued by SEBI, suitably modified and updated pursuant to, among others, the UPI Circulars and any subsequent circulars or notifications issued by SEBI from time to time The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
JMFL	JM Financial Limited
June 2021 Circular	SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021
Kotak	Kotak Mahindra Capital Company Limited

Term	Description
March 2021 Circular	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021
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=43 or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism
Mutual Fund Portion	The portion of the Offer being 5% of the Net QIB Portion consisting of [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The proceeds of the Offer less the Offer related expenses. For further details, see section titled "*Objects of the Offer*" on page 101
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders / NIBs	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ ₹ 0.20 million (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, out of which i) one third shall be reserved for Bidders with Bids exceeding ₹ 0.20 million and up to ₹ 1.00 million; and ii) two-thirds shall be reserved for Bidders with Bids exceeding ₹ 1.00 million
Non-Resident/NR	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Offer	The initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ 9,000.00 million comprising of the Offer for Sale
Offer Agreement	The agreement dated August 21, 2023 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of the Offered Shares, at the Offer Price aggregating up to ₹ 9,000.00 million by the Selling Shareholders
Offer Price	₹ [●] per Equity Share, being the final price within the Price Band, at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors, as determined in accordance with the Book Building Process and determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, in terms of the Red Herring Prospectus on the Pricing Date. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus The Offer 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
Offer Proceeds	The proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" on page 101
Offered Shares	The Equity Shares being offered by the Selling Shareholders in the Offer for Sale comprising up to [●] Equity Shares aggregating up to ₹ 9,000.00 million
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 Cap Price shall be at least 105% of the Floor Price. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered and Corporate Office is situated) at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined

Term	Description
	at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account Bank(s)	The banks which are a clearing member registered with SEBI under the SEBI BTI Regulations, and with which the Public Offer Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
Public Offer Account(s)	Bank account(s) to be opened with the Public Offer 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
QIB Category/ QIB Portion	The portion of the Offer being not more than 50% of the Offer comprising not more than [●] Equity Shares, available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company and the Selling Shareholders, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus/ RHP	The red herring prospectus 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 Offer including any addenda or corrigenda thereto The Bid/Offer Opening Date shall be at least three Working Days after the filing of Red Herring Prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
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 Offer which are a clearing member registered with SEBI under the SEBI BTI Regulations with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, and the UPI Circulars, issued by SEBI
Registrar Agreement	The agreement dated August 21, 2023 entered into among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer/ Registrar	Link Intime India Private Limited
Retail Individual Bidder(s)/ RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 0.20 million in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares, which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
SCORES	SEBI Complaints Redress System
Self-Certified Syndicate Bank(s)/ SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through 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 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time Applications through UPI in the Offer can be made only through the SCSBs Mobile Apps A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no.

Term	Description
	SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Share Escrow Agent	Escrow agent to be appointed pursuant to the Share Escrow Agreement, being, [●]
Share Escrow Agreement	Share escrow agreement to be entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Offered Shares by the Selling Shareholders and credit of such Offered Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which will be included in the Bid cum Application Form
Sponsor Bank(s)	The Bankers to the Offer registered with SEBI, which have been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the UPI Bidders using the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●]
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited
Syndicate Agreement	Syndicate agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Member(s)	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, being, [●]
Syndicate/members of the Syndicate	Together, the BRLMs and the Syndicate Members
Systemically Important Non-Banking Financial Company/ NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	Underwriting agreement to be entered into 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	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors who applied as (i) Retail Individual Bidders in the Retail Portion and (ii) Non-Institutional Bidders with an application size of up to ₹ 0.50 million in the Non-Institutional Portion and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Collecting Registrar and Share Transfer Agents Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 0.50 million are required to use UPI Mechanism and are required to provide their UPI ID in the Bid cum Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, March 2021 Circular, June 2021 Circular, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard

Term	Description
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders, by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders using the UPI Mechanism initiated by the Sponsor Bank(s) to authorize blocking of funds on the UPI application equivalent to the Bid Amount, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The Bidding mechanism that may be used by UPI Bidders to make Bids in the Offer in accordance with UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI, including UPI Circulars

Conventional and general terms and abbreviations

Term	Description
A/c	Account
AGM	Annual general meeting
BSE	BSE Limited
CAGR	Compounded annual growth rate
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve-month period ending December 31
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any amendments or substitutions thereof, issued from time to time
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a pandemic on March 11, 2020
CSR	Corporate social responsibility.
Demat	Dematerialised
Depositories Act	Depositories Act, 1996 read with the rules and regulations thereunder
Depository or Depositories	NSDL and CDSL
DIN	Director identification number
DP ID	Depository participant's identification number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EGM	Extraordinary general meeting
EPS	Earnings per share
EUR/ €	Euro
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FI	Financial institutions
Financial Year/ Fiscal/ FY	Period of twelve months ending on March 31 of that particular year, unless stated otherwise
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations

Term	Description
FVCI	Foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross domestic product
GoI / Central Government	Government of India
GST	Goods and services tax
HUF	Hindu undivided family
IAS	Indian Administrative Service
I.T. Act	The Income-tax Act, 1961
ICAI	The Institute of Chartered Accountants of India
IFRS	International financial reporting standards
Ind AS	Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally accepted accounting principles in India, being, accounting principles generally accepted in India including the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended
IPO	Initial public offer
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information technology
IT Act	The Information Technology Act, 2000
KPIs	Key Performance Indicators
MCA	Ministry of Corporate Affairs, Government of India
Mn/ mn	Million
N.A.	Not applicable
NACH	National Automated Clearing House
NAV	Net asset value
NEFT	National electronic fund transfer
NPCI	National payments corporation of India
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
P/E Ratio	Price/earnings ratio
PAN	Permanent account number allotted under the I.T. Act
PCFC	Pre-shipment Credit in Foreign Currency
R&D	Research and development
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Rs. / Rupees/ ₹ / INR	Indian Rupees
RTGS	Real time gross settlement
SARFAESI Act	Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019

Term	Description
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Mutual Funds Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
State Government	Government of a state of India.
U. S. Securities Act	United States Securities Act of 1933, as amended
US GAAP	Generally Accepted Accounting Principles in the United States of America.
USA/ U.S. / US	The United States of America, its territories and possessions, and State of the United States and the District of Columbia
USD / US$	United States Dollars
VAT	Value added tax
VCFs	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations
WACA	Weighted average cost of acquisition

Technical and Industry Related Terms

Term	Description
Average Capital Employed	Average Capital Employed is calculated as average of the capital employed at the beginning of the year and at the end of the year
Capital Employed	Capital Employed is sum total of Tangible Net Worth and Total Debt.
COD	Chemical oxygen demand
Earnings before interest, tax, depreciation and amortisation or EBITDA	EBITDA is calculated as profit before tax for the year, plus finance costs and depreciation and amortisation expenses, less other income
EBITDA Margin	EBITDA margin (%) is calculated as EBITDA divided by Revenue from Operations
ERP	Enterprise resource planning
ETP	Effluent treatment plant
EU	European Union
GMP	Good manufacturing practices
Gross Margin	Gross margin (%) is calculated as Gross Profit divided by Revenue from Operations
Gross Profit	Gross Profit is calculated as revenue from operations less cost of materials consumed, purchase of traded goods, changes in inventories of finished goods and work-in-progress
Growth in Revenue from Operations	Growth in revenue from operations is calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period
IT	Information technology
Net Fixed Asset Turnover	Net fixed asset turnover is calculated as Revenue from Operations divided by net fixed assets which consists of property, plant and equipment and capital work-in progress
Net Working Capital Days	Net working capital days is calculated as working capital (current assets minus current liabilities) as at the end of the year divided by Revenue from Operations multiplied by number of days in the year
Operating Cash Flows	Operating cash flows means net cash generated from operations as appearing in the Restated Consolidated Financial Information
PAT Margin	PAT Margin is calculated as profit for the year from continuing operations divided by total income for the year
PPM	Parts per million
Profit After Tax / PAT	Profit after tax (PAT) refers to restated profit/(loss) for the year from continuing

Term	Description
	operations as appearing in the Restated Consolidated Financial Information
R&D	Research and development
REACH	Registration, Evaluation, Authorization, and Restriction of Chemicals
Return on Average Capital Employed / RoACE	RoACE is calculated as Earnings before interest and taxes (EBIT) divided by Average Capital Employed. EBIT is calculated as Profit before tax plus finance costs
Return on Average Equity/ RoAE	RoAE is calculated as restated profit attributable to owners of the Company divided by average equity for the year
Return on Capital Employed or RoCE	Return on capital employed is calculated as EBITDA minus depreciation and amortisation divided by Capital Employed
Revenue from Operations	Revenue from operations means the revenue from operations as appearing in the Restated Consolidated Financial Information
Revenue from sale of products within India and outside India	Revenue from sale of products within Indian and outside India refers to corresponding disclosures in the Restated Consolidated Financial Information
Revenue Growth (%)	Revenue Growth is calculated as Revenue from operations for the current year minus revenue from operations for the previous year as a percentage of revenue from operations for the previous year
RoNW	Return on net worth
SCADA	Supervisory control and data acquisition

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 (i) "US", "USA", the "U.S." or the "United States" are to the United States of America and its territories and possessions; and (ii) "Switzerland" is to the Swiss Confederation and its territories and possessions.

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

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year and accordingly, all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal/Financial Year are to the year ended on March 31, of that calendar year.

Unless indicated otherwise or the context requires otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Consolidated Financial Information. For further information, see "*Restated Consolidated Financial Information*" on page 253.

The Restated Consolidated Financial Information comprises the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021; the restated consolidated statement of profit and loss (including other comprehensive income); the restated consolidated statement of changes in equity; the restated consolidated cash flow statement for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the summary statement of significant accounting policies and other explanatory information prepared in terms of the requirements of Section 26 of Part I of the Chapter III 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 and included in "*Financial Information*" on page 253.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see "*Risk Factors ‐ Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Draft Red Herring Prospectus*." on page 63. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian accounting policies and practices, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures 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, discrepancies in any table between the sums of the amounts listed in the table and totals are due to rounding off.

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.

Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 28, 180 and 349, respectively, and elsewhere in this Draft Red Herring Prospectus, unless otherwise stated or context requires otherwise, have been derived from Restated Consolidated Financial Information or non-GAAP financial measures as described below.

Non-GAAP financial measures

Certain measures included in this Draft Red Herring Prospectus, for instance Net asset value per Equity Share, Gross Profit, Gross Profit Margin, EBITDA, EBITDA Margin, and Return on Average Capital Employed, among others (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. Further, these Non-GAAP Measures and other statistical and other information relating to operations and financial performance should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Measures and other statistical and other information relating to operations and financial performance, are not standardised terms and may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. Further, they may have limited utility as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For further information, see "*Management's Discussion and Analysis of Financial Position and Results of Operations – Key Performance Indicators and Non-GAAP Financial Measures*" on page 373.

Industry and market data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled "*Independent Market Report- India Chemical & Speciality Chemical Market Overview*" dated August, 2023 prepared by Frost & Sullivan ("**F&S Report**") and publicly available information as well as other industry publications and sources. The F&S Report has been commissioned and paid for by our Company and has been exclusively prepared for the purpose of the Offer and is available at https://www.shivapharmachem.com/industry-report.aspx. Frost & Sullivan is an independent agency which has no relationship with our Company, our Promoters, any of our Directors or Key Managerial Personnel or Senior Management or the Book Running Lead Managers. Frost & Sullivan was appointed by our Company pursuant to a letter of agreement dated July 29, 2022.

The F&S Report is subject to the following disclaimer:

"*Independent Market Report- India Chemical & Speciality Chemical Market Overview*" dated August 17, 2023 *("**Report**") has been prepared for the proposed initial public offering of equity shares by Shiva Pharmachem Limited (the "Company").*

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

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

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

In making any decision regarding the Offer, potential investors should conduct their own investigation and analysis of all facts and information contained in the offer documents in which the extracts, in full or part, of the Report is a part and potential investors must rely on their own examination and the terms of the Offer, as and when discussed. The potential investors should not construe any of the contents in the Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the Offer."

The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. There are no parts, data or information which may be relevant for the proposed Offer, that have been left out or changed in any manner. 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 – Certain sections of this Draft Red Herring Prospectus contain information from the F&S Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks."* on page 60. Accordingly, no investment decision should be solely made on the basis of such information.

In accordance with the disclosure requirements under the SEBI ICDR Regulations, *"Basis for Offer Price"* on page 104 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified therein. Accordingly, no investment decision should be solely made on the basis of such information.

Currency and units of presentation

All references to:

- "Rupees" or "INR" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India;
- "U.S $", "U.S. Dollar", "USD" are to United States Dollars, the official currency of the United States of America;
- "CHF" is to Swiss franc, the official currency of Switzerland;
- "HUF" is to Hungarian Forint, the official currency of Hungary; and
- "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, except where specifically indicated otherwise. One billion represents 1,000 million or 1,000,000,000, one million represents '10 lakhs' or 1,000,000 and ten million represents 1 crore or 10,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations or rounded-off to such number of decimal points as provided in their respective sources.

Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Exchange rates

This Draft Red Herring Prospectus 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 following table sets forth, for the years indicated, information with respect to the exchange rates between the Indian Rupee and the respective foreign currency:

(amount in ₹)

Currency	As at		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
1 USD	82.22	75.81	73.50
1 HUF	0.23	0.23	0.24
1 CHF	89.70	81.56	77.78
1 EUR	89.61	84.09	85.96

Source: www.fbil.org.in and oanda.com

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 and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in 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:

- Loss of any of our major customers or a reduction in purchases by any of them;
- Adverse impact on the demand for our products due to international market conditions and foreign regulatory risks;
- Adverse changes in the agrochemicals sector or any other sector in which our large customers operate;
- Delays in delivery of our products or raw materials due to reliance on third party transportation or increase in the charges of these entities;
- Compliance with environmental laws regarding handling of hazardous substances;
- Social, political, economic or seasonal disruption, natural calamities or civil disruptions in Gujarat or Hungary;
- Disruption in the supply of utilities such as water, gas and electricity sourced from third parties;
- Slowdown or shutdown in our manufacturing operations due to factors including those beyond our control
- Industrial unrest, slowdowns and increased employee costs; and
- Disruption to the supply of such labour for our manufacturing facilities or our inability to control the composition and cost of our contract labour

For a further discussion of factors that could cause our actual results to differ, see sections titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages *28*, *180* and *349*, 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 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, our Directors, the Selling Shareholders, nor the Syndicate or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company will ensure that Bidders in India are informed of material developments pertaining to our Company from the date of the Red Herring Prospectus in relation to the statements and undertakings made by our Company and each of the Selling Shareholders, severally and not jointly, in relation to themselves as a Selling Shareholder and their respective portion of the Offered Shares in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

In this regard, each of the Selling Shareholders shall, severally and not jointly, ensure that our Company and BRLMs are informed of material developments in relation to the statements and undertakings specifically confirmed or undertaken by such Selling Shareholder in relation to themselves as a Selling Shareholder and their respective portion of the Offered Shares in the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

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", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview" "Our Business", "Our Promoters and Promoter Group", "Financial Information" and "Outstanding Litigation and Material Developments" on pages 28, 69, 85, 101, 119, 180, 242, 253 and 402 respectively of this Draft Red Herring Prospectus.

Primary business of our Company

We have over 20 years of experience in the Indian specialty chemicals business. We manufacture our products at our facilities at Luna (Gujarat), Dahej SEZ (Gujarat) and Sajóbábony (Hungary), and we are backward integrated for most of our key products. We are experienced in handling hazardous chemistries and through our R&D team we have developed in-house technology for all of our products including bulk acid chlorides and specialty chemicals. Our customer base is diverse, and we served 181 multinational, and domestic companies in Fiscal 2023. In Fiscal 2023, we sold our products to 22 countries outside India.

Summary of industry (*Source: F&S Report*)

The global chemicals industry is expected to grow from US$5,348 billion in CY2022 to US$7,445 billion in CY2027 at a CAGR of 6.8%. The Indian chemicals industry has emerged as a key player with a global market share of approximately 4% by value in CY2022. India's chemicals industry is de-licensed, except for few hazardous chemicals. India holds a strong position in exports of chemicals at a global level and ranks 14th in exports for CY2022. India is a key importer of chemicals ranking 8th at a global level by value in CY 2022.

Our Promoters

As on the date of this Draft Red Herring Prospectus, Rakesh Shiwebhagwan Agrawal, Vishal Rakesh Agrawal, Rahul Rakesh Agrawal, Rakesh Agrawal Family Trust, Vishal Agrawal Family Trust and Rahul Agrawal Family Trust are our Promoters. For further details, see section titled "*Our Promoters and Promoter Group*" on page 242.

The Offer

The Offer comprises an Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 9,000.00 million by the Selling Shareholders. The details of the Equity Shares offered by each Selling Shareholder pursuant to the Offer are set forth below:

S. No.	Name of the Selling Shareholder	Maximum number of Offered Shares(1)(2)	Aggregate proceeds from the Offered Shares(1)	Number of Equity shares held	Percentage of pre-Offer Equity Share capital (%)
	Promoter Selling Shareholders				
1.	Vishal Rakesh Agrawal	Up to [●] Equity Shares	Up to ₹ 3,830.00 million	20,687,640	19.48
2.	Rahul Rakesh Agrawal	Up to [●] Equity Shares	Up to ₹ 3,830.00 million	18,538,320	17.46
	Promoter Group Selling Shareholder				
3.	Geetganga Investment Private Limited	Up to [●] Equity Shares	Up to ₹ 1,340.00 million	2,376,000	2.24
	Total	**Up to [●] Equity Shares**	**Up to ₹ 9,000.00 million**	**41,601,960**	**39.18**

Notes:
(1) The Offer has been authorized by a resolution of our Board dated August 14, 2023. Further, our Board has taken on record the consents of the Selling Shareholders to participate in the Offer for Sale in its meeting held on August 14, 2023.
(2) The Equity Shares being offered by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of this Draft Red Herring Prospectus and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details of the authorisations by the Selling Shareholders in relation to the Offered Shares, see the section titled "The Offer" and "Other Regulatory and Statutory Disclosures- Authority for the Offer" on pages 69 and 411, respectively.

The Offer would constitute [●] % of the post-Offer paid-up Equity Share capital of our Company. For further details, see sections titled "*The Offer*" and "*Offer Structure*" on pages 69 and 430, respectively.

Objects of the Offer

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the Offer of the Equity Shares by the Selling Shareholders. Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our Shareholders and will also provide a public market for the Equity Shares in India. Our Company will not directly receive any proceeds from the Offer and all the Offer Proceeds will be received by the Selling Shareholders, in proportion to the Offered Shares sold by the respective Selling Shareholders as part of the Offer.

For further details, see section titled "*Objects of the Offer*" on page 101.

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

The aggregate pre-Offer and post-Offer shareholding of our Promoters, members of our Promoter Group and Selling Shareholders as on the date of this Draft Red Herring Prospectus is set out below:

S. No.	Name of the Shareholder	Pre-Offer		Post-Offer*	
		No. of Equity Shares held	% of total paid-up Equity Share capital	No. of Equity Shares held	% of total paid-up Equity Share capital
Promoters					
1.	Vishal Agrawal Family Trust(1)	30,990,035	29.18	[•]	[•]
2.	Vishal Rakesh Agrawal	20,687,640	19.48	[•]	[•]
3.	Rahul Rakesh Agrawal	18,538,320	17.46	[•]	[•]
4.	Rahul Agrawal Family Trust(2)	14,477,647	13.63	[•]	[•]
5.	Rakesh Agrawal Family Trust(3)	10,620,300	10.00	[•]	[•]
6.	Rakesh Shiwebhagwan Agrawal	15,318	0.01	[•]	[•]
Promoter Group					
7.	Uma Agrawal Family Trust(4)	8,496,240	8.00	[•]	[•]
8.	Geetganga Investment Private Limited#	2,376,000	2.24	[•]	[•]
9.	Ruchika Agrawal	1,500	*Negligible*	[•]	[•]

#Also a Selling Shareholder
** To be updated at the Prospectus stage*
(1) Held by Vishal Rakesh Agrawal as the trustee of the Vishal Agrawal Family Trust
(2) Held by Rahul Rakesh Agrawal as the trustee of the Rahul Agrawal Family Trust
(3) Held by Rakesh Shiwebhagwan Agrawal as the trustee of the Rakesh Agrawal Family Trust
(4) Held by Uma Rakesh Agrawal as the trustee of Uma Agrawal Family Trust

For further details, see the section titled "*Capital Structure*" on page 85.

Summary of select financial information derived from the Restated Consolidated Financial Information

The details of certain financial information as set out under the SEBI ICDR Regulations as at and for the years ended March 31, 2023, March 31, 2022, and March 31, 2021 as derived from our Restated Consolidated Financial Information are set forth below:

(₹ in million, except per share data)

Particulars	As at and for the Fiscals ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Equity share capital	212.41	70.80	70.80
Net worth(1)	5,387.04	4,470.41	3,686.46
Revenue from operations	10,794.66	10,159.90	7,601.17
Profit/(Loss) for year	1,166.46	833.20	862.57
Earnings/(Loss) per Equity Share (*in ₹*)(2)			
- Basic	10.62	7.77	7.76
- Diluted	10.62	7.77	7.76
Net Asset Value per Equity Share (*in ₹*)(3)	50.72	42.09	34.71
Total borrowings(4)	3,471.14	3,206.21	2,652.42

(1) *Networth as restated and consolidated, has been defined as the aggregate of paid-up equity share capital and all reserves and does not include non-controlling interests*
(2) *Earnings per Equity Share (Basic) = Restated profit for the year attributable to the equity holders of our Company/Weighted average number of equity shares outstanding during the year. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue and sub-division of Equity Shares. Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended)*
(3) *Net Asset Value per share is calculated by dividing restated equity attributable to owners of the Company by Weighted average number of equity shares outstanding during the period. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue and sub-division of Equity Shares*
(4) *Total borrowings consist of current (including current portion of long-term borrowings) and non-current borrowings*

For further details, see section titled "*Restated Consolidated Financial Information*" on page 253.

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

Our Statutory Auditors have not made any qualifications that have not been given effect to in the Restated Consolidated Financial Information.

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Directors, Promoters and Group Companies in accordance with the SEBI ICDR Regulations and the Materiality Policy as on the date of this Draft Red Herring Prospectus, is provided below:

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigation	Aggregate* amount involved (*₹ in million*)
Company						
By our Company	15	Nil	Nil	N.A.	Nil	12.07
Against our Company	Nil	19	2	N.A.	Nil	246.70
Directors (*other than our Promoters*)						
By our Directors	Nil	Nil	Nil	N.A.	Nil	Nil
Against our Directors	Nil	2	Nil	N.A.	Nil	102.20
Promoters						
By our Promoters	Nil	Nil	Nil	N.A.	Nil	Nil
Against our Promoters	Nil	2	Nil	Nil	Nil	258.75
Subsidiaries						
By our Subsidiaries	Nil	Nil	Nil	N.A.	Nil	Nil
Against our Subsidiaries	Nil	Nil	Nil	N.A.	Nil	Nil
Group Companies						
Outstanding litigation which may have a material impact on our Company						Nil

**Amount to the extent quantifiable*

For further details, see section titled "*Outstanding Litigation and Material Developments*" on page 402.

Risk factors

Specific attention of Bidders is invited to the section titled "*Risk Factors*" on page 28. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer.

Summary of contingent liabilities

The following is a summary table of our contingent liabilities as at March 31, 2023 as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets derived from the Restated Consolidated Financial Information:

(₹ in million)

Particulars	As at March 31, 2023
In respect of bank guarantees & LCs issued by banks on behalf of the group	147.44
In respect of income tax liability that may arise for which the group is in appeal	114.50
In respect of sales tax/VAT/GST	101.20

In respect of corporate guarantees	1,541.70
Total	**1,904.84**

For further details, see "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 42- Contingent liabilities and commitments*" on page 312.

Summary of Related Party Transactions

A summary of related party transactions for Fiscals 2023, 2022 and 2021, entered into by our Company with related parties as per Ind AS 24, read with the SEBI ICDR Regulations derived from the Restated Consolidated Financial Information is set forth below:

(₹ in million)

Name of Related Party		Nature of Transaction	For the Fiscals ended		
			March 31, 2023	**March 31, 2022**	**March 31, 2021**
(a)	**Transactions with Key Managerial Personnel*:**				
(i)	Mr. Rakesh Agrawal	Remuneration	18.04	18.04	18.04
		Conveyance	0.24	0.10	-
		Sitting Fees	0.23		
		Loan Taken	-	-	13.50
		Loan Repaid	-	6.10	48.40
		Interest Expense	-	0.13	1.63
(ii)	Mr. Vishal Agrawal	Remuneration	44.12	44.12	33.13
		Conveyance	0.97	0.85	0.68
		Loan Taken	-	-	-
		Loan Given (Sisley Properties LLP)	0.10	-	-
		Interest Expense	-	-	0.10
(iii)	Mr. Rahul Agrawal	Remuneration	6.00	9.91	-
(iv)	Mr. Tarang Maru	Salary	0.93	0.88	0.66
(v)	Mr. Chirag Patel	Salary	1.24	0.02	-
		Conveyance	0.02	0.00	-
(vi)	Mr. Jagmohan Zalani	Salary	7.02	6.77	6.47
		Conveyance	0.33	0.24	0.21
(vii)	Mr. Thakorbhai D Patel	Salary	-	-	-
		Conveyance	-	-	-
(viii)	Mr. Anil Inani	Salary	4.00	-	-
		Conveyance	0.05	-	-
(ix)	Mr. Milin K Mehta	Sitting Fees	0.13	0.28	0.33
(x)	Mr. Purshottamdas Dhumal	Sitting Fees	-	0.29	0.46
(xi)	Mr. Sivarman Narayanswanu	Sitting Fees	0.70	0.43	0.36
(xii)	Mrs. Naina Krishnamurthy	Sitting Fees	0.20	-	-
(xiii)	Mr. Premkumar Taneja	Sitting Fees	0.68	-	-
(xiv)	Mr. Dukhbandhu Rath	Sitting Fees	0.35	-	-
(b)	**Transactions with Relatives of Key Managerial Personnel:**				
(i)	Mrs. Umadevi Agrawal	Sitting Fees	-	0.05	0.15
		Loan Taken	-	-	-
		Loan Repaid	-	-	42.50
		Interest Expense	-	-	0.62
(c)	**Transactions with enterprises under control or enterprises over which Key Managerial Personnel have significant influence:**				
(i)	Shiva Foundation	Donation	0.80	0.80	0.60
(ii)	Geetganga Investment Pvt. Ltd.	Rent Expense	11.63	6.50	-
		Loan Taken	-	0.70	103.70
		Loan Repaid	-	-	-
		Interest Expense	4.71	14.44	14.66
(iii)	Red Earth Art Galleries LLP	Rent Expense	0.48	0.96	0.96
(iv)	Uttarayan Foundation & Museum for Arts (Section 8 Company)	Donation	-	0.20	0.50
(v)		Rent Expense	0.48	0.48	0.16

Name of Related Party		Nature of Transaction	For the Fiscals ended		
			March 31, 2023	March 31, 2022	March 31, 2021
	Geetganga Properties Pvt. Ltd.	Loan Given	-	-	-
		Loan Repayment Received	-	-	0.24
(vi)	Uttarayan Art Foundation	Donation	6.00	8.30	5.40
(vii)	Shiva Performance Materials Pvt Ltd	Sale of Goods	-	211.83	-
		Purchase of Goods	1.47	1.45	-
		Rent Income	3.01		
		Recovery	0.03	-	-
(xiii)	Styrenix Performance Materials Limited	Receipts of capital advances	15.00		
(x)	Monet Properties LLP	Maintenance service	0.96		
(xi)	Sisley Properties LLP	Loan Taken	0.10		
(xii)	SES Engineering Pvt Ltd	Rent Income	0.40	-	-

**Consideration of benefits payable to Key Managerial Personnel are in respect of our Company*

For details of the related party transactions, as per the requirements under Ind AS 24 '*Related Party Disclosures'* and as reported in the Restated Consolidated Financial Information see *"Restated Consolidated Financial Information- Note-43- Related party disclosures"* on page 313.

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 (other than in the normal course of the business of the financing entity) during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

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

The weighted average price at which the Equity Shares were acquired by our Promoters and the Selling Shareholders in the last one year preceding the date of this Draft Red Herring Prospectus is set forth below:

Name of Promoter / Selling Shareholder	Number of Equity Shares acquired in the preceding one year	Weighted average price per Equity Share*^(₹)
Promoters		
Vishal Agrawal Family Trust(1)	30,990,035	Nil(5)
Rakesh Shiwebhagwan Agrawal	18,001,000	Nil(4)
Rahul Rakesh Agrawal#	20,855,120	Nil(4)
Vishal Rakesh Agrawal#	23,704,040	Nil(4)
Rahul Agrawal Family Trust(2)	14,477,647	Nil(5)
Rakesh Agrawal Family Trust(3)	10,620,300	Nil(5)
Promoter Group Selling Shareholder (other than Promoters)		
Geetganga Investment Private Limited	1,584,000	Nil(4)

*As certified by Talati & Talati LLP, Chartered Accountants, pursuant to their certificate dated August 21, 2023.
^As adjusted for the sub-division of the face value of the equity shares of our Company from ₹10 each to ₹2 each.
#Also a Selling Shareholder
(1) Held by Vishal Rakesh Agrawal as the trustee of the Vishal Agrawal Family Trust
(2) Held by Rahul Rakesh Agrawal as the trustee of the Rahul Agrawal Family Trust
(3) Held by Rakesh Shiwebhagwan Agrawal as the trustee of the Rakesh Agrawal Family Trust
(4) Acquisition by way of allotment of equity shares of face value of ₹ 2 each pursuant to bonus issue
(5) Acquisition by way of gift

Weighted average cost of acquisition of all shares transacted in last one year, 18 months and three years preceding the date of this Draft Red Herring Prospectus:

Period	Weighted average cost of acquisition per Equity Share (in ₹)*	Cap Price is 'x' times the weighted average cost of acquisition^	Range of acquisition price per Equity Share (Lowest price – Highest price) (in ₹)*
Last one year preceding the date of this Draft Red Herring Prospectus	Nil	[•]	N.A#

Period	Weighted average cost of acquisition per Equity Share (in ₹)*	Cap Price is 'x' times the weighted average cost of acquisition^	Range of acquisition price per Equity Share (Lowest price – Highest price) (in ₹)*
Last 18 months preceding the date of this Draft Red Herring Prospectus	Nil	[•]	N.A#
Last three years preceding the date of this Draft Red Herring Prospectus	Nil	[•]	N.A**

As certified by Talati & Talati LLP, Chartered Accountants, pursuant to their certificate dated August 21,2023

Note: Pursuant to a resolution of our Shareholders dated December 13, 2022, each equity share of our Company of face value ₹ 10 was sub-divided into five Equity Shares of face value ₹ 2 each. Further, our Company has, pursuant to a Board resolution dated December 13, 2022, issued bonus shares in the proportion of two Equity Shares for every one existing fully paid-up Equity Share (2:1) held by such Shareholder.

#Range of acquisition price per Equity Share has been mentioned as N.A. since all the transactions in equity shares in the last one year and 18 months preceding the date of this Draft Red Herring Prospectus have been in the nature of gift of equity shares or issued pursuant to bonus issuance.

^ To be updated in the Prospectus

***Range of acquisition price per Equity Share has been mentioned as N.A. since there have been no transactions excluding shares gifted or issued pursuant to bonus issuance or issued pursuant to Scheme 1*

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

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 set forth below:

Name of Promoter / Selling Shareholder	Number of Equity Shares held	Average cost of acquisition per Equity Share^ (₹)
Promoters		
Vishal Agrawal Family Trust(1)	30,990,035	Nil(4)
Vishal Rakesh Agrawal#	20,687,640	0.12
Rahul Rakesh Agrawal#	18,538,320	0.20
Rahul Agrawal Family Trust(2)	14,477,647	Nil(4)
Rakesh Agrawal Family Trust(3)	10,620,300	Nil(4)
Rakesh Shiwebhagwan Agrawal	15,318	0.52
Promoter Group Selling Shareholder (other than Promoters)		
Geetganga Investment Private Limited	2,376,000	1.37

As certified by, Talati & Talati LLP, Chartered Accountants, pursuant to their certificate dated August 21, 2023

^As adjusted for the sub-division of the face value of the equity shares of our Company from ₹10 each to ₹2 each

#Also a Selling Shareholder

(1) Held by Vishal Rakesh Agrawal as the trustee of the Vishal Agrawal Family Trust

(2) Held by Rahul Rakesh Agrawal as the trustee of the Rahul Agrawal Family Trust

(3) Held by Rakesh Shiwebhagwan Agrawal as the trustee of the Rakesh Agrawal Family Trust

(4) Acquisition by way of gift

Details of the price at which specified securities were acquired in the last three years immediately preceding the date of this Draft Red Herring Prospectus by our Promoters, members of our Promoter Group, the Selling Shareholders and Shareholders entitled with right to nominate directors or any other rights in the last three years preceding the date of this Draft Red Herring Prospectus

Except as disclosed below, none of our Promoters, members of our Promoter Group and the Selling Shareholders have acquired equity shares of our Company in the last three years preceding the date of this Draft Red Herring Prospectus:

Name of Shareholder	Date of acquisition	Number of equity shares acquired	Face value per equity share*	Acquisition price per Equity Share (in ₹)**
Promoters				
Rakesh Shiwebhagwan Agrawal	October 14, 2020	9,000,000	2	Nil###
	January 2, 2023	18,001,000	2	Nil##
Vishal Rakesh Agrawal^	October 14, 2020	4,904,400	2	Nil###
	January 2, 2023	15,207,800	2	Nil##
	June 8, 2023	700,100	2	Nil***
	June 15, 2023	1,400,200	2	Nil***
	June 26, 2023	6,395,940	2	Nil***
Rahul Rakesh Agrawal^	October 14, 2020	5,604,000	2	Nil###
	January 2, 2023	16,607,000	2	Nil##

Name of Shareholder	Date of acquisition	Number of equity shares acquired	Face value per equity share*	Acquisition price per Equity Share (in ₹)**
	June 8, 2023	2,147,820	2	Nil***
	June 23, 2023	2,100,300	2	Nil***
Rakesh Agrawal Family Trust(1)	June 13, 2023	2,147,820	2	Nil***
	June 26, 2023	2,100,300	2	Nil***
	July 7, 2023	6,372,180	2	Nil***
Vishal Agrawal Family Trust(2)	June 8, 2023	6,948,604	2	Nil***
	June 8, 2023	15,853,180	2	Nil***
	June 27, 2023	8,188,251	2	Nil***
Rahul Agrawal Family Trust(3)	June 8, 2023	2,051,896	2	Nil***
	June 27, 2023	796,931	2	Nil***
	June 27, 2023	9,504,760	2	Nil***
	August 3, 2023	2,124,060	2	Nil***
Promoter Group				
Geetganga Investment Private Limited^	October 14, 2020	792,000	2	Nil###
	January 2, 2023	1,584,000	2	Nil***
Uma Rakesh Agrawal	October 14, 2020	9,000,000	2	Nil###
	January 2, 2023	18,001,000	2	Nil***
	August 2, 2023	2,124,060	2	Nil***
Uma Agrawal Family Trust(4)	June 16, 2023	2,100,300	2	Nil***
	June 26, 2023	6,395,940	2	Nil***
	June 28, 2023	2,124,060	2	Nil***
Madhavi Agrawal	October 14, 2020	699,600	2	Nil###
	January 2, 2023	1,400,200	2	Nil ##
Ruchika Agrawal	January 2, 2023	1,000	2	Nil***

^ *Also a Selling Shareholder*
* *After considering the impact of split of equity shares of face value ₹ 10 into five Equity Shares of face value ₹ 2 each*
***As certified by Talati & Talati LLP, Chartered Accountants, by way of their certificate dated August 21, 2023*
****Received by way of gift*
Our Company has issued bonus shares in the proportion of two Equity Shares for every one existing fully paid-up Equity Share (2:1) held by such Shareholder
###*Pursuant to Scheme I*
(1) *Held by Rakesh Shiwebhagwan Agrawal as the trustee of the Rakesh Agrawal Family Trust*
(2) *Held by Vishal Rakesh Agrawal as the trustee of the Vishal Agrawal Family Trust*
(3) *Held by Rahul Rakesh Agrawal as the trustee of the Rahul Agrawal Family Trust*
(4) *Held by Uma Rakesh Agrawal as the trustee of Uma Agrawal Family Trust*

As on the date of this Draft Red Herring Prospectus, there are no Shareholders holding any special rights in our Company, including the right to nominate Director(s) on our Board.

Details of pre-IPO placement

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

Issue of equity shares of our Company for consideration other than cash in the last one year (excluding bonus issuance)

Except as disclosed in "*Capital Structure- Equity share capital history of our Company*," on page 85, our Company has not issued any Equity Shares for consideration other than cash during a period of one year preceding the date of this Draft Red Herring Prospectus.

Split or consolidation of equity shares in the last one year

Except as disclosed below, our Company has not undertaken split or consolidation of its equity shares in the last one year preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution	Particulars
December 13, 2022	The issued, subscribed and paid-up equity share capital of our Company was subdivided from 7,080,200 equity shares of face value ₹ 10 each to 35,401,000 Equity Shares of face value of ₹ 2 each.

For details, see "*Capital Structure – Notes to the Capital Structure- Equity share capital history of our Company*" on page 85.

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

Our Company has not sought any exemption from SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below before making an investment in the Equity Shares. The risks described in this section are those that we consider to be the most significant to our business, results of operations, cash flows and financial condition as of the date of this Draft Red Herring Prospectus. To obtain a more detailed understanding of our business and operations, please read this section in conjunction with, "Industry Overview", "Our Business", "Key Regulations and Policies in India", "Restated Consolidated Financial Information", "Management's Discussion and Analysis of Financial Condition and Result of Operations" and "Outstanding Litigation and Material Developments" on pages 119, 180, 206, 253 and 349, respectively, as well as other financial and statistical information contained in this Draft Red Herring Prospectus.

Unless the context otherwise requires, references in this section to "our Company", "we", "us", or "our" are to Shiva Pharmachem Limited and subsidiaries on a consolidated basis. Unless the context otherwise requires, references to our "Company" refers to Shiva Pharmachem Limited on a standalone basis. References in this section to our sales of products/ goods and services within India are to sales by our Company within India and all the remaining/balance sales of our products/ goods and services are categorised as "outside India".

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of us and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see "Forward-Looking Statements" on page 18.

Our financial or fiscal year ends on March 31 of each calendar year. Accordingly, references to a "Fiscal" or "fiscal year" are to the 12-month period ended March 31 of the relevant year. Unless otherwise stated or the context otherwise requires, the financial information included in this section as of and for Fiscal 2023 Fiscal 2022 and Fiscal 2021 included in this Draft Red Herring Prospectus has been derived from the Restated Consolidated Financial Information on page 253. We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from our Restated Consolidated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.

Unless otherwise indicated, the industry-related information contained in this section is derived from a report titled "Independent Market Report-India Chemical & Specialty Chemical Market Overview" dated August 2023, prepared by F&S, which has been prepared exclusively for the purpose of understanding the industry in connection with the Offer and commissioned and paid for by our Company in connection with the Offer (the "F&S Report"), pursuant to a letter of agreement dated July 29, 2022. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year, refers to such information for the relevant calendar year. copy of the F&S Report is available on the website of our Company at https://www.shivapharmachem.com/industry-report.aspx

Internal Risks

Risks Relating to our Business

1. ***We derive a significant portion (more than 60%) of our revenue from operations from our top 10 customers, with our single largest customer contributing more than 18% of our revenue from operations in Fiscal 2023. Loss of any of these customers or a reduction in purchases by any of them could adversely affect our business, results of operations and financial condition.***

   Our customer base comprised 181 multinational and domestic companies as at March 31, 2023. We derive more than 60% of our revenue from operations from the sale of products to our top 10 customers. The table below sets forth the revenue derived from our top 20 and top 10 customers as well as our single largest customer for the fiscal years indicated:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Revenue from our single largest customer	1,991.56	18.45%	1,515.33	14.91%	1,356.09	17.84%
Revenue from our top 10 customers	7,424.20	68.78%	6,602.21	64.98%	4,634.47	60.97%
Revenue from our top 20 customers	8,688.88	80.49%	7,897.04	77.73%	5,574.27	73.33%

   We rely and expect that we will continue to be reliant on our top 10 customers for a substantial portion of our revenue. The loss of any of our top 10 customers (in particular our largest customer) for any reason including due to loss of, or failure to renew existing arrangements; limitation to meet any change in quality specification, change in technology; regulatory changes, disputes with a customer; adverse changes in the financial condition of our customers, such as possible bankruptcy or liquidation or other financial hardship or a reduction in the demand for our products by any of our top customers could have a material adverse effect on our business, results of operations and financial condition. We have witnessed reduction in demand from two of our top 10 customers, one operating in the personal care sector and the other operating in the agrochemical sector.

   The table below sets forth the decline in the contribution of such two customers to our revenue from operations for the fiscal years indicated:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Contribution of such two customers to our revenue from operation	603.64	5.59%	1,039.45	10.23%	1,162.87	15.30%

   We typically do not enter into long term agreements with our customers (including our top 10 customers), other than four of our customers with whom we have entered into agreements for a term of two-three years, and rely on purchase orders and delivery schedules issued by our customers from time to time, that set out the price per unit, volume and other terms of sales for our products. However, such purchase orders/delivery schedules may be cancelled unilaterally with or without cause and should such cancellation take place, it may have an adverse impact on our revenue and results of operations. There can be no assurance that our large customers will not cancel orders in the future which may have an impact on our results of operations and business in the future.

   The table below sets forth the break-up of our revenue derived from customers with whom we have agreements and purchase orders for the fiscal years indicated:

Customer arrangement	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
In nature of agreement	3,053.52	28.29%	2,418.49	23.80%	1,698.97	22.35%
In nature of Purchase orders	7,741.14	71.71%	7,741.41	76.20%	5,902.20	77.65%

There is no assurance that our customers (in particular our top 10 customers) will continue to source products from us at volumes or rates consistent with, and commensurate to, the amount of business received from them historically, or at all. Any decrease in the demand for our products from our top 10 customers, or a termination of our arrangements altogether, would adversely impact our results of operations, financial condition and cash flow.

2. ***We are dependent on sales outside of India, which accounted for a significant portion (more than 70%) of our revenue from operations in each of the last three fiscal years. The demand of our products outside India is subject to international market conditions and foreign regulatory risks that could adversely affect our business, results of operations and financial condition.***

We are dependent on the sale of our products outside India. In Fiscal 2023, we sold our products to 22 countries outside India and some of the key geographies for our products included Germany, the United States, Switzerland, Italy and Mexico. Out of our sales in overseas markets, Europe and North America had a majority contribution to our revenue from operations in each of Fiscal 2023, Fiscal 2022 and Fiscal 2021. Our sales to the Asia region during Fiscal 2023, Fiscal 2022 and Fiscal 2021 declined as we reduced our supplies to China due to market conditions and we increased our sales efforts in other regions.

The table below sets forth our revenue from sale of our products outside India along with the contribution by region for the fiscal years indicated:

Revenue	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Sales outside of India, of which -	**8,774.87**	**81.29%**	**7,365.02**	**72.49%**	**5,794.94**	**76.24%**
- Europe	4,150.98	38.45%	2,870.35	28.25%	2,439.71	32.10%
- North America	2,769.96	25.66%	2,478.30	24.39%	1,173.96	15.44%
- Asia	551.69	5.12%	766.94	7.55%	965.67	12.70%
- Middle East	398.23	3.70%	384.67	3.79%	404.99	5.33%
- South America	102.97	0.96%	210.71	2.07%	96.29	1.27%
- Others	801.04	7.42%	654.04	6.44%	714.32	9.40%

Any developments in the global chemical industry, in particular Europe and North America, could have an impact on our business and revenue. In this regard, in the first quarter of Fiscal 2024, there has been a slowdown in the demand which is impacting the demand-supply trends in the entire sector. (Source: F&S Report, August 2023). The key points are:

- Weaker demand registered in certain key international markets like Europe, North America, and this demand impact has accelerated over the first quarter of Fiscal 2024;

- Temporary over supply scenario has been caused due to inventory liquidation by China as China had a substantial build-up of inventory due to the extended COVID lockdowns and is currently dumping to liquidate their stock; and

- The impact of this market scenario has been widespread as witnessed by the deterioration in the performance of key industry players in India which have seen their quarter-on-quarter revenue reduce by 15-18% on an average in the first quarter of Fiscal 2024. (Source: F&S Report, August 2023).

We have experienced a similar trend to that of the industry, and we expect our business, results of operations and financial condition to be adversely affected in Fiscal 2024.

In addition, from time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the European Union and the United States, among others, where we sell our products will not impose trade restrictions on us in future. We may also be prohibited from selling our products to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. Any imposition of trade barriers in the future could adversely affect our business, results of operations and financial condition.

Our international operations are exposed to additional risks including foreign exchange risk, changes in taxes and tax rates, compliance with a wide range of laws, regulations and practices, exposure to expropriation or other government actions; and political, economic and social instability. See, "*Internal Risks – Financial Risks -Exchange rate fluctuations may adversely affect our results of operations as our sales outside India and a portion of our expenditures are denominated in foreign currencies*" on page 42. Further, our strategy is to continue to expand our sales into new markets and such expansion subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. In addition, the risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. In the eventuality we are unable to successfully expand into new geographical regions, our growth plans and future performance could be adversely affected.

3. ***A significant portion (more than 40%) of our revenue from operations in each Fiscal 2023, Fiscal 2022 and Fiscal 2021 is attributable to customers operating in the agrochemicals sector. Any adverse changes in the agrochemicals sector or any other sector in which our large customers operate could adversely impact our business, results of operations and financial condition.***

We sell our products to customers in various industries such as agrochemicals, organic peroxides, pharmaceuticals and polymers, amongst others. Consequently, our revenues are dependent on the end user industries that use our products as an input. Further, our customers in the agrochemicals sector have a significant contribution to our revenue from operations.

The table set forth below provides the split of our revenue from operations based on the industry in which our customers operate for the fiscal years indicated:

End user industry of our customer	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Agrochemicals	4,755.53	44.05%	4,468.79	43.98%	3,512.84	46.21%
Organic peroxides	1,745.67	16.17%	1,264.23	12.44%	803.26	10.57%
Pharmaceuticals	1,420.26	13.16%	746.60	7.35%	736.98	9.70%
Polymers	622.49	5.77%	841.24	8.28%	174.19	2.29%
Disinfectants	603.64	5.59%	743.94	7.32%	581.15	7.65%
Performance materials	404.77	3.75%	876.90	8.63%	463.02	6.09%
Cosmetics	134.41	1.25%	358.26	3.53%	599.30	7.88%
Others	1,107.91	10.26%	859.93	8.46%	730.43	9.61%
Total	**10,794.66**	**100.00%**	**10,159.90**	**100.00%**	**7,601.17**	**100.00%**

Factors affecting any of these industries, in particular the agrochemicals sector, could have a cascading adverse effect on our business, results of operations and financial condition. The agrochemicals sector is dependent on increase in population, subsequent increase in the demand for food, soil degradation, availability of agricultural land, increase in consumer awareness regarding the benefits of agrochemicals and use of agricultural products for industrial applications such as in fuel blending and polymer manufacturing. Although certain factors, such as general macroeconomic and consumer trends, have a direct impact on demand for agrochemical products, others can have indirect consequences that are difficult to predict. While our revenue from our customers in the agrochemicals sector has increased year-on-year over the last three fiscal years, the contribution of the customers in the agrochemicals sector to our revenue from operations has declined from 46.21% in Fiscal 2021 to 44.05% in Fiscal 2023 primarily due to our focus on expanding sale of our products to customers in the other sectors. Moreover, in the first quarter of Fiscal 2024, there has been a slowdown in the demand which is impacting the demand-supply trends in the entire sector. (*Source: F&S Report, August 2023*). There can be no assurance that we will not be affected by any significant events impacting the agrochemicals sector or any other sectors in which our customers operate in the future which could have an adverse impact on our business and financial performance.

4. ***Our business and profitability is substantially dependent on the availability and cost of our raw materials and we are dependent on third party suppliers, primarily outside of India, for meeting our raw material requirements which are on purchase order basis. Any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations and financial condition.***

Crude oil is one of the major raw material required in advanced chemicals. Crude oil price, which affects a large range of advanced intermediate products, has been highly volatile in the past few years. The rising demand (due to their increased applications in industries such as polymer, personal care, and adhesives) coupled with supply shortage are further increasing the prices of the raw materials that are required to manufacture intermediate chemicals. (*Source: F&S Report, August 2023).*

The table below sets forth details of our cost of material consumed, including as a percentage of our total expense and revenue from operations, during the fiscal years indicated:

Particulars	**Fiscal 2023**			**Fiscal 2022**			**Fiscal 2021**		
	Amount (₹ million)	**% of total expenses**	**% of revenue from operations**	**Amount (₹ million)**	**% of total expenses**	**% of revenue from operations**	**Amount (₹ million)**	**% of total expenses**	**% of revenue from operations**
Cost of material consumed	5,763.54	61.31%	53.39%	5,358.59	58.26%	52.74%	4,058.11	60.56%	53.39%

We are dependent on suppliers outside India for procuring raw materials, in particular on suppliers from Hungary and China. In Fiscal 2023, we had more than 146 suppliers.

The table below sets forth details by region of raw material purchased from outside India in the fiscal years indicated:

Region of Raw Material Supplier	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	₹ million	**% of cost of raw material purchased**	**₹ million**	**% of cost of raw material purchased**	**₹ million**	**% of cost of raw material purchased**
Hungary	1,263.59	21.94%	498.29	8.91%	504.55	12.85%
China	942.63	16.36%	772.66	13.82%	919.51	23.43%
Netherlands	387.81	6.73%	626.23	11.20%	470.85	12.00%
Saudi Arabia	208.25	3.62%	239.23	4.28%	0.00	0.00%
Belgium	124.48	2.16%	45.94	0.82%	56.44	1.44%
United States	106.61	1.85%	57.98	1.04%	91.36	2.33%
Japan	91.50	1.59%	149.78	2.68%	53.88	1.37%
Others	434.13	7.54%	920.88	16.47%	658.42	16.78%
Raw material purchased from outside India	**3,559.00**	**61.78%**	**3,310.99**	**59.23%**	**2,755.01**	**70.19%**

Some of our raw material imports in India are regulated by the Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 that, *inter alia*, allows the concerned authority to regulate import if it is deemed that the chemicals proposed to be imported may cause major accidents. Although we have not had any such stoppages in the past, we are unable to assure you that no such stoppages of import of raw materials will occur in the future. Further, we are unable to assure you that such regulations would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. Any restriction on purchase of raw materials from outside India could have an adverse effect on our ability to deliver products to our customers, and our business, results of operations and financial condition. Further, if there are any trade restrictions, sanctions or higher tariffs placed by India or the EU on purchases made from another countries or similar restrictions are placed by the exporting country for supply of products to India or the EU, such trade restrictions, sanctions or higher tariffs may significantly impact our sourcing decisions and may lead to increased cost of purchase, and shortages of raw materials. Trade restrictions, sanctions or higher tariffs, if imposed in future, could have a material adverse effect on our business, results of operations and financial condition.

Further, we usually do not enter long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers under contracts of short period/ purchase orders. Accordingly, our suppliers may not perform their obligations in a timely manner or at all, resulting in possible delays in our operations. For example, we have had three suppliers declare a force majeure event in the past three fiscal years. While we were able to procure the requisite raw materials from alternate suppliers, there is no assurance whether we would be able to locate such alternate supplies of raw material in the future in a timely manner or at all or at commercially acceptable terms.

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

Companies around the world are increasingly focusing on improvising specialty chemicals by continuously investing in research & development activities. The sector has seen increased R&D activities that would embrace growth opportunities and play a pivotal role for chemical companies in cementing their presence in the global specialty chemical industry. (*Source: F&S Report, August 2023).* We are dependent on our R&D activities and our chemistry and technology core competencies and all of our products have been developed by our own R&D team. Our R&D efforts have been important to our success and a differentiating factor for us to attain leading market positions for certain products. (*Source: F&S Report, August 2023).* We have an R&D centre at our Luna facility in Gujarat, and a R&D centre at our Sajóbábony facility in Hungary.

The table below sets forth the strength of our R&D department as at the dates indicated:

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number of R&D staff	% of total staff	Number of R&D staff	% of total staff	Number of R&D staff	% of total staff
R&D staff (scientists and engineers)	54	4.14%	47	3.62%	43	3.49%

The table below sets forth our R&D expenses for the fiscal years indicated:

Expenses	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of total expenses	₹ million	% of total expenses	₹ million	% of total expenses
Research & Development (R&D) (1)	13.69	0.15%	12.45	0.14%	13.33	0.20%

(1) R&D expenses include materials and utilities used in R&D activities.

According to Frost & Sullivan, the India's R&D ecosystem has grown at a phenomenal pace in the last ten years. About 42% of the global 500 R&D spenders have centers in India, with the figure expected to reach ~50% by 2023. *(Source: F&S Report, August 2023).* Although our R&D spend has been low relative to our overall expenses, our future results of operations will depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. In addition, as part of our business strategies, we intend to further diversify our product portfolio by entering new product value chains. Further, we intend to expand our capacities in existing products as well as expanding and strengthening our research capabilities to ensure rapid product innovation.

Innovation continues to be the key determinant for our success. The development and commercialisation of new products (whether ours or our customers' products) are complex, time-consuming, costly and involves a high degree of business risk.

There is no guarantee that our new products will achieve market acceptance or that the timing of market adoption will be as predicted. There is a possibility, therefore, that some of our product or process development decisions, including R&D costs, or investments in technologies, may not meet our expectations, and that our investment in some projects may be unprofitable. While our R&D initiatives have helped us grow our operations in the past, changes in market demand or customer requirements may cause us to discontinue existing or planned developments for new products, which could have a material adverse effect on our financial condition.

Operational Risks

6. ***We have in the past received closure notice from Gujarat Pollution Control Board for our manufacturing facilities at Luna and Dahej SEZ in Gujarat.***

The Gujarat Pollution Control Board ("**GPCB**") pursuant to its letter dated May 7, 2021 ("**Dahej Closure Notice**") directed the closure of our manufacturing facility at Dahej SEZ, which in Fiscal 2023, Fiscal 2022 and Fiscal 2021 contributed 40.18%, 36.34% and 39.66%, respectively, to our revenue from operations. The Dahej Closure Notice was due to certain non-compliances with the terms of the consent order under the Water (Prevention and Control of Pollution) Act, 1974, including *inter alia* acidic discharge of effluent found at the plant. Upon furnishing of a bank guarantee of ₹1.50 million, undertaking necessary compliances and pursuant to our application to GPCB, dated May 21, 2021, seeking a revocation of the Dahej Closure Notice, GPCB by its order, dated June 29, 2021, issued a stay over the direction under Dahej Closure Notice for a period of three months. Subsequently, our Company through its applications, dated August 28, 2021 and September 7, 2022, sought revocation of the Dahej Closure Notice and GPCB granted stay on the Dahej Closure Notice for three months by way orders dated June 29, 2022, and January 5, 2023 respectively. Further, pursuant to our application dated March 23, 2023, GPCB *vide* order, dated June 8, 2023 ("**June 2023 Order**"), has now granted a stay over the operation of Dahej Closure Notice for a further period of six months from the date of the June 2023 Order. For further details, see "*Outstanding Litigation and Material Developments- Litigation against our Company- Actions by statutory or regulatory authorities against our Company*" on page 403. There can be no assurance that we will receive a permanent revocation of the Dahej Closure Notice or further temporary revocations of the Dahej Closure Notice after the expiry stay granted for six months pursuant to the June 2023 Order, or if any such notices will not be issued to us in the future. Further, we continued to undertake manufacturing operations at Dahej SEZ during the pendency of our applications seeking revocation/ further extension of the stay over the Dahej Closure Notice. There can be no assurance that any penalty or action for continued operations will not be levied or initiated.

With respect to our manufacturing facility in Luna, which in Fiscal 2023, Fiscal 2022 and Fiscal 2021 contributed 30.69%, 33.48% and 30.40%, respectively, to our revenue from operations, GPCB pursuant to its letter, dated May 28, 2019 ("**Luna Closure Notice**"), directed the closure of our Luna manufacturing facility due to certain non-compliances with the terms of the consolidated consent and authorisation under the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016. Upon furnishing of a bank guarantee of ₹1.00 million, undertaking necessary compliances and pursuant to our application to GPCB dated May 31, 2019 seeking a revocation of the Luna Closure Notice, GPCB by its order, dated June 21, 2019, revoked the Luna Closure Notice. While the Luna Closure Notice has been permanently revoked, there can be no assurance that any such notices will not be issued to us in the future.

7. ***Our manufacturing facilities are concentrated in Gujarat in India and Hungary in Europe. Any significant social, political, economic or seasonal disruption, natural calamities or civil disruptions in Gujarat or Hungary could have an adverse effect on our business, results of operations and financial condition.***

We have three manufacturing facilities, which are located in Luna (Gujarat), Dahej SEZ (Gujarat) and Sajóbábony, (Hungary). The table below sets forth a description of our manufacturing facilities:

Location	Commissioning Date[1]	Product Lines	Revenue from Operations (₹ million)			% of total Revenue from Operations		
			Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2023	Fiscal 2022	Fiscal 2021
Luna, Vadodara (Gujarat)	2001	- Acid & alkyl chlorides - Chlorinated acid chlorides - Sulphur dioxide	3,312.81	3,401.16	2,310.57	30.69%	33.48%	30.40%
Dahej SEZ (Gujarat)	2014	- Acid & alkyl chlorides - Speciality chemicals & advanced intermediates - Thionyl chloride - Sulphur dioxide	4,337.60	3,692.52	3,015.00	40.18%	36.34%	39.66%
Sajóbábony (Hungary)	2008[2]	- Phosgene - Aromatic isocyanates and thiochloroformates - Active ingredients - Other chemicals	3,039.60	2,864.58	2,132.25	28.16%	28.19%	28.05%

(1) Calendar year of commissioning of the manufacturing facility
(2) Acquired as part of Scheme III in 2022

Due to the geographic concentration of our manufacturing facilities, our operations are susceptible to local and regional factors, such as economic and weather conditions, natural disasters, political, demographic and population changes, adverse regulatory developments civil unrest and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in shipments of our products and/or otherwise materially adversely affect our business, financial condition and results of operations. The occurrence of any of these events could require us to incur significant capital expenditure or change our business structure or strategy, which could have an adverse effect on our business, results of operations, future cash flows and financial condition. While we have not faced any such disruptions in the past three fiscal years in our operations due to the concentration of our manufacturing operations in Gujarat and Hungary, we cannot assure you that there will not be any significant developments in these regions in the future that may adversely affect our business, results of operations and financial condition.

8. ***We are dependent on third parties for the supply of utilities, such as water, gas and electricity, at our manufacturing facilities and any disruption in the supply of such utilities could adversely affect our manufacturing operations. In addition, our utilities expenses have increased significantly since Fiscal 2021, and further increases in utilities expenses may impact our margins if we are not able to pass these price increases to our customers.***

Our business is dependent on the delivery of an adequate and uninterrupted supply of electricity, water and natural gas. We procure utilities, such as water, natural gas and electricity, from third parties for use at our manufacturing facilities. Reliance on third parties for such utilities exposes us to risks such as shortage or breakdown in supply, the correction of which is in the hands of such third parties. We have installed LPG fuelled generators in our manufacturing facility in Hungary to reduce our dependence on third party supplied electricity. In addition to electricity, we use bio coal in our Luna and Dahej SEZ facilities.

Any interruption in the continuous supply of water, gas, electricity or diesel fuel in the future may negatively impact our manufacturing processes, which may result in delays in delivery of our products or non-delivery, resulting in loss of revenue and damage to our reputation or customer relationship. In case of the unavailability of any supply from, any of our utility providers for any reason, we are unable to assure you that we shall be able to source such utilities from alternate sources in a timely manner and at a commercially reasonable cost, which could adversely affect our business, results of operations and financial condition.

In addition, prices of water, natural gas, LPG and electricity may increase from time to time. The table below sets forth our utilities expenses for the fiscal years indicated:

Expenses	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Utilities	1,089.34	10.09%	932.61	9.18%	449.51	5.91%

Our utilities expenses have increased significantly in recent years due to increase in natural gas and oil prices, particularly in Hungary, and further increases in utilities expenses may impact our margins if we are not able to pass these price increases to our customers.

9. We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances.

Our manufacturing processes involve manufacturing, storage and transportation of various hazardous substances such as 3, 3,5 xylenol (for Para Chloro Meta Xylenol); Pivalic acid (for Pivaloyl Chloride); Neodecanoic acid (for Neo Decanoyl Chloride); Caprylic acid (for Octanoyl Chloride); 5-chloro 8-hydroxy quinoline (for Cloquintocet Mexyl); 3,4 / 3,5 Dichloroaniline (for Diuron / 3,5 Dichlorophenyl isocyanate); Dimethylformamide (for 2 Cyano Phenol), Di n Propyl Amine (for Thiocarbamates); Tert butyl amine (for Tert butyl Isocyanate); and Ethyl mercaptan, amongst others. We are required to obtain approvals from various authorities for storing hazardous substances. We are subject to operating risks associated with handling of such hazardous materials such as possibility for leakages and ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which in turn may cause personal injury, property damage and environmental contamination.

For instance, our operations at Sajóbábony, Hungary, experienced a fatal accident in January 2022 in which an employee inhaled hazardous gas due to improper use of protective equipment. SPL Europe LLC was fined HUF 1,440,000 by the Hungarian Occupational Health and Safety Authority and HUF 1,000,000 by the Hungarian Disaster Management Authority. Further, SPL Europe LLC has settled legal proceeding with the employee’s family in respect of this incident. Further, our operations at Sajóbábony, Hungary, experienced another fatal accident in January 2023 in connection with cleaning a shipping container. The said accident also is currently being investigated by the Hungarian authorities. Any such similar occurrences in the future may result in the shutdown of one or more of our manufacturing facilities and expose us to civil and/or criminal liability or penalties or fines which could adversely affect our business, results of operations and financial condition. Further, such occurrences may result in the termination of our approvals for storing such substances or penalties thereunder.

Moreover, certain environmental laws impose strict liability for accidents and damages resulting from hazardous substances and, although we have had no such instances during Fiscal 2023, Fiscal 2022 or Fiscal 2021, any failure to comply with such laws may lead to closure, penalties, fines and imprisonment.

10. We may be subject to industrial unrest and increased employee costs, which may adversely affect our business and results of operations.

As of March 31, 2023, our workforce comprised of 864 employees. Additionally, during the month of March 2023, we utilised the services of 439 contract labourers.

Our employee benefits expense comprise payments made to all the personnel on our payroll and engaged in our operations (apart from contract labour). The table below sets forth our employee benefits expenses, including as a percentage of revenue from operations, for the fiscal years indicated:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Employee benefits expense	1,057.50	9.80%	1,045.97	10.30%	972.71	12.80%

Our manufacturing operations are significantly dependent on the cooperation and continued support of our workforce, particularly our shop-floor employees and operating personnel. Strikes or work stoppages by our workforce at our manufacturing facilities could halt our production activities which could impact our ability to deliver customer orders in a timely manner or at all, which could adversely affect the results of our operations and reputation. We do not have any registered labour unions at our manufacturing facilities and there have been no disruptions to our manufacturing operations in Fiscal 2023, Fiscal 2022 or Fiscal 2021 on account of labour-related disputes including strikes, lockouts, or collective bargaining arrangements. However, there can be no assurance that we will not experience work disruptions in the future due to disputes or other problems with our workforce. Any such event, at our current facilities or at any new facilities that we may commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers, and impair our relationships with certain key customers, which may adversely impact our business, results of operations and financial condition.

11. ***We are dependent on contract labour and any disruption to the supply of such labour for our manufacturing facilities or our inability to control the composition and cost of our contract labour could adversely affect our operations.***

Our workforce includes personnel that we engage through independent contractors. The table below sets forth details of our contract labourers as at the dates indicated:

	As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2021**
Number of contract labourers	439	408	397

We incur certain contract labour charges for engaging workforce through independent contractors. The table below sets forth the contractual labour charges and such charges as percentage of revenue from operations for the fiscal years indicated:

	Fiscal 2023		**Fiscal 2022**		**Fiscal 2021**	
	₹ million	**% of revenue from operations**	**₹ million**	**% of revenue from operations**	**₹ million**	**% of revenue from operations**
Contractual labour charges	9.40	0.09 %	21.03	0.21 %	17.38	0.23%

Although we do not engage these labourers directly, we may be held responsible for any wage payments to these labourers in the event of default by our independent contractors. While the amount paid in such an event can be recovered from the independent contractor, any significant requirement to fund the wage requirements of the engaged labourers or delay in recovering such amounts from the contractors may have an adverse effect on our cash flows and results of operations.

We are also subject to the laws and regulations in India and Hungary governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. For instance, the GoI has recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. Furthermore, any upward revision of wages that may be required by the state government to be paid to such contract labourers would increase our costs and may adversely affect the business and results of our operations. For instance, recently the Labour, Skill Development and Employment Department, Government of Gujarat, has pursuant to a notification dated March 27, 2023 under the Minimum Wages act, 1948, increased the basic wage of workers by approximately 24% for skilled, semi-skilled and unskilled labour under the Minimum Wages act, 1948. Any similar upward revisions could have an adverse impact on our costs and profitability in the future.

If we are unable to obtain the services of skilled and unskilled workmen or at reasonable rates, it may adversely affect our business and results of operations. In addition, our manufacturing process is dependent on a technology driven production systems and any inability of the contract labourers to familiarize themselves with such technology could adversely affect our business and results of operations.

12. ***We are dependent on third party transportation and logistics service providers for delivery of our products to our customers as well as raw materials to our manufacturing facilities. Any delay in delivery of our products or raw materials or increase in the charges of these entities could adversely affect our business, results of operations and financial condition. We also may be exposed to the risk of theft, accidents and/or loss of our products in transit.***

    Our manufacturing operations are dependent on timely and cost-efficient transportation of raw materials to our facilities and of the products we manufacture to our customers. We do not own any vehicles for the transportation of our products and therefore rely on third party transportation and logistics providers for delivery of our raw materials as well as our products. We do not have any long-term contractual arrangements with such third-party transportation and logistics providers. Any disruption is services by such third-party transportation providers could impact our manufacturing operations and delivery of our products to our customers. Further, transportation strikes could also have an adverse effect on supplies and deliveries to and from our customers and suppliers. Although during Fiscal 2023, Fiscal 2022 or Fiscal 2021, we did not face any significant disruptions due to dependence on third party transportation and logistics service providers, any disruptions of logistics in the future could impair our ability to deliver our products on time, which could materially and adversely affect our business, results of operations and financial condition.

    In addition, we pay for transportation costs in relation to the delivery of our raw materials and other inputs to our manufacturing facilities. We are subject to the risk of increases in freight costs. If we cannot fully offset any increases in freight costs through increases in the prices for our products, we would experience lower margins. In addition, any increase in export tariffs would increase our operating expenses which in turn may adversely affect our business, results of operations and financial condition.

    The table below sets forth our expenses for freight (inward and outward) and such expenses as a percentage of revenue from operations for the fiscal years indicated:

Expenses	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Freight (inward and outward)	165.35	1.53%	248.81	2.45%	217.41	2.86%

    Furthermore, we are exposed to the risk of theft, accidents and/or loss of our products in transit. While we believe we have adequately insured ourselves against such risk, we cannot assure you that our insurance will be sufficient to cover the losses arising due to such theft, accidents and/or loss of our products in transit. While there have been no material instances of theft, accident or loss not covered by insurance or transportation strikes during Fiscal 2023, Fiscal 2022 or Fiscal 2021, 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 could adversely affect our business, results of operations and financial condition. In addition, we transport our hazardous products in ISO containers, and we are responsible for any damage or leaks from such ISO containers. Any losses or claims from damage or leaks from ISO containers, not covered by our insurance, could adversely affect our business, results of operations and financial condition.

13. ***We do not own our Registered and Corporate Office and land on which our Dahej SEZ manufacturing facility are located. A failure to renew our existing lease arrangements at commercially favourable terms or at all may have a material adverse effect on our business, financial condition and results of operations.***

    We do not own our registered and corporate office located at 12th Floor, SHIVA, Sarabhai Complex, Dr. Vikram Sarabhai Marg, Vadiwadi, Vadodara – 390 023, Gujarat, India and our manufacturing facility located at Dahej SEZ in Gujarat, which are occupied by us on a leasehold basis. The table below sets forth the details of our lease arrangements with respect to our properties under lease:

Location	Primary purpose	Date of lease Agreement	Lessor	Expiry of lease	Lease rental
10th Floor, SHIVA, Sarabhai Complex, Dr. Vikram Sarabhai Marg, Vadiwadi, Vadodara – 390 023	Office premises	August 1, 2023	Geetganga Investment Private Limited	11 months from August 1, 2023	₹0.38 million per month

Location	Primary purpose	Date of lease Agreement	Lessor	Expiry of lease	Lease rental
11th Floor, SHIVA, Sarabhai Complex, Dr. Vikram Sarabhai Marg, Vadiwadi, Vadodara – 390 023	Currently sub-leased to Shiva Performance Material Private Limited	January 1, 2023	Geetganga Investment Private Limited	11 months from January 1, 2023	₹0.38 million per month
12th Floor, SHIVA, Sarabhai Complex, Dr. Vikram Sarabhai Marg, Vadiwadi, Vadodara – 390 023	Registered and Corporate Office	January 1, 2023	Geetganga Investment Private Limited	11 months from January 1, 2023	₹0.38 million per month
Dahej SEZ, Bharuch, Gujarat, India	Manufacturing facility	May 16, 2013	Dahej SEZ Limited	October 14, 2040	₹109.39 million was paid at time of allotment of land. The annual rental is ₹1 per square metre for 110,491.26 sq. metres

We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. While we have not failed to renew our lease arrangements for the material properties in the past three fiscal years, in the event that we are unable to in the future, we may be required to vacate our current premises and make alternative arrangements for new offices and manufacturing operations. We cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our manufacturing facilities during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, financial condition, cash flows and results of operations. Furthermore, the deeds for our existing and future leased properties may not be adequately stamped or such stamp duty may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty.

Financial Risks

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

We have, from time to time, entered into various transactions with related parties, including payment of sitting fees and remuneration to our directors and key managerial personnel, payment of rent for leased premises, giving and taking loans and receipt or payment of interest thereon. We rely on our related parties for occupying buildings owned by them and leased to us, including for our Registered and Corporate Office. For further details on our lease agreements, see "*Our Business – Properties*" and "*Risk Factors- We do not own our Registered and Corporate Office and land on which our Dahej SEZ manufacturing facility are located. A failure to renew our existing lease arrangements at commercially favourable terms or at all may have a material adverse effect on our business, financial condition and results of operations*" on page 205 and 38 respectively.

The table below sets forth the total amount of our related party transactions in the ordinary course of business for the fiscal years indicated:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of total income	₹ million	% of total income	₹ million	% of total income
Total related party transactions	130.00	1.19%	333.86	3.24%	293.45	3.75%

For information on all our related party transactions, see "*Restated Consolidated Financial Information – Note 43 – Related Party Disclosures – Details of transactions with related parties (in accordance with Ind AS 24 - Related Party Disclosures)*" on page 315.

Some of our related party transactions include leases and permitted use of several office premises, including lease of our Registered and Corporate Office from Geetganga Investment Private Limited ("**GIPL**"), a related party. Each of our individual Promoters, by virtue of being the promoters and shareholders of GIPL are interested in the lease arrangements of our Company with GIPL. For further information, see "*Our*

Management – Interest of Directors”, *“Our Promoters and Promoter Group – Interest of our Promoters”*, and “*Group Companies – Related business transactions within our Group Companies and significance on the financial performance of our Company*” on pages *230, 245 and 251*, respectively.

The transactions with related parties have been conducted in the ordinary course of business. Except as given below, each of our transactions with related parties have been undertaken on an arm’s length basis. Further, each of the arrangements mentioned below are not subsisting as of the date of this Draft Red Herring Prospectus.

Name of the related party	**Nature of contract/ arrangement**	**Rent per month as per the contract/ arrangement**	**Fiscal Year in which the transaction was not on arm’s length**	**Date of board approval under section 188 of Companies Act 2013**	**Lease cost recognized in the Restated Consolidated Statement of Profit & Loss for the stated properties**	
					Fiscal 2022	**Fiscal 2021**
Geetganga Investment Private Limited	Leave and license agreement for office premises, including our Registered and Corporate Office	₹0.38 million	2022	August 20, 2021	₹6.50 million	-
Geetganga Properties Private Limited	Leave and license agreement for office premises	₹0.04 million	2021 and 2022	December 30, 2020	₹0.48 million	₹0.16 million
Tash Investment Private Limited (“**Tash**”)	Leave and license agreement for office premises, including the earlier registered and corporate office of our Company	₹0.04 million	2021	August 28, 2020	-	₹0.20 million
Tash Investment Private Limited	Leave and license agreement for office premises	₹0.04 million	2021	November 19, 2018	-	₹0.20 million

* *As certified by Talati & Talati LLP, Chartered Accountants, vide certificate dated August 21, 2023*

Section 188 of the Companies Act provides that if a related party transaction is not entered into on an arm’s length basis, the consent of the board of directors of the company is required to be obtained. Further, the consent of the shareholders of the company is required to be obtained if the amount involved in the transaction exceeds certain thresholds prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014. While the transactions mentioned above were not entered into on an arm’s length basis, an approval of our Board was obtained and the approval of the shareholders was not required as the amount involved in the transactions was less than the prescribed thresholds, in compliance with the Companies Act, at the time of entering into these transactions in Fiscal 2021 and Fiscal 2022. However, in Fiscal 2023, these transactions were undertaken on an arm’s length basis and in accordance with the provisions of the Companies Act.

While all the related party transactions in Fiscal 2023 have been carried out on arm’s length basis, we cannot assure you that each of the related party transactions will be carried out on an arm’s length basis in the future and on more favourable terms as compared to unrelated parties.

Our related party transactions are not prejudicial to the interest of our Company. It is likely that we will continue to enter into related party transactions in the future. Some of these transactions may require significant capital outlay and there can be no assurance that we will be able to make a return on these investments. Although all related-party transactions that we may enter into will be subject to Audit Committee, Board or shareholder approval, as may be required under the Companies Act, 2013 and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in the aggregate, will perform as expected/ result in the benefit envisaged therein.

15. ***Our financial performance may be adversely affected if we are not successful in forecasting customer demands, managing our inventory levels.***

We need to maintain sufficient inventory levels to meet customer expectations at all times. Accumulating excess inventory could increase our inventory costs, and a failure to have adequate inventory in stock to fulfil customer orders could result in inability to meet customer demand or loss of customers. While our inventory of raw materials has increased over the last three fiscal years, this increase is in line with the growth in sale of our products and our revenue from operations. We use our enterprise resource planning software to evaluate our inventory balances of raw materials.

The table below sets forth our inventory, average inventory and inventory turnover ratio as at, or for the years, indicated:

Particulars	**As at, or for the year ended,**		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
	(₹ million, except ratios)		
Inventories	1,862.88	1,557.31	1,333.04
Of the above, inventory of raw materials	784.77	743.04	488.35
Average Inventory	1,710.10	1,445.18	1,197.12
Inventory Turnover Ratio	3.23	3.88	3.10

If we are unable to accurately predict sourcing levels or customer trends or if our expectations about customer demands and needs are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our business, results of operations and financial condition. Furthermore, we may be required to maintain high inventory levels if we anticipate increases in customer demand for our products, which in turn would require a significant amount of working capital. Our inability to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, could adversely affect our business, results of operations and financial condition. For further details, see "*- Internal Risk Factors – Financial Risks – We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations and financial condition*" on page 41.

16. ***We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations and financial condition.***

Our business is capital intensive as we require adequate capital to operate and expand our manufacturing facilities. Our historical capital expenditure has been and is expected to be primarily used towards development and enhancement of production capacities by way of setting up multi product plant facilities. Historically, we have funded our capital expenditure requirements through a combination of internal accruals and external borrowings.

The table below sets forth our capital expenditures for the fiscal years indicated:

Particulars	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2021**
	₹ million		
Capital expenditure (excluding CWIP)*	622.03	687.74	1,658.12
CWIP*	1,153.63	714.98	1,084.60

**Represents the additions in every fiscal year*

As part of our strategy, we intend to expand our capacities in India and Hungary. See "*Our Business- Our Strategies - Expand our existing manufacturing capacities*" on page 193. There can be no assurance that our expansion plans will be implemented as planned or on schedule, or that we will achieve our increased planned output capacity or operational efficiency. Although we have not experienced time or cost overruns in the past, if in the future we experience significant delays or mishaps in the implementation of the expansion plans or if there are significant cost overruns, then the overall benefit of such plans to our revenues and profitability may decline. To the extent that the planned expansion does not produce anticipated or desired output, revenue or cost-reduction outcomes, our business, results of operations and financial condition would be adversely affected.

Furthermore, we require a significant amount of working capital to maintain optimum inventory levels of raw materials, work-in-progress and finished goods as well as to offer credit to our customers and fulfil our payment obligations towards our suppliers. The table below sets forth our working capital as at the dates indicated:

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	₹ million		
Working capital (1)	170.75	386.26	969.35
Working capital days (2)	6	14	47

Notes:

(1) Working capital has been calculated as current assets less current liabilities.

(2) Working capital days is computed as working capital multiplied by the number of days divided by revenue from operations.

Our working capital requirements may increase if payment terms in our agreements lead to reduced advance payments from our customers or longer payment schedules, and we may need to raise additional capital from time to time to meet these requirements. While we do not anticipate seeking additional working capital financing in the immediate future, an inability to do so on terms acceptable to us could adversely affect our business operations.

Our sources of additional financing, where required to meet our capital expenditure plans or working capital requirements, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, would result in a dilution of your shareholding. For details in relation to the terms of our existing financing arrangements, see "*Financial Indebtedness*" on page 399.

17. Exchange rate fluctuations may adversely affect our results of operations as our sales outside India and a portion of our expenditures are denominated in foreign currencies.

Our Company's financial statements are prepared in Indian Rupees. However, our sales outside of India and a portion of our raw materials expenditures are denominated in foreign currencies, primarily U.S. Dollar, Euro and Hungarian Forint. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees, particularly the U.S. Dollar, Euro and Hungarian Forint.

The table set forth below provides our revenue in foreign currency for the fiscal years indicated:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Revenue in foreign currency	8,774.87	81.29%	7,365.02	72.49%	5,794.94	76.24%

Further, the table set forth below provides a sensitivity analysis based on the composition of our financial assets and liabilities in foreign currency as at March 31, 2023:

Particulars	Currency	Amount in foreign currency	Amount in ₹ million	Impact on Profit	
				1% increase	1% decrease
Financial Assets	US Dollar (USD)	20.61	1,693.63	16.94	(16.94)
Financial Assets	Euro (EUR)	-	-	-	-
Financial Assets	Hungarian Forint (HUF)	2,017.43	474.10	4.74	(4.74)
Financial Liabilities	US Dollar (USD)	24.88	2,044.49	(20.44)	20.44
Financial	Euro (EUR)	0.04	3.43	(0.03)	0.03

Particulars	Currency	Amount in foreign currency	Amount in ₹ million	Impact on Profit	
				1% increase	1% decrease
Liabilities					
Financial Liabilities	Hungarian Forint (HUF)	10,155.17	2,386.46	(23.86)	23.86

We do not hedge our assets or liabilities against exchange rate movements; therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. We are affected primarily by fluctuations in exchange rates among the U.S. dollar, Euro, Hungarian Forint and the Indian Rupee, and our business, results of operations and financial condition may be adversely affected by fluctuations in the value of the Indian Rupee against the U.S. Dollar or Euro, Hungarian Forint or other foreign currencies. Additionally, we have earned gains due to these fluctuations in foreign currency.

The table set forth below provides our foreign currency gains for the fiscal years indicated:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
	₹ million		
Foreign currency gains	91.24	60.02	27.73

These foreign currency gains were related to instances where the market exchange rate at the time of transaction was in our favour. We, however, run the risk from time to time that the market exchange rate may be less favourable to us which may result in foreign currency losses. For further information on our exchange rate risk management, see "*Management's Discussion and Analysis of Financial Position and Results of Operations – Principal Factors Affecting our Results of Operations – Foreign Exchange Rate Risk*" on page 355.

18. Our inability to collect receivables in time or at all and default in payment from our customers could result in the reduction of our profits and affect our cash flows.

We sell our products on various payment terms including on a cost, insurance and freight basis, on a consignee basis and door delivery or delivery duty paid basis. There have been delays in payments by some of our customers in the past. However, as the said receivables are expected to be realised in the normal course of business, these have not been considered as impaired. A small percentage of our sales are to customers on an open credit basis, with standard payment period of generally between 30 to 90 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit, we extend to what we believe is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses because of a customer's inability to pay. As a result, we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate, and we cannot assure you that we will not experience such delays in payment or default by our customers in the future.

The table below sets forth our trade receivables, our provisions created for expected credit allowances and our past due but not impaired receivables, for the fiscal years indicated:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	Receivable turnover days	₹ million	Receivable turnover days	₹ million	Receivable turnover days
Trade receivables	2,451.55	89 days	2,771.16	85 days	1,918.61	101 days
Provision for Expected Credit Allowances (closing balance as at end of the Fiscal)	1.61	N/A	6.10	N/A	6.10	N/A
Past due but not impaired (outstanding for	31.49	N/A	69.19	N/A	50.18	N/A

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	Receivable turnover days	₹ million	Receivable turnover days	₹ million	Receivable turnover days
more than 6 months from due date of payment)						

While our receivable turnover days have improved in Fiscal 2023 compared to Fiscal 2021, any increase in our receivable turnover days in the future will negatively affect our business, results of operations and financial condition. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, results of operations and financial condition.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. An increase in bad debts or in defaults by our customers, may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations, financial condition and cash flows.

19. ***Our Statutory Auditors have included an emphasis of matter and certain CARO qualifications in our Restated Consolidated Financial Information.***

The auditor’s report on our Special Purpose Ind AS Consolidated Financial Statements for the year ended March 31, 2021 included the following emphasis of matter (included in Note 55 in the Special Purpose Ind AS Consolidated Financial Statements):

We draw attention to the Note No. 55 of the Special Purpose Ind AS Consolidated Financial Statements as under:

“While preparing the Special Purpose Standalone Financial Statement for FY 2020-21 of the Subsidiary Company SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) the management has not provided the Unrealised Foreign Exchange Loss amounting to Rs. 23.92 Million.”

In relation to the above, we draw attention to Note 60 to the Restated Consolidated Financial Information. We have corrected the said prior period errors in respect of the matter more fully described in that note, by restating the amounts for the year ended March 31, 2021 in accordance with IND AS 8, “Accounting Policies, Change in Accounting Estimates and Errors”.

Other matters reported in the Annexure to the Auditor's Reports issued under Companies (Auditor's Report) Order, 2020 (herein after referred to as "CARO 2020 Order") on the financial statements for the year ended March 31, 2023 and March 31, 2022 which do not require any adjustments in the restated consolidated financial information are as follows:

For the year ended 31st March 2023

Clause ii(b) of CARO 2020 Order

According to the information and explanations given to us, the Holding Company has been sanctioned working capital limits in excess of ₹50 Million, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly return and statements comprising (stock statements, book debt statements and statements on ageing analysis of the debtors and other stipulated financial information) filed by the Holding Company with such banks or financial institutions are in agreement with the books of account of the Holding Company, of the respective quarters, except for the following:

Nature of Current Assets/ Current Liabilities	Quarter ended	Value as per Books of Accounts (A)	Value as per quarterly return/ statement (B)	Difference (A-B)	Reason for Difference
Inventory	30th June 2022	978.53	985.87	(7.35)	Due to Revision in Purchase Invoice booking at later date.
	31st March 2023	1,026.55	920.73	105.81	Stock in Transit amounting to Rs. 105.81 Lakhs booked at later date.
Creditors	30th June 2022	348.03	355.23	(7.21)	Due to booking of provisions of expenses at the time of book closing
	30th September 2022	288.30	288.10	0.19	Due to booking of provisions of expenses at the time of book closing
	31st March 2023	515.81	516.38	(0.57)	Due to booking of provisions of expenses at the time of book closing

<u>For the year ended 31st March 2022</u>

Clause ii (b) of CARO 2020 Order

According to the information and explanations given to us, the Holding Company has been sanctioned working capital limits in excess of ₹50 Million, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly return and statements comprising (stock statements, book debt statements and statements on ageing analysis of the debtors and other stipulated financial information) filed by the Holding Company with such banks or financial institutions are in agreement with the books of account of the Holding Company, of the respective quarters, except for the following:

Nature of Current Assets/ Current Liabilities	Quarter ended	Value as per Books of Accounts (A)	Value as per quarterly return/ statement (B)	Difference (A-B)	Reason for Difference
Inventory	31st March 2022	1,017.50	1,018.66	(1.17)	Some outdated inventories have been written off
Trade Receivables	31st March 2022	2,338.80	2,311.93	26.87	Due to Mark to Market booking at the time of book closing
Creditors	30th June 2021	479.09	477.36	1.73	Due to booking of provisions of expenses at the time of book closing
	30th September 2021	418.44	418.32	0.13	Due to booking of provisions of expenses at the time of book closing
	31st December 2021	364.13	360.52	3.61	Due to booking of provisions of expenses at the time of book closing
	31st March 2022	615.02	604.89	10.13	Due to booking of provisions of expenses at the time of book closing

For further details, see "*Restated Consolidated Financial Information – Note 50 – Statement of Restatement Adjustments to Restated Consolidated Financial Information – Part B: Non-Adjusting Events*" on page 332.

We cannot assure you that our Statutory Auditors' reports for any future financial period will not contain similar matters or other remarks, observations or other matters prescribed under Companies (Auditor's Report) Order 2020, and that such matters will not otherwise affect our results of operations.

20. ***We have incurred significant indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.***

As at March 31, 2023, we had aggregate outstanding borrowings (including current borrowings and non-current borrowings) of ₹3,471.14 million. The table below sets forth certain information on our total borrowings, debt to equity ratio, finance cost and interest coverage ratio as at the dates indicated:

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Total Borrowings [(1)] (₹ million)	3,471.14	3,206.21	2,652.42
Debt to equity ratio [(2)]	0.64	0.72	0.72
Finance Costs (₹ million)	140.96	94.42	88.67
Debt service coverage ratio [(3)]	6.92	8.17	5.43

[(1)] Total borrowing is calculated as the sum of current and non-current borrowings.
[(2)] Debt-Equity Ratio is calculated as Total Debt divided by total equity. Total Debt is calculated as the sum of (i) non-current borrowings and (ii) current borrowings (including the current maturities of non-current borrowings).
[(3)] Debt service coverage ratio is calculated as EBITDA divided by total of interest and principal payments.

Any increase in interest rates will increase our finance costs, which may adversely affect our business, results of operations and financial condition. The table below sets forth the exposure of our borrowings to interest rate changes as at the dates indicated:

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Sensitivity analysis of impact on profit or loss due to change in interest rate:			
Increase by 1%	(34.71)	(32.06)	(26.52)
Decrease by 1%	34.71	32.06	26.52

For further details on the sensitivity analysis of impact of change in interest rates on our profit, see "*Restated Consolidated Financial Information – Note 47 – Financial Risk Management, Objective and Policies*" on page 321.

As of March 31, 2023, we had total secured borrowings (current and non-current borrowings) of ₹3,471.04 million. These borrowings are secured, *inter alia*, through a charge by way of hypothecation on our entire current assets, and, in case of our term loans, on fixed assets that includes land and building on which our manufacturing facilities are located in favour of lenders. For further details, see "*Financial Indebtedness*" on page 399, "*Restated Consolidated Financial Information – Note 18 – Non-Current Borrowings*" on page 294 and "*Restated Consolidated Financial Information – Note 23 – Current Borrowings*" on page 297. As some of these secured assets pertain to our manufacturing facilities, our rights in respect of transferring or disposing of these assets are restricted. In the event we fail to service our debt obligations, the lenders have the right to enforce the security in respect of our secured borrowings and dispose of our assets to recover the amounts due from us. Any such shut down of our manufacturing facilities would adversely affect our business, results operations and financial condition.

Furthermore, our loan agreements with our lenders also contain certain negative covenants, including but not limited to, effecting any change in ownership, control, constitution and operating structure capital structure or shareholding pattern and/or management of our Company, any amendment in the constitutional documents, and restrictions on fund raising.

Any failure on our part to comply with these terms in our financing agreements including the security agreements would generally result in events of default under these financing agreements. In such a case, the lenders under each of these respective loan agreements may, at their discretion, accelerate payment and declare the entire outstanding amounts under these loans due and payable, and in certain instances, enforce their security which has been constituted. In Fiscal 2021, our subsidiary, SPL Europe LLC, breached certain financial covenants of its bank borrowings, but these covenants breaches were waived during annual review of the loans by the lenders. We cannot assure you that similar instances will not arise in the future or we will be able to obtain necessary approvals to undertake any of these activities as and when required.

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

As of March 31, 2023, March 31, 2022 and March 31, 2021, our Restated Consolidated Financial Information disclosed the following contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

Nature of Contingent Liabilities	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	₹ million		
In respect of bank guarantees and letters of credit issued by banks on behalf of us	147.44	232.40	523.67
In respect of income tax liability that may arise which is on appeal	114.50	110.43	33.69
In respect of Sales Tax/VAT/GST	101.20	-	4.90
In respect of corporate guarantees	1,541.70	1,541.70	-
Claims not acknowledged as debt	-	4.17	5.54
Total	**1,904.84**	**1,888.70**	**567.80**

For further information, see "*Restated Consolidated Financial Information – Note 42 – Contingent Liabilities and Commitments*" on page 312.

Most of the liabilities have been incurred in the normal course of business. If these contingent liabilities were to fully materialize or materialize at a level higher than we expect, it may materially and adversely impact our business, results of operations and financial condition.

22. Our inability to fully pass on costs to our customer may impact our cash flows, revenue from operations and financial condition.

We typically supply products to our customers based on purchase orders issued by our customers. In respect of many of our purchase orders, we are entitled to pass on price escalations of specified raw materials to our customers. However, this is also dependent on market practice in the chemicals industry with respect to the particular raw material.

Other production costs such as cost of fuel, manpower, inventory carrying cost and currency fluctuations are typically borne by us. As purchase orders are typically finalized on a monthly or quarterly basis before we commence production of a particular product, we are exposed to the risk of significant increases in these production costs between the time such purchase order is placed and the product is manufactured, which we may not be able to fully recover from our customers. Our ability to pass on costs also ultimately depends on our specific customer relationships and while we attempt to offset these costs through continuous improvements, there can be no assurance that our efforts to pass on all increased costs will be successful, and an inability to pass on these costs may have an adverse impact on our cash flows, results of operations and financial condition.

23. Our Company has provided certain corporate guarantees in relation to borrowings availed by SPL Europe LLC.

Our Company has extended certain corporate guarantees to MKB Bank Public Limited, K&H Bank ZRT and the Ministry of Foreign Affairs and Trade of Hungary, in relation to the borrowings availed by our subsidiary, SPL Europe LLC. As at March 31, 2023, the total amount of such corporate guarantees outstanding was ₹1,541.70 million. The table below sets forth the particulars of the corporate guarantees our Company has extended.

Nature of Transactions	Date of Guarantees	Obligee	Amount (₹ million)	Purpose
Corporate Guarantee	December 5, 2021	MKB Bank Public Limited	196.00	For providing a guarantee to MKB Bank Public Limited for a HUF credit agreement for investment entered into by SPL Europe LLC
Corporate Guarantee	December 5, 2021	K & H Bank ZRT	90.05	-
Corporate Guarantee	December 5, 2021	Ministry of Foreign Affairs and Trade of Hungary	1,255.65	Ministry of Foreign Affairs and Trade of Hungary (as obligee) and SPL Europe LLC (as beneficiary) concluded an agreement for supporting investment project. Our Company provided a surety guarantee in favor of obligee for the repayment of amount of subsidy provided to the beneficiary.

Total			1,541.70	

In the event that any security is enforced due to non-compliance with the terms of the financing agreements, satisfying such guarantees could adversely impact our business, results of operations and financial condition.

24. ***We may not have sufficient insurance coverage to cover our economic losses as well as certain other risks, not covered in our insurance policies, which could adversely affect business, results of operations and financial condition.***

Our operations are subject to various risks inherent to the chemicals industry and to the sale and maintaining inventory of products, as well as other risks, such as theft, robbery or acts of terrorism and other force majeure events. We maintain insurance coverage for anticipated risks which are standard for our type of business and operations.

The table below sets forth the particulars of our insurance coverage on a consolidated basis as at the dates indicated:

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Insured Assets (₹ million)	6,762.55	6,415.05	5,697.32
Insured Assets as % of fixed assets (gross block less land cost) and inventory	72.53%	74.55%	72.75%

Our insurance policies cover our manufacturing facilities, R&D centres, warehouses and corporate office from losses in the case of natural calamities and fire. Our incoming and outgoing material (for purchase and sales) are typically insured. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, results of operations and financial condition could be adversely affected. For further details of insurance, see "*Our Business*" on page 180.

We have not taken insurance to protect against all risk and liabilities. For example, we do not have key man insurance, and we do not take insurance for potential product liability claims.

Further, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business. While none of our insurance policies are due for renewal as of the date of this DRHP, we cannot assure you that such renewals in the future (on expiry) will be granted in a timely manner, at acceptable cost or at all.

25. ***Our Group Company Geetganga Properties Private Limited, incurred losses in Fiscal 2023, Fiscal 2022 and Fiscal 2021.***

Our Group Company, Geetganga Properties Private Limited, incurred losses in Fiscal 2023, Fiscal 2022 and Fiscal 2021 on account of depreciation and amortisation expenses and the absence of revenue from operations. The table below sets forth the details of the losses incurred for the fiscal years indicated:

Group Company	Fiscal 2023	Fiscal 2022	Fiscal 2021
	₹ million		
Geetganga Properties Private Limited	(6.18)	(6.46)	(8.59)

In the event, Geetganga Properties Private Limited, a related party and our Group Company continues to incur losses in the future, our ability to negotiate and enter into further transactions with this Group Company will be adversely affected. We cannot assure you that our Group Companies will not incur losses in the future.

Legal and Regulatory Risks

26. ***Some of our corporate records relating to transfers and acquisitions of equity shares made by our Promoters, are not traceable.***

Our Company has not been able to trace certain corporate records with respect to:

- *Allotment made on November 2, 2010 pursuant to further issue:* Board and Shareholders' resolution authorizing the issue of equity shares.

- *Transfer of 200,000 equity shares from Geetganga Investment Private Limited to Rakesh Shiwebhagwan Agrawal on June 11, 2008:* Annexures containing the stamps attached to the share transfer form.

- *Transfer of equity shares by way of gift from Rakesh Shiwebhagwan Agrawal and Uma Rakesh Agrawal to Rahul Rakesh Agrawal on January 7, 2010:* Share transfer forms and depository instruction slips.

Information in relation to above have been disclosed in the section titled "*Capital Structure*" on page 85 based on alternative corporate records, such as form-2 filed with the jurisdictional registrar of companies, the list of allottees, board resolutions, gift deeds, share transfer registers, beneficial holding statements, statement of accounts and register of members maintained by our Company, certifications obtained from the respective Promoters and the search report dated August 14, 2023, prepared by Devesh A. Pathak, an independent practicing company secretary. We may not be able to furnish any further document evidencing the aforesaid details. We cannot assure you that the abovementioned corporate records will be available in the future. Further, we cannot assure you that our Company has filed such forms and filings in a timely manner or at all, in the past. Although no regulatory action/ litigation is pending against us in relation to such untraceable secretarial and other corporate records and documents, we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect.

27. There are outstanding legal proceedings against our Company, Promoters, and certain of our Directors. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, results of operations and financial condition.

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

A summary of outstanding litigation proceedings involving our Company, Promoters, and Directors, as disclosed in "*Outstanding Litigation and Material Developments*" on page 402 in terms of the SEBI ICDR Regulations as at the date of this Draft Red Herring Prospectus is provided below.

Name	**Criminal proceedings**	**Tax proceedings**	**Statutory or regulatory actions**	**Disciplinary actions by the SEBI or Stock Exchanges against our Promoters**	**Material civil litigation**	**Aggregate* amount involved (*₹ in million*)**
Company						
By our Company	15	Nil	Nil	N.A.	Nil	12.07
Against our Company	Nil	19	2	N.A.	Nil	246.70
Directors (*other than our Promoters*)						
By our Directors	Nil	Nil	Nil	N.A.	Nil	Nil
Against our Directors	Nil	2	Nil	N.A.	Nil	102.20
Promoters						
By our Promoters	Nil	Nil	Nil	N.A.	Nil	Nil
Against our Promoters	Nil	2	Nil	Nil	Nil	258.75
Subsidiaries						
By our Subsidiaries	Nil	Nil	Nil	N.A.	Nil	Nil
Against our Subsidiaries	Nil	Nil	Nil	N.A.	Nil	Nil
Group Companies						
Outstanding litigation which may have a material impact on our Company	Nil					

**Amount to the extent quantifiable*

For further information, see "*Outstanding Litigation and Material Developments*" on page 402.

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

28. ***Non-compliance with and changes in, safety, health, environmental laws and other applicable regulations in India, the EU, Hungary and the United States, may adversely affect our business, results of operations and financial condition.***

We are subject to laws and government regulations in India, the EU, Hungary and the United States, including in relation to safety, health and environmental protection. For details, see section titled "*Key Regulations and Policies in India*" on page 206. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, processing, transport or disposal of hazardous substances including employee exposure to hazardous substances and other aspects of our manufacturing operations. In addition, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water.

Our operations, particularly at our manufacturing plants, are subject to stringent scrutiny, inspection and audit from third party environmental agencies, including governmental authorities to ensure our compliance with applicable laws and regulations or the relevant regulatory bodies may require us to shut down our manufacturing plants for purported violations of safety, health, environmental laws, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers. For instance:

- In May 2019, we received a closure notice from the GPCB for our Luna facility in Gujarat in connection with certain non-compliances with the terms of the consolidated consent and authorisation under the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016. The closure notice took immediate effect, but after we completed remedial work, the closure notice was revoked the following month in June 2019. In May 2021 we received a closure notice from the GPCB for our Dahej SEZ facility in connection with certain non-compliances with the terms of the consent order under the Water (Prevention and Control of Pollution) Act, 1974. For more information, see above "*Internal Risks – Operational Risks - We have in the past received closure notice from Gujarat Pollution Control Board for our manufacturing facilities at Luna and Dahej SEZ in Gujarat"* on page 34.

- In March 2022, GPCB issued directions to our Company to inter alia take corrective actions in relation to certain non-compliances under the Water (Prevention and Control of Pollution) Act, 1974 and pay environmental damage compensation as and when communicated by GPCB. For further information, see "*Outstanding Litigation and other Material Developments*" beginning on page 402.

The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond the limits required by applicable law or regulation may cause us to be liable to regulatory bodies or third parties. Any such legal proceedings in the future could adversely affect our business, results of operations and financial condition.

Furthermore, if the authorities deem that our responses do not sufficiently address the concerns raised in these notices, there is also a possibility that the environmental authorities may cancel, suspend or withdraw the approvals, permits or consents granted to us or may order the closure of the manufacturing unit until the concerns are sufficiently addressed or remedied. If such environmental notices result in litigation, fines or the cancellation of our licenses, it could adversely affect our business, results of operations and financial condition.

We are also required to obtain permits from governmental authorities for certain aspects of our operations. These laws, regulations and permits often require us to purchase and install pollution control equipment or to make operational changes to limit impacts or potential impacts on the environment and/or health of our employees.

During Fiscal 2023, Fiscal 2022 and Fiscal 2021, except for certain delays in deposit of statutory dues (such as payment of GST by our Company), we have not delayed in making any regulatory filings under applicable law beyond prescribed timelines that resulted in a non-compliance.

29. ***We do not own any patents, nor do we have any registered trademarks. We instead rely on a combination of trade secret and contractual restrictions to protect our intellectual property. If we are unable to protect our intellectual property rights, our business, results of operations and financial condition may be adversely affected.***

We rely on a combination of trade secret and contractual restrictions to protect our intellectual property. We do not own any patents, nor do we have any registered trademarks.

While our agreements with our employees and consultants who develop our intellectual property including our proprietary intermediates and specialty chemical products, technology, systems and processes on our behalf include confidentiality provisions and provisions on ownership of intellectual property developed during employment or specific assignments, as applicable, these agreements may not effectively prevent unauthorized use or disclosure of our confidential information, our intellectual property including our proprietary products, technology, systems and processes and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information or infringement of our intellectual property. Despite our efforts to protect our proprietary rights, unauthorized parties may copy aspects of our proprietary products, technology, systems and processes and use information that we consider proprietary. In addition, without registered trademark protection third parties may assert rights in our name, brands and marks, although they have not done so in the past. Further, unauthorized parties may also attempt, or successfully endeavour, to obtain our intellectual property, confidential information, and trade secrets through various methods, including through cybersecurity attacks, and legal or other methods of protecting this data may be inadequate. In addition, our trade secrets may become known or independently developed by our competitors, and in such cases, we may no longer enjoy the exclusive use of some of our formulations or maintain the confidentiality of information relating to our products.

Although no such proceedings have been initiated during Fiscal 2023, Fiscal 2022 or Fiscal 2021, we may need to litigate to protect our intellectual property or to defend against third party infringement. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. Any inability to use or protect our intellectual property could affect our relationships with our customers, which could materially and adversely affect our brand, business, results of operations and financial condition.

30. ***We require various licenses and approvals for undertaking our businesses and the failure to obtain or retain such licenses or approvals in a timely manner, or at all, may adversely affect our business, results of operations and financial condition.***

Our business operations are subject to various laws, the compliance of which is supervised by multiple regulatory authorities and government bodies in India, the EU and Hungary. In order to conduct our business, we are required to obtain multiple licenses, approvals, permits and consents. For further information, see "*Government and Other Approvals*". Additionally, our government approvals and licenses are subject to numerous conditions, some of which are onerous including making an application for amending the existing approval. If we are unable to comply with any or all of their applicable terms and conditions or seek waivers or extensions of time for complying with such terms and conditions, our operations may be interrupted and penalties may be imposed on us by the relevant authorities. Most of these approvals and licenses are subject to ongoing inspection and compliance requirements. In the past, we have received closure notices from GPCB for our manufacturing facilities located at Luna and Dahej for certain non-compliance(s) with the terms of the consolidated consent and authorisation under the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016 and the Water (Prevention and Control of Pollution) Act, 1974. While the closure notice for the Luna manufacturing facility has been permanently revoked, the closure notice for Dahej manufacturing facility is temporarily revoked for a period of six months from June 8, 2023. In case the closure notice is not permanently revoked or an order revoking the closure notice temporarily is not received post the completion of this period, the validity of our approvals and licenses along with our operations may be adversely affected. For further details, see "-*We have in the past received closure notice from Gujarat*

Pollution Control Board for our manufacturing facilities at Luna and Dahej SEZ in Gujarat" on page 34. Further, a majority of these approvals and licenses are subject to ongoing inspection and compliance requirements and are valid only for a fixed period of time subject to renewals. Although no such proceedings have been initiated where a license or approval was not renewed during Fiscal 2023, Fiscal 2022 or Fiscal 2021, we may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. In June 2023, SPL Europe LLC has applied for renewal of permit for water rights operation/ water supply and drainage. For further details, see "*Government and Other Approvals*" on page 407. If we fail to renew, obtain or retain any of such approvals, in a timely manner, or at all, our business, results of operations and financial condition may be adversely affected.

31. In the past, one of our Group Companies had failed to comply with requirements under the SEBI Listing Regulations.

Styrenix Performance Materials Limited ("**SPML**"), one of the members of the Promoter Group and one of our Group Companies, whose equity shares are listed on BSE and NSE, had received a letter dated February 2, 2023 from NSE and an e-mail dated February 21, 2023 from BSE in respect of delay in compliance with Regulation 17(1) and 18(1) of the SEBI Listing Regulations, which relate to composition of board of directors and audit committee, for the quarter ended December 31, 2022. SPML has filed an application dated February 24, 2023 to the NSE, the designated stock exchange, to waive the penalty aggregating to ₹ 0.57 million plus goods and services tax, on the grounds that (i) SPML is compliant of Regulation 18(1) of the SEBI Listing Regulations; and (ii) the appointment of all directors including independent directors were made within three months from the date of vacancy of independent directors and accordingly, there is no violation of Regulation 17(1) of SEBI Listing Regulations ("**Waiver Application**"). SPML has also informed the same to BSE and currently, the Waiver Application is pending. While SPML has applied for waiver of the penalty, there is no assurance that such waiver will be forthcoming. In case of such non-compliance of applicable laws in future by our Group Companies, our reputation may be adversely affected.

Risks related to our Promoters and Promoter Group

32. Our individual Promoters have provided personal guarantees to lenders for certain loan facilities availed by our Company, which if invoked could adversely affect our Promoters' ability to manage our affairs and which in turn may adversely impact our business and operations.

Our individual Promoters, Vishal Rakesh Agrawal and Rakesh Shiwebhagwan Agrawal, have given guarantees in relation to certain financing facilities availed by our Company. The table below sets forth details of guarantees provided by them and amount outstanding as at March 31, 2023:

Name of the lender	**Name of the Promoter**	**Amount guaranteed** *(₹ in million)*	**Type of borrowing/ facility**	**Obligations on our Company**	**Amount outstanding as at March 31, 2023** *(₹ in million)*
Standard Chartered Bank	Vishal Rakesh Agrawal and Rakesh Shiwebhagwan Agrawal	250.00	Working capital	N.A.	Nil
Citibank N.A.		500.00	Working capital		390.95
The Federal Bank Ltd		500.00	Working capital		438.45
IDBI Bank Ltd		950.00	Working capital		960.72
HDFC Bank Limited		500.00	Working capital		98.60
HDFC Bank Limited		298.00	Term loan		65.42
HDFC Bank Limited		300.00	Term loan		127.27
Total		**3,298.00**			**2,081.41**

These guarantees are personal guarantees and have been issued in connection with the financing facilities availed by our Company. The abovementioned guarantees are typically effective for a period till the underlying loan is repaid by our Company. The financial implications in case of default by our Company would entitle the lenders to invoke the personal guarantees by our Promoters to the extent of outstanding loan amounts including the interest amount, commission and all costs, expenses incurred by the lender and upon an event of default under the relevant facility agreements. Any such invoking of these personal guarantees by the lenders, could adversely affect our Promoters' ability to manage our affairs and which in turn may adversely impact our business and operations. For further details in relation to the personal guarantees provided by our Promoters, see "*History and Certain Corporate Matters – Details of guarantees given to third parties by the Promoters participating in the Offer for Sale* " on page 219.

In addition to the above, our individual Promoter, Rakesh Shiwebhagwan Agrawal has provided guarantees on behalf of members of our Promoter Group, Shiva Performance Materials Private Limited and Monet Properties LLP, for the loans availed by these entities as on March 31, 2023, aggregating to ₹6,565.60 million and ₹200.00 million, respectively. Rahul Rakesh Agrawal has provided guarantees on behalf of members of our Promoter Group, Shiva Performance Materials Private Limited and Monet Properties LLP, for the loans availed by these entities as on March 31, 2023, aggregating to ₹6,321.60 million and ₹200.00 million, respectively. In case of default in payment of the facilities by these entities, the said personal guarantees provided by our individual Promoters may be invoked by the lenders to the extent of outstanding loan amounts including the interest amount, commission and all costs, expenses. This may affect the financial position of our Promoters including dilution of our Promoters' shareholding in our Company and could adversely affect our Promoters' ability to manage our affairs and which in turn may adversely impact our business and operations.

33. ***Our success largely depends upon the knowledge and experience of our Promoters, Directors, Key Managerial Personnel and Senior Management as well as our ability to attract and retain personnel with technical expertise. Our inability to retain our Directors, Key Managerial Personnel and Senior Management or our ability to attract and retain other personnel with technical expertise could adversely affect our business, results of operations and financial condition.***

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

In addition, we may require a long period of time to hire and train replacement personnel when personnel with technical expertise terminate their employment with us. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining personnel with technical expertise that our business requires. The loss of the services of such persons could have an adverse effect on our business, results of operations, cash flows and financial condition.

The tables below set forth the attrition rate for our employees in our Indian operations and in SPL Europe LLC for the fiscal years indicated:

Indian operations	Fiscal 2023	Fiscal 2022	Fiscal 2021
KMP and SMP attrition rate	Nil	Nil	Nil
Employee attrition rate (other than workers)	1.97%	2.02%	0.94%
Workers' attrition rate	2.77%	1.70%	1.01%

SPL Europe LLC	Fiscal 2023	Fiscal 2022	Fiscal 2021
KMP and SMP attrition rate	Nil	Nil	Nil
Employee attrition rate (other than workers)	5.00%	13. 00%	10. 00%
Workers' attrition rate	14.00%	17. 00%	11. 00%

While these positions have been appropriately filled and we have not faced any impact due to the resignations, we cannot assure that future resignations will not have impact the Company's business or operations.

There is significant competition for management and other skilled personnel in the chemicals industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. Further, as on the date of this Draft Red Herring Prospectus, we do not have key man insurance policies. If we are not able to attract and retain talented employees as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, results of operations and financial condition may be adversely affected. For further information, see "*Our Management*" on page 223.

34. ***Certain Promoters and a member of the Promoter Group of our Company have pledged their Equity Shares as a security for the borrowings availed from certain lenders by one of our Group Companies and a member of our promoter group, namely, Shiva Performance Materials Private Limited. Any invocation of such pledge by the lenders could dilute the shareholding of the Promoters and Promoter Group, which may adversely affect our business and any sale of Equity Shares by the lenders may adversely affect the share price of our Company.***

As on the date of the Draft Red Herring Prospectus, the Equity Shares held by our Promoter Trusts and one of the members of the Promoter Group, as set forth in the table below, are pledged in favour of Catalyst Trusteeship Limited, a security trustee on behalf of JM Financial Products Limited, JM Financial Credit Solutions Limited, Avendus Finance Private Limited, Aditya Birla Finance Limited and Standard Chartered Capital Limited (which are Systemically Important NBFCs) (collectively, "**Lenders**"), as a security for the borrowings availed by Shiva Performance Materials Private Limited.

Pledgor	Number of Equity Shares Pledged ("Pledged Shares")	Percentage of pre-Offer Equity Share capital
Rakesh Agrawal Family Trust	4,248,120[(1)]	4.00%
Uma Agrawal Family Trust	8,496,240[(2)]	8.00%
Vishal Agrawal Family Trust	29,065,583[(3)]	27.37%
Rahul Agrawal Family Trust	12,353,587[(4)]	11.63%
Total	**54,163, 530**	**51.00%**

[(1)]Held by Rakesh Shiwebhagwan Agrawal as the trustee of the Rakesh Agrawal Family Trust
[(2)]Held by Uma Rakesh Agrawal as the trustee of Uma Agrawal Family Trust
[(3)]Held by Vishal Rakesh Agrawal as the trustee of the Vishal Agrawal Family Trust
[(4)]Held by Rahul Rakesh Agrawal as the trustee of the Rahul Agrawal Family Trust

The Pledged Shares shall be released prior to filing of the Red Herring Prospectus with the RoC for the purposes of creation of lock-in in terms of the SEBI ICDR Regulations and shall be repledged immediately after creation of such lock-in. Furthermore, pursuant to the facility agreement dated November 11, 2022 and the pledge agreement dated June 1, 2023, Rahul Rakesh Agrawal, one of the Promoter Selling Shareholders and Geetganga Investment Private Limited, the Promoter Group Selling Shareholder, have agreed to repay the borrowings availed from the Lenders, from the proceeds arising from the Offer for Sale. Any default under the agreements pursuant to which these Equity Shares have been pledged will entitle the pledgee to enforce the pledge over these Equity Shares. In the event of invocation of pledge, the shareholding of the pledgees including our Promoters will be diluted and we may face certain impediments in taking decisions on certain key, strategic matters involving our Company. Further, any sale of Equity Shares by the lender may also adversely affect the price of the Equity Shares.

35. ***Some of our Directors and Promoters are directors and promoters in other entities, including a listed company and this may result in diversion of their time and efforts in the businesses of such other entities result in conflict of interest with us.***

As on the date of this Draft Red Herring Prospectus, some of our Directors and Promoters namely, Rakesh Shiwebhagwan Agrawal, Vishal Rakesh Agrawal and Rahul Rakesh Agrawal are promoters and/or executive directors in other entities, including a listed company, Styrenix Performance Materials Limited ("**SPML**"). Each of our individual Promoters are executive directors on the board of directors of SPML.

While there is no conflict in terms of the nature of business conducted by us and SPML, there is no assurance that the time and efforts of our Directors and Promoters will not be diverted in the businesses of such other entities. Such factors may have an adverse effect on the results of our operations and financial condition. Further, conflict of interests may arise in allocating business opportunities amongst our Company and such entities in circumstances where our respective interests conflict.

36. ***After the completion of the Offer, our Promoters will continue to collectively hold substantial shareholding in our Company.***

Currently, our Promoters and Promoter Group own an aggregate of 100% of our issued, subscribed and paid-up Equity Share capital. Following the completion of the Offer, our Promoters and Promoter Group will continue to hold approximately [●] % of our post-Offer Equity Share capital. For details of their shareholding pre and post-Offer, see "*Capital Structure*" on page 85. By virtue of their shareholding, our Promoters will have the ability to exercise significant control over the outcome of the matters submitted to our shareholders for approval, including the appointment of Directors, the timing and payment of dividends, the adoption of and amendments to our Memorandum and Articles of Association, the approval of a merger or sale of substantially all of our assets and the approval of most other actions requiring the approval of our shareholders. The interests of our Promoters in their capacity as our Shareholders could be different from the interests of our other shareholders. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

Risks related to the Objects of the Offer

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

The Offer is an Offer for sale of up to [●] Equity Shares aggregating up to ₹ 9,000.00 million by the Selling Shareholders. The entire proceeds from the Offer (after deducting applicable Offer expenses) will be paid to the Selling Shareholders in proportion of the Equity Shares offered by the Selling Shareholders in the Offer for Sale, and our Company will not receive any proceeds from the Offer. For further details, see the section "*Objects of the Offer*" on page 101.

Other Risks

38. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance. Our inability to accurately forecast demand for our products may have an adverse effect on our business, results of operations and financial condition.

We manufacture our products at our facilities at Luna (Gujarat), Dahej SEZ (Gujarat) and Sajóbábony (Hungary). Our installed capacity, actual production and utilization for our manufacturing facilities is provided in "*Our Business – Manufacturing - Capacity, Production and Capacity Utilization*" on page 199. The success of our proposed capacity expansions and expected return on investment on capital expenditure is subject to, among other factors, our ability to utilize our existing and expanded manufacturing capacities. Under-utilization of our existing manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities in the future could have an adverse effect on our business, prospects and future financial performance.

We make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders for our products. We adjust our production periodically to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Changes in demand for our products could make it difficult to schedule production and lead to a mismatch of production and capacity utilization. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations and financial condition.

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

Although the specialty chemicals industry provides for significant entry barriers, competition in our business is based on pricing, relationships with customers, research and development, product registration, product quality, customisation, and innovation. We face pricing pressures from companies, principally in China, Europe and North America, that are able to produce chemicals at competitive costs and consequently, may supply their products at cheaper prices. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such multinational competitors which would adversely affect our business, results of operations and financial condition. Additionally, some of our competitors in the intermediates and speciality chemicals business may have greater financial, research and technological resources, larger sales and marketing teams and more established reputation. They may also be in a better position to identify market trends, adapt to changes in industry, innovative new products, offer competitive prices due to economies of scale and also ensure product quality and compliance. Further, our competitors may enter into contract manufacturing arrangements with our customers for products that they are currently purchasing from us that could result in the loss of such customer or loss of revenue from such customer. In addition, our customers may decide to backward integrate their businesses, which could reduce their purchases of our products. For more information regarding our industry peers, please see the "*Industry Overview – Market share / position of key players*" on *171*.

40. ***Our business is dependent and will continue to depend on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations that could interfere with our operations could have an adverse effect on our business, results of operations and financial condition.***

We conduct our operations through our facilities at Luna (Gujarat), Dahej SEZ (Gujarat) and Sajóbábony (Hungary). For further information, see "*Our Business – Manufacturing*" on page 198. Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the malfunction or failure of equipment as well as industrial accidents, severe weather conditions and natural disasters. Any significant malfunction or failure of our machinery, our equipment, our reactors, our automation systems, our IT systems or any other part of our manufacturing processes or systems (together, our "**Manufacturing Assets**") may entail significant repair and maintenance costs and cause delays in our operations. We cannot assure you that we shall not experience any malfunction or failure of our Manufacturing Assets in the future. If we are unable to repair Manufacturing Assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate Manufacturing Assets to replace them. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections, customer audits and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

Although we have not experienced any significant disruptions at our manufacturing facilities in the past three fiscal years, we cannot assure you that there will not be any significant disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any such disruption in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition.

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

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

- Expand our existing product portfolio;
- Expand our markets and increase our wallet share with existing customers;
- Expand our existing manufacturing capacities;
- Further develop our R&D capabilities; and
- Continue to focus on reduction of our operating expenses through asset upgrades.

Our strategies may not succeed due to various factors, including our inability to reduce our debt and our operating costs, our failure to develop new products and services with sufficient growth potential as per the changing market preferences and trends, our failure to execute agreements with our customers, our failure to effectively market these new products and services or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines, automation, equipment and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain highest quality and consistency in our operations or to ensure scaling of our operations to correspond with our strategy and customer demand, changes in GoI or Hungarian policy or regulation, our inability to respond to regular competition, and other operational and management difficulties. For further details of our strategies, see "*Our Business – Our Strategies*" on page 193.

42. ***We are subject to strict quality requirements, regular inspections and audits by our customers, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our business, results of operations and financial condition. In addition, our business may expose us to potential product recalls and returns, which could adversely affect our results operation, goodwill and the marketability of our products. Further, we may be exposed to potential product liability claims which could adversely affect our results of operation, goodwill and the marketability of our products.***

We may be exposed to risks of products recalls and returns or where products are returned to be reworked. The table below sets forth our total returns and rejections and such returns and rejections as a percentage of revenue from operations for the fiscal years indicated:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Returns and rejections	52.23	0.48%	50.13	0.49%	55.28	0.73%

We develop, manufacture and market a diverse range of advanced intermediates and speciality chemicals. Our products go through various quality checks at various stages including random sampling check and quality check internally. Certain of our key customers have audited our facilities and manufacturing processes in the past and may undertake similar audits periodically in the future. These successful audits play a critical role in customer retention, and although we have not experienced any loss of customers due to audits in the past, any issues that arise during these audits may lead to loss of the particular customer. Further, failure of our products to meet prescribed quality standards may result in rejection and reworking of our products.

Our Luna, Dahej SEZ and Sajóbábony facilities each have been certified ISO 9001: 2015 (management systems), ISO 14001: 2015 (environmental management system) and ISO 45001-2018 (occupational health and safety). While we have put in place quality control procedures, we cannot assure that our products will always be able to satisfy our prescribed quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the manufacturing of our products. While we have not faced such challenges in past, any failure on our part to successfully maintain quality standards for our products may affect our customer relationships, which may adversely affect our business, results of operations and financial condition.

In addition, we may be exposed to potential product liability claims, and the severity and timing of such claims are unpredictable. While we have not taken insurance to protect us from such claims, we have not been subject to product liability lawsuits in the past, we face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether such claims are valid. We may also be subject to claims resulting from manufacturing defects, contamination, adulteration, product tampering or negligence in production, storage or handling which may lead to the deterioration of our products. We have not been subject to such claims during Fiscal 2023, Fiscal 2022 or Fiscal 2021. Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation and require our management’s time and focus. Accordingly, such product liability claims, may adversely affect our results of operation, goodwill and the marketability of our products.

Further, we develop, manufacture and market a diverse range of chemical products and formulations including hazardous substances, which are primarily used as raw materials for a variety of end user applications. If our products or our customers’ products cause, or are perceived to cause, severe side effects to their end-users, we may face a number of consequences, including, a severe decrease in the demand for, and sales of, the relevant products; the recall or withdrawal of the relevant products; withdrawal or cancellation of regulatory approvals for the relevant production facility; damage to our reputation and brand name; and exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or sanctions. While there have been no material instances of such risk during Fiscal 2023, Fiscal 2022 or Fiscal 2021, in case any of our products or products of our customer cause, or are perceived to cause, severe side effects our business, results of operations and financial condition may be adversely affected.

43. Any downgrade of our credit ratings could adversely affect our business.

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

Instrument or Rating Type	₹ million	Date	Ratings
Long term bank facilities	43.20	April 18, 2023	CARE A-; Positive

Instrument or Rating Type	₹ million	Date	Ratings
Long term/ Short-term bank facilities	2,500.00	April 18, 2023	CARE A- ; Positive/CARE A2+
Long term credit rating	N/A	February 17, 2023	BCRA BB+ Positive
Short-term bank facilities	200.00	April 18, 2023	CARE A2+

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

44. ***We might infringe upon the intellectual property rights of others and any misappropriation of our intellectual property could harm our competitive position.***

Although we have faced no instances of intellectual property claims during Fiscal 2023, Fiscal 2022 or Fiscal 2021, and while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights, which may require us to alter our technologies, obtain licenses or cease some of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised, those claims could: (a) adversely affect our relationships with current or future customers: (b) result in costly litigation; (c) cause product shipment delays or stoppages; (d) divert management's attention and resources; (e) subject us to significant liabilities; (f) require us to enter into potentially expensive royalty or licensing agreements and (g) require us to cease certain activities. While during Fiscal 2023, Fiscal 2022 or Fiscal 2021, we have not been involved in litigation or incurred litigation expenses in connection with our intellectual property rights, in the case of an infringement claim made by a third party, we may be required to defend such claims at our own cost and liability and may need to indemnify and hold harmless our customers. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, which settlement could be costly. We may also be liable for any past infringement that we are not aware of. Any of the foregoing could adversely affect our business, results of operations and financial condition.

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

45. ***Failure or disruption of our IT, manufacturing automation systems and/or enterprise resource planning systems may adversely affect our business, results of operations and financial condition.***

We have implemented various information technology ("**IT**") and/or enterprise resource planning ("**ERP**") solutions to cover key areas of our operations, procurement, dispatch and accounting. See, "*Our Business - Information Technology*" on page 204. These solutions are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our IT systems, ERP systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. While we have not faced significant disruptions in past, any such malfunction or disruptions in future could cause economic losses for which we could be held liable or cause damage to our reputation. Any of these developments, alone or in combination, could have a material adverse effect on our business, results of operations and financial condition. Although we have had no incidents during Fiscal 2023, Fiscal 2022 or Fiscal 2021, the unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT, and/or ERP systems may lead to inefficiency or disruption of our operations and thereby adversely affecting our business, results of operations and financial condition.

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

We enter into confidentiality agreements and non-disclosure agreements with our customers and other third parties. Our agreements with our customers also contain confidentiality and non-disclosure clauses. As per these agreements, we are required to keep confidential, the know-how and technical specifications, if any, provided to us by these customers. In the event of any breach or alleged breach of our confidentiality agreements with our customers, these customers may terminate their engagements with us or initiate litigation for breach of contract. Moreover, most of these contracts do not contain provisions limiting our liability with respect to breaches of our obligation to keep the information we receive from them confidential. As a result, if our customers' confidential information is misappropriated by us or our employees, our customers may consider us liable for that act and seek damages and compensation from us, in addition, to seeking termination of the contract. Although we have had no incidents during Fiscal 2023, Fiscal 2022 or Fiscal 2021, assertions in the future of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have a material adverse effect on our business, results of operations and financial condition. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost.

47. Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include inventory loss and intentional failures to comply with any regulations applicable to us, to provide accurate information to regulatory authorities, to comply with manufacturing standards we have established, or to report financial information or data accurately or disclose unauthorized activities to us. There can be no assurance that we will be able to identify and deter such misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risk. Although we have had no material incidents of employee misconduct during Fiscal 2023, Fiscal 2022 or Fiscal 2021, if our employees engage in any such future misconduct, we could face criminal penalties, fines, revocation of regulatory approvals and harm to our reputation, any of which could form a material adverse effect on our business, results of operations or financial condition.

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

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error.

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

49. ***Information relating to the installed manufacturing capacity, actual production and capacity utilisation of our manufacturing facilities in India and Hungary included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the historical installed capacity, actual production and estimated capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management and independent chartered engineers, including assumptions relating to standard capacity calculation practice of specialty chemicals industry, period during which the manufacturing facility operates in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. For detailed information on our capacity and capacity utilization, see "*Our Business- Manufacturing - Capacity, Production and Capacity Utilization"* on page 199. Actual production volumes and capacity utilization rates may differ significantly from the estimated production capacities and historical capacity utilization of our manufacturing facilities. Investors should therefore not place undue reliance on our historical installed capacity information for our existing manufacturing facilities included in this Draft Red Herring Prospectus.

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

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

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry sources do not guarantee the accuracy, adequacy or completeness of the data. Further, the F&S Report is not a recommendation to invest / disinvest in any company covered in the F&S Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the F&S Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the F&S Report before making any investment decision regarding the Offer. See "*Industry Overview*" on page 119. For the disclaimers associated with the F&S Report, see "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data*" on page 15.

51. ***We have in this Draft Red Herring Prospectus included certain Non-GAAP Measures that may vary from any standard methodology that is applicable across the Indian chemicals industry and may not be comparable with financial information of similar nomenclature computed and presented by other companies.***

Certain Non-GAAP Measures relating to our operations have been included in this Draft Red Herring Prospectus. For more information on the key performance indicators and non-GAAP financial measures used in this Draft Red Herring Prospectus, see "*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation—Non-GAAP financial measures*", on page 15. We compute and disclose such Non-GAAP Measures as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of Indian chemicals companies, many of which provide such Non-GAAP Measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited and restated financial statements as reported under applicable accounting standards disclosed elsewhere in this Draft Red Herring Prospectus. These Non-GAAP Measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and are not measures of operating performance or liquidity defined by generally accepted accounting principles, and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other manufacturing companies.

External Risks

Risks Relating to India

52. A slowdown in economic growth in India could cause our business to suffer. Also, any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business, results of operations and financial condition.

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

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

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

53. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. In February 2022, hostilities between Russia and the Ukraine commenced. The market price of oil has risen sharply since the commencement of these hostilities which may have an inflationary effect in India. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs with increases in prices for our products. In such case, our business, results of operations and financial condition may be adversely affected. Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

54. Our business is affected by global economic conditions, especially in Hungary, which may have an adverse effect on our business, results of operations and financial condition.

Our business depends substantially on global economic conditions. A significant number of our customers are located and primarily operating in Europe, North America and Asia and the economic downturn in these economies, disruption in banking and financial systems, economic weakness, unfavourable government policies, rising inflation, lowering of spending power, and political uncertainty in these economies could adversely affect our business, results of operations, financial condition and cash flows. In addition, we have a manufacturing facility in Hungary which could also be adversely affected by such factors.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of our Equity Shares. In addition, we have a manufacturing facility in Hungary which could also be adversely affected by such factors.

China is one of India's major trading partners and there are rising concerns of a strained relationship with India, which could have an adverse impact on the trade relations between the two countries.

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

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

55. ***Changing regulations in India and Hungary could lead to new compliance requirements that are uncertain.***

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

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

56. ***Natural calamities, climate change and health epidemics and pandemics such as COVID-19 in India or Hungary could adversely affect our business, results of operations and financial condition. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, results of operations and financial condition.***

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

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

India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Hungary has also experienced periods of social and civil unrest and political tensions. Further, there has been political tension between the current Hungarian government and the EU. Military activity or terrorist attacks in the future could influence the Indian or Hungarian economies by disrupting communications and making travel more difficult. Such political tensions also could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia and Europe, could influence the Indian or Hungarian economy and could have a material adverse effect on the market for securities of Indian companies.

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

Our Restated Consolidated Financial Information has been compiled from our audited consolidated financial statements prepared and presented in accordance with Ind-AS, and restated in accordance with the SEBI ICDR Regulations. Ind-AS differs from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind-AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on the prospective investor's familiarity with Ind-AS and the Companies Act. Any reliance by persons not familiar with Ind-AS on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. In addition, some of our competitors may not present their financial statements in accordance with Ind AS and their financial statements may not be directly comparable to ours, and therefore reliance should accordingly be limited.

58. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act may in turn adversely affect our business.***

The Competition Act, 2002, as amended (the "**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India to prevent such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it may adversely affect our business, results of operations and financial condition.

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

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

60. Investors may not be able to enforce a judgment of a foreign court against us.

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

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

Risks Relating to the Offer and the Equity Shares

61. Our Equity Shares have never been publicly traded, and, after the Offer, our Equity Shares may experience price and volume fluctuations, and an active trading market for our Equity Shares may not develop.

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market for our Equity Shares may not develop. Listing and quotation does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for our Equity Shares. Investors might not be able to rapidly sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares. The Offer Price of our Equity Shares will be determined through a book-building process and may not be indicative of the market price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter.

The market price of our Equity Shares may be subject to significant fluctuations in response to, among other factors:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of research analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- conditions in financial markets, including those outside India;
- a change in research analysts' recommendations;
- announcements by us or our competitors of new products, significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or government entities of significant claims or proceedings against us;

- new laws and government regulations or changes in laws and government regulations applicable to our industry;
- developments relating to our peer companies in the industry in which we operate;
- additions or departures of Key Managerial Personnel and Senior Management; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of our Equity Shares. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all, and may as a result lose all or a part of your investment.

62. Currency exchange rate fluctuations may affect the value of the Equity Shares, independent of our operating results.

The exchange rate between the Rupee and other foreign currencies, including the U.S. Dollar, Euro and Hungarian Forint has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased the Equity Shares and the value of Indian Rupees may affect the value of the investment in the Equity Shares, including foreign currency equivalent of the proceeds of sale of Equity Shares, and foreign currency equivalent of cash dividends, if any.

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

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

Our Company has a formal dividend policy as on the date of this Draft Red Herring Prospectus. Our Company, however, has not declared dividends on our Equity Shares during the current Fiscal Year and the last three Fiscal Years. Our ability to pay dividends in the future will depend upon our dividend policy, future results of operations, financial condition, cash flows, working capital requirements and capital expenditure requirements and other factors considered relevant by our directors and shareholders. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future. For details pertaining to dividend policy, see "*Dividend Policy*" on page 252.

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

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" on page 104 and may not be indicative of the market price for the Equity Shares after the Offer.

Additionally, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Managers is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*" commencing on page 418. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

65. Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock

Exchanges in order to enhance market integrity and safeguard the interest of investors.

On listing, we may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Offer due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may lead to us triggering the parameters listed by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation. In the event our Equity Shares are covered under such surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

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

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

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of Equity Shares.

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

Further, the Government of India has notified the Finance Act, 2023 ("**Finance Act**"), which has introduced various amendments to the Income-tax Act, 1961. We cannot predict whether any amendments to the Finance Act, or any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, results of operations and financial condition.

67. ***QIBs and Non-Institutional Bidders 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 Bidders are not permitted to withdraw their Bids after Bid/Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders 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 Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, or such other time period as required under the applicable laws, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in macro-economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted or cause the trading price of the Equity Shares to decline on listing.

68. There is no guarantee that our Equity Shares will be listed on the BSE and NSE in a timely manner or at all. You may not be able to sell, any of the Equity Shares you purchase in the Offer immediately on an Indian stock exchange.

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the BSE and NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

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

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

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

We may be required to finance our growth 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 disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our significant Shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Such securities may also be issued at prices below the Offer Price.

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

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

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

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

73. ***Non-resident investors are subject to investment restrictions under Indian laws, which limit the ability to attract foreign investors, which may adversely impact the market price of Equity Shares.***

Foreign ownership of Indian securities is subject to Government regulation. Under the foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or does not fall under any of the exceptions specified by the RBI, then prior approval of the RBI will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no objection or a tax clearance certificate from the Indian income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all.

Further, pursuant to Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can only be made through Government approval route, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. The Company cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms, or at all. For further details, please see "*Restriction on Foreign Ownership of Indian Securities*" on page 453.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares by way of Offer for Sale by the Selling Shareholders [(1)] [(2)]	Up to [●] Equity Shares, aggregating up to ₹ 9,000.00 million
which consists of:	
A) QIB Portion [(3)(4)]	Not more than [●] Equity Shares
of which:	
(i) Anchor Investor Portion[(4)]	Up to [●] Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion) [(3)]	[●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion[(4)]	Not less than [●] Equity Shares
of which	
(a) One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million	[●] Equity Shares
(b) Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 1.00 million	[●] Equity Shares
C) Retail Portion [(4)]	Not less than [●] Equity Shares
Pre- and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus) and after the Offer	106,203,000 Equity Shares
Use of proceeds	See section titled "*Objects of the Offer*" on page 101 for information about the use of the proceeds. Our Company will not receive any proceeds from the Offer for Sale

(1) *The Offer has been authorized by a resolution of our Board dated August 14, 2023. Further, our Board has taken on record the consents of the Selling Shareholders to participate in the Offer for Sale in its meeting held on August 14, 2023.*

(2) *The Equity Shares being offered by the Selling Shareholders have been held by them for a period of at least one year immediately preceding the date of this Draft Red Herring Prospectus and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. The Selling Shareholders, severally and not jointly, have confirmed and authorized their respective participation in the Offer for Sale, as stated below:*

S. No.	Name of the Selling Shareholder	Date of the board resolution	Date of the consent letter	Aggregate amount of Offer for Sale
1.	Vishal Rakesh Agrawal	N.A.	August 14, 2023	Up to [●] Equity Shares, aggregating up to ₹ 3,830.00 million
2.	Rahul Rakesh Agrawal	N.A.	August 14, 2023	Up to [●] Equity Shares, aggregating up to ₹ 3,830.00 million
3.	Geetganga Investment Private Limited	August 14, 2023	August 14, 2023	Up to [●] Equity Shares, aggregating up to ₹ 1,340.00 million

(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 in accordance with SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For details, see "Offer Procedure" on page 433.*

(4) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, as applicable, at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange.*

Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Bidders and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. One-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. The allocation to each Non-Institutional Bidders shall not be less than the minimum application size, subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

For details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure* "and "*Offer Procedure*" on pages 430 and 433, respectively. For details of the terms of the Offer, see "*Terms of the Offer*" on page 424.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Consolidated Financial Information.

The summary financial information presented below should be read in conjunction with *"Financial Information"* and *"Management's Discussion and Analysis of Financial Position and Results of Operations"* on pages 253 and 349, respectively.

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RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

Particulars	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
ASSETS			
Non-current assets			
Property, plant, and equipment	3,461.66	3,351.19	3,198.86
Capital work-in-progress	1,956.88	1,142.99	846.88
Investment Property	1.81	-	-
Goodwill on Consolidation	55.87	56.22	56.22
Intangible assets	113.25	149.92	12.89
Right of Use Assets	105.19	109.35	114.55
Financial assets			
(i) Investments	207.06	186.49	17.51
-In associates	-	-	-
(ii) Other non-current financial assets	11.61	41.80	41.80
Deferred tax assets (net)	24.76	13.46	14.95
Income tax assets (net)	-	-	-
Other non-current assets	16.75	31.11	26.10
Total Non - current assets	**5,954.83**	**5,082.52**	**4,329.78**
Current assets			
Inventories	1,862.88	1,557.31	1,333.04
Financial assets			
(i) Other investments	-	-	-
(ii) Trade receivables	2,451.55	2,771.16	1,918.61
(iii) Cash and cash equivalents	293.79	142.10	185.72
(iv) Bank balances other than (iii) above	3.83	16.43	24.22
(v) Loans	7.35	6.20	6.01
(vi) Other current financial assets	-		
Other current assets	995.13	894.25	734.81
Assets classified as held for sale	-	-	-
Total Current assets	**5,614.54**	**5,387.44**	**4,202.42**
TOTAL ASSETS	**11,569.37**	**10,469.96**	**8,532.19**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	212.41	70.80	70.80
(b) Equity component of compound financial instrument	-	-	-
Other equity	5,174.63	4,399.61	3,615.66
Equity attributable to owners of the Holding Company	5,387.04	4,470.41	3,686.46
Non- Controlling Interest	191.51	193.73	167.46
Total equity	**5,578.55**	**4,664.14**	**3,853.93**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	451.19	624.07	1,277.76
(ii) Lease liabilities	2.12	1.08	1.11
(iii) Other Financial Liabilities	-	55.00	55.00
(b) Long Term Provisions	91.07	87.92	77.96
(c) Other non-current liabilities	2.65	36.56	33.37
Total Non-current liabilities	**547.03**	**804.64**	**1,445.20**
Current liabilities			
Financial liabilities			
(i) Borrowings	3,019.95	2,582.14	1,374.66
(ii) Lease Liabilities	0.05	0.02	0.02
(iii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	73.25	75.69	90.23
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1,149.77	1,386.06	961.53
(b) Short term Provisions	218.00	166.06	193.64
(c) Liability for current tax (net)	415.32	314.26	204.21
(d) Other current liabilities	567.45	476.96	408.77
Total current liabilities	**5,443.79**	**5,001.19**	**3,233.07**
TOTAL EQUITY AND LIABILITIES	**11,569.37**	**10,469.96**	**8,532.19**

RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in million)

Particulars	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
Income			
Revenue from operations	10,794.66	10,159.90	7,601.17
Other income	147.30	158.44	217.14
Total Income (I)	**10,941.96**	**10,318.34**	**7,818.31**
Expenses			
Cost of Materials Consumed	5,763.54	5,358.59	4,058.11
Purchases of Traded Goods	78.74	273.54	25.17
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	(322.03)	(30.54)	(368.10)
Employee Benefits Expense	1,057.50	1,045.97	972.71
Finance Costs	140.96	94.42	88.67
Depreciation and Amortization Expense	506.66	541.49	420.29
Other Expenses	2,175.05	1,914.83	1,504.31
Total Expenses (II)	**9,400.42**	**9,198.28**	**6,701.17**
Restated Profit/(Loss) before Share of profit/(loss) of associates and tax (I-II=III)	1,541.55	1,120.05	1,117.14
Share of profit/(loss) of associates (IV)	-	-	-
Restated Profit/(Loss) before tax (III+IV=V)	1,541.55	1,120.05	1,117.14
Add: Exceptional items (IV)	-	-	-
Restated Profit/(Loss) before tax from continuing operations (III - IV = V)	1,541.55	1,120.05	1,117.14
Tax expense (VI):			
Current tax	387.34	287.38	243.12
MAT credit entitlement	-	-	-
Deferred tax	(12.17)	3.15	11.45
Taxation pertaining to earlier years	(0.09)	(3.67)	-
Total	375.09	286.86	254.57
Restated Profit/(Loss) after tax for the year from continuing operations (V-VI=VII)	1,166.46	833.20	862.57
Other Comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(4.98)	(4.60)	(7.60)
Tax on above	1.76	1.66	2.81
B (ii) Items that will be reclassified to profit or loss			
Difference due to changes in foreign exchange reserves	(109.58)	62.41	(6.55)
Restated Total Other Comprehensive income/(loss) (X)	(112.80)	59.47	(11.34)
Restated Total Comprehensive income/(loss) for the year (IX+X=XI)	1,053.67	892.67	851.23
Profit for the year attributable to:			
-Owners of the company	1,127.46	825.46	824.34
-Non- Controlling interests	39.00	7.73	38.23
Total	1,166.46	833.20	862.57
Other Comprehensive income for the year			
-Owners of the company	(81.78)	40.95	(10.52)
-Non- Controlling interests	(31.02)	18.53	(0.83)
Total	(112.80)	59.47	(11.34)
Total Comprehensive income for the year			
-Owners of the company	1,045.68	866.41	813.83
-Non- Controlling interests	7.98	26.26	37.40
Total	**1,053.67**	**892.67**	**851.23**
Earnings per share for continuing operations (face value of ₹10 per share)			
Basic earnings	10.62	7.77	7.76
Diluted earnings	10.62	7.77	7.76

RESTATED SUMMARY STATEMENT OF CASH FLOWS

(₹ in million)

Particulars	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
Cash Flow from Operating Activities			
Restated Profit before exceptional Items and tax as per statement of profit and loss	**1,541.55**	**1,120.05**	**1,117.14**
Adjustments for:			
Depreciation and amortization expenses	506.66	541.49	420.29
Finance cost	140.96	94.42	88.67
Transfer to Reserve & FCTR Adjustment	(148.02)	37.99	(197.49)
Unrealised Foreign Exchange Loss	-	(23.92)	23.92
Unrealised profit on stocks	(101.10)	(58.04)	(34.42)
Adjustment for MAT Credit	-	-	13.91
Adjustment for Expected Credit Loss	0.58	-	-
Sundry Balances written back	-	-	-
Dividend income	-	(0.00)	(0.00)
Interest income	(0.65)	(9.00)	(25.22)
Rent Income	(3.41)	-	(0.20)
Fair Valuation of Investments through Profit and Loss	(0.40)	(0.57)	(0.59)
Remeasurements of net defined benefit plans	(4.98)	(4.60)	(7.60)
Gain on Sale of Shares	(1.78)	-	-
(Profit)/ loss on sale of fixed assets (net)	(1.43)	(0.84)	(0.16)
Operating profit before working capital changes	**1,927.97**	**1,696.97**	**1,398.26**
Adjustments for:			
(Increase)/decrease in Trade Receivables	297.55	(852.54)	337.37
(Increase)/decrease in Inventories	(305.57)	(224.27)	(271.85)
(Increase)/decrease in Other Financial Assets	41.37	-	-
(Increase)/decrease in Other Non-Current Assets	13.84	(5.01)	(1.83)
(Increase)/decrease in Bank Balance other than Cash and Cash Equivalent	9.83	7.79	20.27
(Increase)/decrease in Short Term Loans	(3.49)	(0.19)	0.68
(Increase)/decrease in Investment	-	-	-
(Increase)/decrease in Other Current Assets	(145.57)	(159.44)	353.16
(Increase)/decrease in Right of Use Assets	-	-	-
(Increase)/decrease in Lease Liability	1.04	(0.02)	(0.02)
Increase/(decrease) in Long Term Provisions	10.52	9.96	13.99
Increase/(decrease) in Other Non-Current Liability	(33.91)	3.19	24.04
Increase/(decrease) in Short Term Lease Liability	0.03	0.00	0.00
Increase/(decrease) in Trade & other payables	(228.21)	409.99	205.88
Increase/(decrease) in Short Term Provisions	65.26	(3.66)	81.18
Increase/(decrease) in Other Current Liabilities	106.99	69.13	16.49
Increase/(decrease) in Other Financial Liabilities	(0.09)	-	-
Increase/(decrease) in Other Long Term Financial Liabilities	(58.68)	-	-
Increase/(decrease) in Current Tax Liability	(7.87)	-	-
	1,691.00	**951.91**	**2,177.64**
Less: Direct taxes paid (net of refunds)	(278.47)	(173.66)	(310.99)
	1,412.53	**778.25**	**1,866.64**
Less: Exceptional Items	-	-	-
Net cash (used in) / generated from operating activities after exceptional items (A)	**1,412.53**	**778.25**	**1,866.64**
Cash Flow from Investing Activities			
Inflows			
Sale proceeds / (Purchase) of property, plant and equipment	5.51	2.14	0.84
Sale proceeds / (Purchase) of Investments / Loss of Control	7.32	-	0.45
Interest received	0.65	9.00	25.22
Rent Income	3.41	-	0.20
Dividend received from others	-	0.00	0.00
Outflows			
Purchase of property, plant and equipment/ intangible assets	(1,402.90)	(1,123.03)	(1,579.37)
Purchase of investments	(4.39)	(168.40)	(0.00)

(₹ in million)

Particulars	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
Net cash (used in) / generated from investing activities (B)	**(1,390.40)**	**(1,280.29)**	**(1,552.65)**
Cash Flow from Financing Activities			
Inflows			
Proceeds from issue of Shares	-	-	-
Outflows			
Long term borrowings - Received/(Repaid) (Net)	(11.01)	(653.69)	109.63
Short term borrowings - Received/(Repaid) (Net)	281.53	1,206.53	(404.59)
Dividend Paid	-	-	-
Adjustment in Reserves due to Business Combinations	-	-	-
Finance Cost	(140.96)	(94.42)	(88.67)
Net cash (used in) / generated from financing activities (C)	**129.56**	**458.42**	**(383.63)**
	-	**-**	**-**
Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)	**151.70**	**(43.63)**	**(69.64)**
Add : Cash and cash equivalent at beginning of the year	142.10	185.72	255.36
Cash and cash equivalent at end of the year	**293.79**	**142.10**	**185.72**

GENERAL INFORMATION

Our Company was originally incorporated as "Shiva Pharmachem Private Limited" at Ahmedabad, Gujarat as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated March 18, 1999 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Thereafter, our Company was converted into a public limited company, approved vide a shareholders' resolution dated February 18, 2010 pursuant to which the name of our Company was changed to "Shiva Pharmachem Limited" and a fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at Ahmedabad on June 30, 2010. Subsequently, the name of our Company was changed to "SPPL India Limited" and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at Ahmedabad on April 1, 2011, approved vide a shareholders' resolution dated March 14, 2011. The name of the Company was then changed to its present name "Shiva Pharmachem Limited" pursuant to a fresh certificate of incorporation consequent upon change of name by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at Ahmedabad dated July 4, 2011, approved vide a shareholders' resolution dated June 2, 2011.

Registered and Corporate Office

Shiva Pharmachem Limited
12th Floor, SHIVA,
Sarabhai Complex, Dr. Vikram Sarabhai Marg,
Vadiwadi, Vadodara- 390 023, Gujarat, India

For details of change in our registered office, see "*History and Certain Corporate Matters – Change in the registered office*" on page 213.

Company registration number and corporate identity number

Registration number: 035615

Corporate identity number: U24231GJ1999PLC035615

Registrar of Companies

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

ROC Bhavan
Opposite Rupal Park Society
Behind Ankur Bus Stop, Naranpura
Ahmedabad – 380 013, Gujarat, India

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	Designation	DIN	Address
Rakesh Shiwebhagwan Agrawal	Non - Executive Chairman	00057955	206-207, Ankodiya Road, Khanpur, Sevasi, Vadodara – 391 101, Gujarat, India
Vishal Rakesh Agrawal	Managing Director	00056800	S No. 208- 209, Khanpur, Ankodia Road, Vadodara – 391 101, Gujarat, India
Jagmohan Manmohan Zalani	Executive Director	07138481	28- Snow Pearls Society, Near Nandidham Society, Vasna Road, Vadodara – 390 007, Gujarat, India
Rahul Rakesh Agrawal	Non-Executive Director	01226996	206, 207, Khanpur, Ankodiya Road, Sevasi, Vadodara – 391 101, Gujarat, India
Sivaraman Narayanaswami	Independent Director	00001747	Flat No. 43, Tower A, Kalpataru Residency, Sion (East), Mumbai – 400 020, Maharashtra, India
Prem Kumar Taneja	Independent Director	00010589	TANEJAS, Plot No. 541/1, Sector 8-B, Gandhinagar – 382 007, Gujarat, India

Name	Designation	DIN	Address
Dukhabandhu Rath	Independent Director	08965826	Anandapur, Near Gundicha Mandir, Anandapur, Kendujhar – 758 021, Odisha, India
Rati Ajay Desai	Independent Director	08535681	15, Nilamber Palms, Vasna- Bhaili Road, Vadodara- 391410 Gujarat, India

For further details of our Board of Directors, see "*Our Management-Board of Directors*" on page 223.

Company Secretary and Compliance Officer

Tarang Maru
12th Floor, SHIVA,
Sarabhai Complex, Dr. Vikram Sarabhai Marg,
Vadiwadi, Vadodara- 390 023, Gujarat, India
Telephone: +91 265 2335432
E-mail: shivacs@shivapharmachem.com

Investor Grievances

Bidders may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

All Offer-related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose a copy of the Acknowledgment Slip or the application number from the Designated Intermediary(ies) in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025, Maharashtra, India
Telephone: +91 22 6630 3030
E-mail: shiva.pharmachem@jmfl.com
Investor Grievance e-mail: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration Number: INM000010361

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

Syndicate Members

[●]

Statement of *inter-se* allocation of responsibilities among the BRLMs

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

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, positioning strategy and due diligence of the Company including its operations/management/ business plans/legal etc. Drafting, design and finalizing of the draft red herring prospectus, red herring prospectus and prospectus and of statutory / newspaper advertisements including a memorandum containing salient features of the prospectus. The BRLMs shall ensure compliance with SEBI ICDR Regulations and stipulated requirements, completion of prescribed formalities with the stock exchanges, RoC, SEBI, RoC filings and follow up and coordination till final approval from all regulatory authorities.	JM Financial, Kotak	JM Financial
2.	Drafting and approval of statutory advertisements	JM Financial, Kotak	JM Financial
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, application form, abridged prospectus, etc. and filing of media compliance report.	JM Financial, Kotak	Kotak
4.	Appointment of intermediaries – Bankers to the Offer, Registrar to the Offer, advertising agency, printers to the Offer including co-ordination for agreements.	JM Financial, Kotak	Kotak
5.	International Institutional marketing of the Offer, which will cover, *inter alia*: • Preparation of road show marketing presentation and frequently asked questions; • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	JM Financial, Kotak	Kotak
6.	Domestic Institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule	JM Financial, Kotak	JM Financial
7.	Retail marketing of the Offer, which will cover, *inter alia*: • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising application form • Finalising centres for holding conferences for brokers etc. • Follow - up on distribution of publicity; and • Issue material including form, RHP / Prospectus and deciding on the quantum of the Issue material	JM Financial, Kotak	JM Financial
8.	Non-Institutional marketing of the Offer, which will cover, *inter alia*: • Finalising media, marketing and public relations strategy; and • Formulating strategies for marketing to Non - Institutional Investors.	JM Financial, Kotak	Kotak
9.	Managing the book and finalization of pricing in consultation with the Company	JM Financial, Kotak	JM Financial
10.	Coordination with Stock Exchanges for anchor intimation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange.	JM Financial, Kotak	Kotak
11.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with registrar, SCSBs and Bank to the Offer, intimation of allocation and dispatch of refund to bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the issuer about the closure of	JM Financial, Kotak	Kotak

Sr. No.	Activity	Responsibility	Co-ordination
	the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transaction tax ("**STT**") on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government. Co-ordination with SEBI and Stock Exchanges for Refund of 1% Security Deposit and Submission of all post Offer reports including the Initial and final Post Offer report to SEBI.		

Legal counsel to our Company as to Indian law

Khaitan & Co
10th & 13th Floors, Tower 1C
One World Centre
841, Senapati Bapat Marg
Mumbai – 400 013
Maharashtra, India
Telephone: +91 22 6636 5000

Registrar to the Offer

Link Intime India Private Limited
C101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli West
Mumbai 400 083
Maharashtra, India
Telephone: +91 810 811 4949
E-mail: shivapharmachem.ipo@linkintime.co.in
Investor Grievance Email: shivapharmachem.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Banker(s) to the Offer

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

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

SCSBs eligible as Issuer Banks for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Bidders bidding using the UPI Mechanism may only apply through the SCSBs and Mobile Apps using the UPI handles and whose names appear on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism, is provided as 'Annexure A' for SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and specified on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35, as 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 http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35 or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

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

Collecting Registrar and Share Transfer Agents

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

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts

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

Our Company has received written consent dated August 21, 2023 from Talati & Talati LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of (i) certificate on Key Performance Indicators dated August 21, 2023; (ii) their examination report dated August 14, 2023 relating to the Restated Consolidated Financial Information; (iii) their report dated August 21, 2023 on the statement of special tax benefits available to the Company, its shareholders and Material Subsidiaries, included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "experts" and consents thereof do not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received: (i) written consent dated August 16, 2023, from an independent chartered engineer, namely N.G. Vithalani to include his name, as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the chartered engineer for our manufacturing facilities located in India; and (ii) written consent dated August 17, 2023, from the independent chartered engineer, namely Miklós Trézsi to include his name, as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the independent chartered engineer for our manufacturing facility located in Hungary.

Statutory Auditor

Talati & Talati LLP
1006, Ocean, Sarabhai Road,
Near Genda Circle,
Vadodara-390 023
Gujarat, India
E-mail: baroda@talatiandtalati.com
Telephone: 0265-2355053/73, 99249 35053
Firm registration number: 110758W/W100377
Peer review number: 012203

Changes in auditors

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

Particulars	Date of change	Reason for change
Talati & Talati LLP 1006, Ocean, Sarabhai Road, Near Genda Circle, Vadodara-390 023 Gujarat, India **E-mail**: baroda@talatiandtalati.com **Telephone**: 0265-2355053/73, 99249 35053 **Firm registration number**: 110758W/W100377 **Peer review number**: 012203	November 12, 2022	Appointment
SSBK & Co. E/4-31 Orchid Heaven, Applewood Township, Shela, Ahmedabad – 380058, Gujarat **E-mail**: info@ssbkandco.com **Telephone**: 95129-22255 **Firm registration number**: 134956W **Peer review number**: 014151	November 12, 2022	Completion of term as the statutory auditor of our Company

Bankers to our Company

IDBI Bank Ltd
IDBI Bank Ltd, 1st Floor, Garg Plaza, 46-A, Gautamnagar, Nr MGVCL Office, Race Course Road, Baroda – 390 007
Telephone: +91 99833 00465/ 91 90169 26460
Website: www.idbibank.in
Email: jitin.boolchandani@idbi.co.in/ abidpathan@idbi.co.in
Contact Person: Jitin Boolchandani/ Abidkhan Pathan

Citibank N.A.
Citibank NA, 1st Floor, Kalapurnam, Off C G Road, Ahmedabad – 380 009, Gujarat, India
Telephone: +91 079-40015835
Website: www.citibank.co.in
Email: birud.shah@citi.com
Contact Person: Birud Shah

HDFC Bank Limited
Vasana Bhayli II Priya Talkies Cross Road Branch, Ground Floor, Urban 2 Complex, Opposite Akshar Pavillion Vadodara- 391410 Gujarat
Telephone: +91 26571 91425
Website: hdfcbank.com
Email:rushabh.shah2@hdfcbank.com; servicedesk.baroda@hdfcbank.com
Contact Person: Rushabh Shah

Standard Chartered Bank
1st Floor, Raindrops Building, CG Road, Opposite Cargo Ford Motors, CG Road, Ahmedabad- 380 009
Telephone: +91 98253 00885
Website: www.sc.com
Email: Pradeep.bhatt@sc.com
Contact Person: Pradeep Bhatt

The Federal Bank Ltd
GF, Gokulesh-II, RC Dutt Road, Alkapuri, Baroda 390007
Telephone: + 91 265-2350941
Website: www.federalbank.co.in
Email: pragnesh@federalbank.co.in
Contact Person: Pragnesh Panchal

Grading of the Offer

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

Appraising entity

As the Offer is an offer for sale of Equity Shares, our Company will not receive any proceeds from the Offer. Accordingly, no appraising entity has been appointed in relation to the Offer.

Monitoring agency

Since the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

Credit rating

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

Debenture trustee

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

Green shoe option

No green shoe option is contemplated under the Offer.

Filing of Offer Documents

A copy of this Draft Red Herring Prospectus is being filed electronically on the SEBI's online portal at https://siportal.sebi.gov.in, in accordance with SEBI master circular bearing reference no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. It will also be filed with SEBI at:

Securities and Exchange Board of India
Corporation Finance Department Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex, Bandra (E)
Mumbai 400 051, Maharashtra, India

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act shall be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 shall be filed with the RoC at its office ,and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the BRLMs and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●](a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company in consultation with the BRLMs after the Bid/Offer Closing Date. For details, see section titled "*Offer Procedure*" on page 433.

All Bidders (other than 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. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹ 0.50 million shall use the UPI Mechanism.

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 bidding in the Offer can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. The allocation to each Retail Individual Investor and Non-Institutional Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see sections titled "*Terms of the Offer*" and "*Offer Procedure*" on pages 424 and 433, respectively.

The Book Building Process and the Bidding process are subject to change from time to time, and the Bidders are advised to make their own judgment about investment through the aforesaid processes prior to submitting a Bid in the Offer.

Bidders should note that the Offer is also subject to (i) filing of the Prospectus by our Company with the RoC; and (ii) our Company obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment, within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

Each Bidder, by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For further details on the method and procedure for Bidding, see sections titled "*Offer Procedure*" and "*Offer Structure*" on pages 433 and 430 respectively.

Underwriting Agreement

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

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

(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. 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 above-mentioned underwriting commitment is indicative and will be finalized after determination of the Offer Price and Basis of Allotment and will be subject to the provisions of Regulation 40(3) the SEBI ICDR Regulations.

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

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

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

CAPITAL STRUCTURE

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

(in ₹, except as indicated otherwise)

		Aggregate value at face value	Aggregate value at Offer Price*
A	**AUTHORIZED SHARE CAPITAL**		
	140,000,000 Equity Shares of face value ₹ 2 each	280,000,000	-
	Total	**280,000,000**	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	106,203,000 Equity Shares of face value ₹ 2 each	212,406,000	-
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 9,000.00 million (1)(2)	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	106,203,000 Equity Shares of face value of ₹ 2 each	212,406,000	-
E	**SECURITIES PREMIUM ACCOUNT**		
	Before and after the Offer	Nil	

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

(1) *The Offer has been authorized by the Board pursuant to the resolution passed at its meeting held on August 14, 2023. The Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated August 14, 2023. Further, the Selling Shareholders have, severally and not jointly, confirmed and authorized their participation in the Offer for Sale. For further information, see "The Offer" and "Other Regulatory and Statutory Disclosures- Authority for the Offer" on pages 69 and 411, respectively.*

(2) *Each of the Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares have been held by such Selling Shareholder for a period of at least one year prior to filing of this Draft Red Herring Prospectus and are eligible for the Offer for Sale in accordance with the provisions of the SEBI ICDR Regulations. See "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 411.*

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 215.

Notes to the Capital Structure

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

(a) The following table sets forth the history of the equity share capital of our Company.

Date of allotment	Nature of allotment	Names of allottees along with the number of equity shares allotted to each allottee	Number of equity shares allotted	Cumulative number of equity shares	Cumulative paid up-equity share capital (₹)	Face value per equity share (₹)	Issue price per equity share (₹)	Form of consideration
March 18, 1999[1]	Initial subscription to the MoA	10 equity shares each were issued to Rakesh Shiwebhagwan Agrawal and Uma Rakesh Agrawal pursuant to initial subscription to the MoA	20[1]	20	200	10	10	Cash
April 8, 1999[1][3]	Further issue	Allotment of 19,990 equity shares to Rakesh Shiwebhagwan Agrawal, 4,990 equity shares to Uma Rakesh Agrawal, 25,000 equity shares to Vishal Rakesh Agrawal, 25,000 equity shares to Rahul Rakesh Agrawal and 5,000 equity shares to Geetganga Leasing & Finance Private Limited	79,980[2]	80,000	800,000	10	10	Cash
February 1, 2000[3]	Further issue	Allotment of 60,000 equity shares to Rakesh Shiwebhagwan Agrawal, 45,000 equity shares to Vishal Rakesh Agrawal, 30,000 equity shares to Rahul Rakesh Agrawal and 290,000 equity shares to Geetganga Leasing & Finance Private Limited	425,000	505,000	5,050,000	10	10	Cash
March 30, 2001[3]	Further issue	Allotment of 2,445,000 equity shares to Geetganga Leasing & Finance Private Limited	2,445,000	2,950,000	29,500,000	10	10	Cash
December 21, 2009[3]	Further issue	Allotment of 100 equity shares to Madhavi Vishal Agrawal and 100 equity shares to Ruchika Agrawal	200	2,950,200	29,502,000	10	10	Cash
November 2, 2010[3]	Further issue[3]	Allotment of 4,000,000 equity shares to Tash Investment Private Limited	4,000,000	6,950,200	69,502,000	10	10	Cash
October 8, 2020	Cancellation of equity shares pursuant to Scheme I	Cancellation of 5,870,000 equity shares held by Tash Investment Private Limited in our Company pursuant to Scheme I	(5,870,000)	1,080,200	10,802,000	10	-	-
October 14, 2020	Allotment pursuant to Scheme I	Allotment of 1,800,000 equity shares to Rakesh Shiwebhagwan Agrawal; 1,800,000 equity shares to Uma Rakesh Agrawal; 1,120,800 equity shares to Rahul Rakesh Agrawal; 980,880 equity shares to Vishal Rakesh Agrawal; 139,920 equity shares to Madhavi Vishal Agrawal and 158,400 equity shares to Geetganga Investment Private Limited pursuant to Scheme I	6,000,000	7,080,200	70,802,000	10	N.A.	Other than cash

Date of allotment	Nature of allotment	Names of allottees along with the number of equity shares allotted to each allottee	Number of equity shares allotted	Cumulative number of equity shares	Cumulative paid up-equity share capital (₹)	Face value per equity share (₹)	Issue price per equity share (₹)	Form of consideration
Pursuant to a resolution of our shareholders dated December 13, 2022, each equity share of our Company of face value ₹10 each was sub-divided into five Equity Shares of face value ₹ 2 each and accordingly the issued and paid-up equity share capital of our Company was sub-divided from 7,080,200 equity shares of face value ₹ 10 each to 35,401,000 Equity Shares of face value ₹ 2 each								
January 2, 2023	Bonus issue in the ratio of two Equity Shares for every one Equity Share held by the Shareholders as on record date i.e., December 23, 2022	Allotment of 1,584,000 Equity Shares to Geetganga Investment Private Limited, 18,001,000 Equity Shares to Rakesh Shiwebhagwan Agrawal, 15,207,800 Equity Shares to Vishal Rakesh Agrawal, 16,607,000 Equity Shares to Rahul Rakesh Agrawal, 18,001,000 Equity Shares to Uma Rakesh Agrawal, 1,400,200 Equity Shares to Madhavi Agrawal, 1,000 Equity Shares to Ruchika Agrawal	70,802,000	106,203,000	212,406,000	2	N.A.	N.A.

(1) 10 equity shares each initially subscribed by Rakesh Shiwebhagwan Agrawal and Uma Rakesh Agrawal respectively pursuant to the MoA were taken on record by the Board by way of a resolution dated March 26, 1999 and were subsequently allotted to them on April 8, 1999.

(2) Excludes 10 equity shares each subscribed by Rakesh Shiwebhagwan Agrawal and Uma Rakesh Agrawal pursuant to initial subscription to MoA which were issued on March 18, 1999 and allotted on April 8, 1999.

(3) The Board and Shareholders' resolutions authorising issue of equity shares are not traceable for these allotments. Accordingly, we have relied on documents such as the Board resolution approving the allotment of equity shares. The Board resolution, however, does not specify the nature of allotment of equity shares. We have also relied on form-2 filed with the jurisdictional registrar of companies, the list of allottees and the search report dated August 14, 2023, prepared by Devesh A. Pathak, an independent practicing company secretary. For further details, see "Risk Factors – Some of our corporate records relating to transfers and acquisitions of equity shares made by our Promoters, are not traceable" on page 49.

2. ***Preference share capital***

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

3. ***Shares issued for consideration other than cash or by way of bonus issue***

Except as detailed below, our Company has not issued any equity shares through bonus or for consideration other than cash at any time since incorporation:

Date of allotment of equity shares	Nature/ Reason of allotment	Names of allottees along with the number of equity shares allotted to each allottee	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Benefits accrued to our Company
October 14, 2020	Allotment pursuant to Scheme I	Allotment of 1,800,000 equity shares to Rakesh Shiwebhagwan Agrawal; 1,800,000 equity shares to Uma Rakesh Agrawal; 1,120,800 equity shares to Rahul Rakesh Agrawal; 980,880 equity shares to Vishal Rakesh Agrawal; 139,920 equity shares to Madhavi Vishal Agrawal and 158,400 equity shares to Geetganga Investment Private Limited	6,000,000	10	N.A.	See "*History and Certain Corporate Matters – Mergers or amalgamations in the last 10 years*" on page 215
January 2, 2023	Bonus issue in the ratio of two Equity Shares for every one Equity Share held by the Shareholders as on record date i.e., December 23, 2022	Allotment of 1,584,000 Equity Shares to Geetganga Investment Private Limited, 18,001,000 Equity Shares to Rakesh Shiwebhagwan Agrawal, 15,207,800 Equity Shares to Vishal Rakesh Agrawal, 16,607,000 Equity Shares to Rahul Rakesh Agrawal, 18,001,000 Equity Shares to Uma Rakesh Agrawal, 1,400,200 Equity Shares to Madhavi Agrawal, 1,000 Equity Shares to Ruchika Agrawal	70,802,000	2	N.A.	-

Except as detailed below, our Company has not issued any preference shares through bonus or for consideration other than cash at any time since incorporation:

Date of allotment of preference shares	Nature/ Reason of allotment	Number of preference shares allotted	Face value per preference share (₹)	Issue price per preference share (₹)	Benefits accrued to our Company
October 1, 2022	Allotment of 209,000 8.5%, compulsorily convertible, non-cumulative preference shares to Gaurav Astik, 132,000 preference shares to Vishal Rakesh Agrawal and 209,000 preference shares to Zull Patel pursuant to Scheme III	550,000*	100	N.A.	See "*History and Certain Corporate Matters – Mergers or amalgamations in the last 10 years*" on page 215

* *The preference shares allotted on October 1, 2022 pursuant to Scheme III were subsequently bought back by our Company on December 6, 2022 pursuant to a resolution dated November 9, 2022 passed by our Board. As on the date of this Draft Red Herring Prospectus, there are no outstanding preference shares.*

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

Except as disclosed below, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

Date of allotment of Equity Shares	Nature/ Reason of allotment	Names of allottees	Number of Equity Shares Allotted to each allottee	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Consideration	Whether the Allottees are Promoter or members of the Promoter Group
January 2, 2023	Bonus issue in the ratio of two Equity Shares for every one Equity Share held by the Shareholders as on record date i.e., December 23, 2022	Geetganga Investment Private Limited	1,584,000	2	N.A.	N.A.	Promoter Group
		Rakesh Shiwebhagwan Agrawal	18,001,000				Promoter
		Vishal Rakesh Agrawal	15,207,800				Promoter
		Rahul Rakesh Agrawal	16,607,000				Promoter
		Uma Rakesh Agrawal	18,001,000				Promoter Group
		Madhavi Agrawal	1,400,200				Promoter Group
		Ruchika Agrawal	1,000				Promoter Group

5. **Details of equity shares issued under employee stock option schemes**

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

6. **Issue of shares pursuant to scheme of arrangement**

Except for the allotment of (i) 6,000,000 equity shares of face value ₹10 each on October 14, 2020 pursuant to Scheme I, details of which are set forth above in *"- Notes to the Capital Structure-Equity Share capital history of our Company"* on page 85; and (ii) 550,000 preference shares of face value of ₹ 100 each on October 1, 2022 pursuant to Scheme III, details of which are set forth above in " – *Shares issued for consideration other than cash or by way of bonus issue*" on page 88, our Company has not issued or allotted any equity shares or preference shares pursuant to schemes of arrangement approved under Sections 230-234 of the Companies Act, 2013. For further details on the Schemes of Arrangement, please see "*History and Certain Corporate Matters- Mergers or amalgamations in the last 10 years*" on page 215.

7. **Issue of shares out of revaluation reserves**

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

8. 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 closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.

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 9 Shareholders.

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

Sr. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre-Offer Equity Share Capital (%)
1.	Vishal Agrawal Family Trust(1)	30,990,035	29.18
2.	Vishal Rakesh Agrawal	20,687,640	19.48
3.	Rahul Rakesh Agrawal	18,538,320	17.46
4.	Rahul Agrawal Family Trust(2)	14,477,647	13.63

Sr. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre-Offer Equity Share Capital (%)
5.	Rakesh Agrawal Family Trust(3)	10,620,300	10.00
6.	Uma Agrawal Family Trust(4)	8,496,240	8.00
7.	Geetganga Investment Private Limited	2,376,000	2.24
	Total	**106,186,182**	**99.99**

(1) Held by Vishal Rakesh Agrawal as the trustee of the Vishal Agrawal Family Trust
(2) Held by Rahul Rakesh Agrawal as the trustee of the Rahul Agrawal Family Trust
(3) Held by Rakesh Shiwebhagwan Agrawal as the trustee of the Rakesh Agrawal Family Trust
(4) Held by Uma Rakesh Agrawal as the trustee of Uma Agrawal Family Trust

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

Sr. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre-Offer Equity Share capital (%)
1.	Vishal Agrawal Family Trust(1)	30,990,035	29.18
2.	Vishal Rakesh Agrawal	20,687,640	19.48
3.	Rahul Rakesh Agrawal	18,538,320	17.46
4.	Rahul Agrawal Family Trust(2)	14,477,647	13.63
5.	Rakesh Agrawal Family Trust(3)	10,620,300	10.00
6.	Uma Agrawal Family Trust(4)	8,496,240	8.00
7.	Geetganga Investment Private Limited	2,376,000	2.24
	Total	**106,186,182**	**99.99**

(1) Held by Vishal Rakesh Agrawal as the trustee of the Vishal Agrawal Family Trust
(2) Held by Rahul Rakesh Agrawal as the trustee of the Rahul Agrawal Family Trust
(3) Held by Rakesh Shiwebhagwan Agrawal as the trustee of the Rakesh Agrawal Family Trust
(4) Held by Uma Rakesh Agrawal as the trustee of Uma Agrawal Family Trust

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

Sr. No.	Name of the Shareholder	Number of equity shares held (face value of ₹ 10 each)	Percentage of the pre-Offer equity share capital (%)
1.	Rakesh Shiwebhagwan Agrawal	1,800,100	25.42
2.	Uma Rakesh Agrawal	1,800,100	25.42
3.	Rahul Rakesh Agrawal	1,660,700	23.46
4.	Vishal Rakesh Agrawal	1,520,780	21.48
5.	Geetganga Investment Private Limited	158,400	2.24
6.	Madhavi Agrawal	140,020	1.98
	Total	**7,080,100**	**100.00**

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

Sr. No.	Name of the Shareholder	Number of equity shares held (face value of ₹ 10 each)	Percentage of the pre-Offer equity share capital (%)
1.	Rakesh Shiwebhagwan Agrawal	1,800,100	25.42
2.	Uma Rakesh Agrawal	1,800,100	25.42
3.	Rahul Rakesh Agrawal	1,660,700	23.46
4.	Vishal Rakesh Agrawal	1,520,780	21.48
5.	Geetganga Investment Private Limited	158,400	2.24
6.	Madhavi Agrawal	140,020	1.98
	Total	**7,080,100**	**100.00**

(f) Our Company presently does not intend or propose and is not under negotiations or considerations to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise.

(g) There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Red Herring Prospectus.

10. ***Details of shareholding of our Promoters and members of the Promoter Group in our Company***

(a) As on the date of this Draft Red Herring Prospectus, our Promoters hold 95,329,260 Equity Shares in aggregate, equivalent to 89.76% of the issued, subscribed and paid-up Equity Share capital of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters, along with our Promoter Group hold 106,203,000 Equity Shares, equivalent to 100.00% of the issued, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below along with details of the Equity Shares held by members of the Promoter Group:

Sr. No.	Name of the Shareholder	Pre-Offer Equity Share capital		Post-Offer Equity Share capital*	
		Number of Equity Shares	% of total shareholding	Number of Equity Shares	% of total shareholding
Promoters					
1.	Vishal Agrawal Family Trust(1)	30,990,035	29.18	[●]	[●]
2.	Vishal Rakesh Agrawal	20,687,640	19.48	[●]	[●]
3.	Rahul Rakesh Agrawal	18,538,320	17.46	[●]	[●]
4.	Rahul Agrawal Family Trust(2)	14,477,647	13.63	[●]	[●]
5.	Rakesh Agrawal Family Trust(3)	10,620,300	10.00	[●]	[●]
6.	Rakesh Shiwebhagwan Agrawal	15,318	0.01	[●]	[●]
Promoter Group					
7.	Uma Agrawal Family Trust(4)	8,496,240	8.00	[●]	[●]
8.	Geetganga Investment Private Limited	2,376,000	2.24	[●]	[●]
9.	Ruchika Agrawal	1,500	*Negligible*	[●]	[●]
	Total	**106,203,000**	**100.00**	[●]	[●]

**To be updated at Prospectus stage*
(1) Held by Vishal Rakesh Agrawal as the trustee of the Vishal Agrawal Family Trust
(2) Held by Rahul Rakesh Agrawal as the trustee of the Rahul Agrawal Family Trust
(3) Held by Rakesh Shiwebhagwan Agrawal as the trustee of the Rakesh Agrawal Family Trust
(4) Held by Uma Rakesh Agrawal as the trustee of Uma Agrawal Family Trust

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

(c) 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:

Date of allotment/ transfer	Nature of transaction	Number of equity shares	Cumulative number of equity shares	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer Equity Share capital (%)	Percentage of the post-Offer Equity Share capital (%)*
Rakesh Shiwebhagwan Agrawal								
March 18, 1999(1)	Initial subscription to MoA	10	10	10	10	Cash	*Negligible*	[●]
April 8, 1999(1)	Allotment in the nature of further issue (including 10 equity shares subscribed at the time of incorporation as initial subscription to MoA)	19,990(2)	20,000	10	10	Cash	0.09	[●]

Date of allotment/ transfer	Nature of transaction	Number of equity shares	Cumulative number of equity shares	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer Equity Share capital (%)	Percentage of the post-Offer Equity Share capital (%)*
February 1, 2000	Allotment in the nature of further issue	60,000	80,000	10	10	Cash	0.28	[●]
June 11, 2008#	Transfer from Geetganga Investment Private Limited	200,000	280,000	10	10	Cash	0.94	[●]
January 7, 2010^	Transfer to Rahul Rakesh Agrawal by way of a gift	(10,000)	270,000	10	N.A.	N.A.	(0.05)	[●]
June 29, 2019^	Transfer to Vishal Rakesh Agrawal by way of a gift	(269,900)	100	10	N.A.	N.A.	(1.27)	[●]
October 14, 2020	Allotment pursuant to Scheme I.	1,800,000	1,800,100	10	N.A.	Other than cash	8.47	[●]
Pursuant to a resolution of our Shareholders dated December 13, 2022, each equity share of our Company of face value ₹10 each was sub-divided into five Equity Shares of face value ₹ 2 each and accordingly the cumulative number of equity shares held by Rakesh Shiwebhagwan Agrawal were sub-divided from 1,800,100 equity shares of face value of ₹ 10 each to 9,000,500 Equity Shares								
January 2, 2023	Bonus issue in the ratio of two Equity Shares for every one Equity Share held	18,001,000	27,001,500	2	N.A.	N.A.	16.95	[●]
June 23, 2023	Transfer to Rahul Rakesh Agrawal by way of a gift	(2,100,300)	24,901,200	2	N.A.	N.A.	(1.98)	[●]
June 23, 2023(3)	Transfer to Vishal Rakesh Agrawal by way of a gift	(6,395,940)	18,505,260	2	N.A.	N.A.	(6.02)	[●]
June 27, 2023	Transfer to Vishal Agrawal Family Trust by way of a gift	(8,188,251)	10,317,009	2	N.A.	N.A.	(7.71)	[●]
June 27, 2023	Transfer to Rahul Agrawal Family Trust by way of a gift	(796,931)	9,520,078	2	N.A.	N.A.	(0.75)	[●]
June 27, 2023	Transfer to Rahul Agrawal Family Trust by way of a gift	(9,504,760)	15,318	2	N.A.	N.A.	(8.95)	[●]
Sub-total			**15,318**				**0.01**	
Vishal Rakesh Agrawal								
April 8, 1999	Allotment in the nature of further issue	25,000	25,000	10	10	Cash	0.12	[●]
February 1, 2000	Allotment in the nature of further issue	45,000	70,000	10	10	Cash	0.21	[●]
June 11, 2008#	Transfer from Geetganga Investment Private Limited	200,000	270,000	10	10	Cash	0.94	[●]
June 29, 2019^	Transfer from Rakesh Shiwebhagwan Agrawal by way of gift	269,900	539,900	10	N.A.	N.A.	1.27	[●]

Date of allotment/ transfer	Nature of transaction	Number of equity shares	Cumulative number of equity shares	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer Equity Share capital (%)	Percentage of the post-Offer Equity Share capital (%)*
October 14, 2020	Allotment pursuant to Scheme I	980,880	1,520,780	10	N.A.	Other than cash	4.62	[●]
Pursuant to a resolution of our Shareholders dated December 13, 2022, each equity share of our Company of face value ₹10 each was sub-divided into five Equity Shares of face value ₹ 2 each and cumulative number of equity shares held by Vishal Rakesh Agrawal were sub-divided from 1,520,780 equity shares of face value ₹ 10 each to 7,603,900 Equity Shares								
January 2, 2023	Bonus issue in the ratio of two Equity Shares for every one Equity Share held	15,207,800	22,811,700	2	N.A.	N.A.	14.32	[●]
June 8, 2023	Transfer from Madhavi Agrawal by way of gift	700,100	23,511,800	2	N.A.	N.A.	0.66	[●]
June 15, 2023	Transfer from Madhavi Agrawal by way of gift	1,400,200	24,912,000	2	N.A.	N.A.	1.32	[●]
June 16, 2023	Transfer to Uma Agrawal Family Trust by way of gift	(2,100,300)	22,811,700	2	N.A.	N.A.	(1.98)	[●]
June 26, 2023	Transfer from Rakesh Shiwebhagwan Agrawal by way of gift	6,395,940	29,207,640	2	N.A.	N.A.	6.02	[●]
June 26, 2023	Transfer to Uma Agrawal Family Trust by way of gift	(6,395,940)	22,811,700	2	N.A.	N.A.	(6.02)	[●]
June 28, 2023	Transfer to Uma Agrawal Family Trust by way of gift	(2,124,060)	20,687,640	2	N.A.	N.A.	(2.00)	[●]
Sub Total			**20,687,640**				**19.48**	
Rahul Rakesh Agrawal								
April 8, 1999	Allotment in the nature of further issue	25,000	25,000	10	10	Cash	0.12	[●]
February 1, 2000	Allotment in the nature of further issue	30,000	55,000	10	10	Cash	0.14	[●]
June 11, 2008#	Transfer from Geetganga Investment Private Limited	200,000	255,000	10	10	Cash	0.94	[●]
January 7, 2010^	Transfer from Rakesh Shiwebhagwan Agrawal by way of a gift	10,000	265,000	10	N.A.	N.A.	0.05	[●]
January 7, 2010^	Transfer from Uma Rakesh Agrawal by way of a gift	5,000	270,000	10	N.A.	N.A.	0.02	[●]
June 29, 2019^	Transfer from Uma Rakesh Agrawal by way of a gift	269,900	539,900	10	N.A.	N.A.	1.27	[●]
October 14, 2020	Allotment pursuant to Scheme I	1,120,800	1,660,700	10	N.A.	Other than cash	5.28	[●]
Pursuant to a resolution of our Shareholders dated December 13, 2022, each equity share of our Company of face value ₹10 each was sub-divided into five Equity Shares of face value ₹ 2 each and accordingly the cumulative number of								

Date of allotment/ transfer	Nature of transaction	Number of equity shares	Cumulative number of equity shares	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer Equity Share capital (%)	Percentage of the post-Offer Equity Share capital (%)*
equity shares held by Rahul Rakesh Agrawal were sub-divided from 1,660,700 equity shares of face value ₹ 10 each to 8,303,500 Equity Shares								
January 2, 2023	Bonus issue in the ratio of two Equity Shares for every one Equity Share held	16,607,000	24,910,500	2	N.A.	N.A.	15.63	[●]
June 8, 2023	Transfer from Uma Rakesh Agrawal by way of a gift	2,147,820	27,058,320	2	N.A.	N.A.	2.02	[●]
June 13, 2023	Transfer to Rakesh Agrawal Family Trust by way of a gift	(2,147,820)	24,910,500	2	N.A.	N.A.	(2.02)	[●]
June 23, 2023	Transfer from Rakesh Shiwebhagwan Agrawal by way of a gift	2,100,300	27,010,800	2	N.A.	N.A.	1.98	[●]
June 26, 2023	Transfer to Rakesh Agrawal Family Trust by way of a gift	(2,100,300)	24,910,500	2	N.A.	N.A.	(1.98)	[●]
July 7, 2023	Transfer to Rakesh Agrawal Family Trust by way of a gift	(6,372,180)	18,538,320	2	N.A.	N.A.	(6.00)	[●]
Sub Total			**18,538,320**				**17.46**	
Rakesh Agrawal Family Trust								
June 13, 2023	Transfer from Rahul Rakesh Agrawal by way of a gift	2,147,820	2,147,820	2	N.A.	N.A.	2.02	[●]
June 26, 2023	Transfer from Rahul Rakesh Agrawal by way of a gift	2,100,300	4,248,120	2	N.A.	N.A.	1.98	[●]
July 7, 2023	Transfer from Rahul Rakesh Agrawal by way of a gift	6,372,180	10,620,300	2	N.A.	N.A.	6.00	[●]
Sub Total			**10,620,300**				**10.00**	
Vishal Agrawal Family Trust								
June 8, 2023	Transfer from Uma Rakesh Agrawal by way of a gift	6,948,604	6,948,604	2	N.A.	N.A.	6.54	[●]
June 8, 2023	Transfer from Uma Rakesh Agrawal by way of a gift	15,853,180	22,801,784	2	N.A.	N.A.	14.93	[●]
June 27, 2023	Transfer from Rakesh Shiwebhagwan Agrawal by way of a gift	8,188,251	30,990,035	2	N.A.	N.A.	7.71	[●]
Sub Total			**30,990,035**				**29.18**	

Date of allotment/ transfer	Nature of transaction	Number of equity shares	Cumulative number of equity shares	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer Equity Share capital (%)	Percentage of the post-Offer Equity Share capital (%)*
Rahul Agrawal Family Trust								
June 8, 2023	Transfer from Uma Rakesh Agrawal by way of a gift	2,051,896	2,051,896	2	N.A.	N.A.	1.93	[●]
June 27, 2023	Transfer from Rakesh Shiwebhagwan Agrawal by way of a gift	796,931	2,848,827	2	N.A.	N.A.	0.75	[●]
June 27, 2023	Transfer from Rakesh Shiwebhagwan Agrawal by way of a gift	9,504,760	12,353,587	2	N.A.	N.A.	8.95	[●]
August 3, 2023	Transfer from Uma Rakesh Agrawal by way of a gift	2,124,060	14,477,647	2	N.A.	N.A.	2.00	[●]
Sub Total			**14,477,647**				**13.63**	

**Subject to finalisation of Basis of Allotment.*

(1) 10 equity shares initially subscribed by Rakesh Shiwebhagwan Agrawal pursuant to the MoA were taken on record by the Board by way of a resolution dated March 26, 1999 and were subsequently allotted to him on April 8, 1999.

(2) Excludes 10 equity shares subscribed by Rakesh Shiwebhagwan Agrawal pursuant to initial subscription to MoA which were issued on March 18, 1999 and allotted on April 8, 1999.

^The share transfer forms or delivery instruction slips could not be traced as the relevant information was not available in the records maintained by our Company or our Promoters. For arriving at the details of the transfers, we have relied on alternative documents such as board resolutions, gift deeds, share transfer registers, beneficial holding statements, statement of accounts and register of members maintained by our Company, certifications obtained from the respective Promoters and the search report dated August 14, 2023, prepared by Devesh A. Pathak, an independent practicing company secretary. For more details, please see Risk Factors – Some of our corporate records relating to transfers and acquisitions of equity shares made by our Promoters, are not traceable on page 49.

#The annexures containing the stamps attached to the share transfer forms dated June 11, 2008 for the transfer of equity shares from Geetganga Investment Private Limited to Rakesh Agrawal, Rahul Agrawal and Vishal Agrawal are untraceable. Accordingly, we have relied on the search report dated August 14, 2023, prepared by Devesh A. Pathak, an independent practicing company secretary. For further details, see "Risk Factors – Some of our corporate records relating to transfers and acquisitions of equity shares made by our Promoters, are not traceable on page 49.

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

(e) Further, as on date of this Draft Red Herring Prospectus, certain Equity Shares held by our Promoters (not forming part of the Promoters' Contribution) are pledged with lenders as security for loans availed by one of our Group Companies and a member of our promoter group, namely, Shiva Performance Materials Private Limited. The details of such pledge are included below:

1. 4,248,120 Equity Shares aggregating to 4.00% of the pre-Offer Equity Share capital, held by Rakesh Agrawal Family Trust;

2. 29,065,583 Equity Shares aggregating to 27.37% of the pre-Offer Equity Share capital, held by Vishal Agrawal Family Trust; and

3. 12,353,587 Equity Shares aggregating to 11.63% of the pre-Offer Equity Share capital, held by Rahul Agrawal Family Trust

Accordingly, 43.00% of the pre-Offer Equity Share capital held by our Promoters are pledged in favour of Catalyst Trusteeship Limited, security trustee on behalf of JM Financial Products Limited, JM Financial Credit Solutions Limited, Avendus Finance Private Limited, Aditya Birla Finance Limited and Standard Chartered Capital Limited (which are Systemically Important NBFCs), for certain financing facilities availed by Shiva Performance Materials Private Limited, one of our Group Companies as well as a member of our Promoter Group. These Equity Shares will be released from pledge prior to filing the

Red Herring Prospectus with the RoC for the purposes of creation of lock-in in terms of the SEBI ICDR Regulations and the respective shares shall be repledged immediately after creation of such lock-in.

(f) Except as stated above under "- *Build-up of the Promoters' shareholding in our Company*" and as stated below, none of the members of our Promoter Group, our Promoters and/or our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus:

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Face value per Equity Share (₹)	Issue price/ transfer price per equity share (₹)	Nature of consideration
August 2, 2023	Transfer from Uma Agrawal Family Trust by way of a gift to Uma Rakesh Agrawal	2,124,060	2	N.A.	N.A.

(g) 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 (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

11. ***Details of Promoters' contribution and lock-in for 18 months***

(a) Pursuant to Regulations 14 and 16(1)(a) of the SEBI ICDR Regulations, an aggregate of 20% of the post-Offer Equity Share capital of our Company held by the Promoter shall be locked in for a period of 18 months as minimum promoters' contribution from the date of Allotment ("**Promoters' Contribution**"), and the Promoters' shareholding in excess of 20% of the post-Offer Equity Share capital shall be locked-in for a period of six months from the date of Allotment.

(b) Details of the Equity Shares to be locked-in for 18 months from the date of Allotment as Promoters' Contribution are set forth in the table below:

Name of the Promoters	Date of allotment of the Equity Shares/transfers	Nature of transaction	Number of Equity Shares held	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	Number of Equity Shares locked-in*	Percentage of the post-Offer paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total						[●]	[●]	

* *To be updated at Prospectus stage*

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

(d) 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:

(i) 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;

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

(iii) 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

(iv) The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge or any other form of encumbrance.

12. ***Details of other Equity Shares locked- in for six months***

In terms of Regulation 16(1)(b) and Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company (other than the Promoters' Contribution) will be locked-in for a period of six months from the date of Allotment in the Offer, except Equity Shares sold pursuant to Offer for Sale, which are successfully transferred as part of the Offer for Sale.

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

13. ***Lock-in of Equity Shares allotted to Anchor Investors***

50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investors Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% of the Equity Shares shall be locked-in for a period of 30 days from the date of Allotment.

14. ***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.

15. ***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 six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.

(b) With respect to the Equity Shares locked-in as Promoters' Contribution for 18 months from the date of Allotment, the loan must have been granted for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

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

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 Offer and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the Takeover Regulations.

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

16. ***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 share holders (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 dematerialised form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)							
								Class e.g.: Equity Shares	Class e.g.: Others	Total				Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total shares held (b)	
(A)	Promoters and Promoter Group	9	106,203,000	-	-	106,203,000	100	106,203,000	N.A.	106,203,000	100	-	-	-	-	54,163,530	51.00	106,203,000
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**9**	**106,203,000**	**-**	**-**	**106,203,000**	**100**	**106,203,000**	**N.A.**	**106,203,000**	**100**	**-**	**-**	**-**	**-**	**54,163,530**	**51.00**	**106,203,000**

**29,065,583 Equity Shares aggregating to 27.37% of the pre-Offer Equity Share capital, held by Vishal Agrawal Family Trust; 12,353,587 Equity Shares aggregating to 11.63% of the pre-Offer Equity Share capital, held by Rahul Agrawal Family Trust; 8,496,240 Equity Shares aggregating to 8.00% of the pre-Offer Equity Share capital, held by Uma Agrawal Family Trust; and 4,248,120 Equity Shares aggregating to 4.00% of the pre-Offer Equity Share capital, held by Rakesh Agrawal Family Trust are pledged*

17. Our Company, 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 Offer.

18. Except Rakesh Shiwebhagwan Agrawal, Vishal Rakesh Agrawal and Rahul Rakesh Agrawal, none of the Directors or Key Managerial Personnel or Senior Management hold any Equity Shares in our Company. For further details, see *"Our Management – Shareholding of Directors in our Company"* and *"Our Management – Shareholding of the Key Managerial Personnel and Senior Management"* on pages 230 and 241, respectively.

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

20. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 do not hold any Equity Shares of our Company. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company, the Selling Shareholders and their respective affiliates or associates in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective affiliates or associates for which they may in the future receive customary compensation.

21. None of the Promoters or other members of our Promoter Group will participate in the Offer, except to the extent of the sale of Offered Shares by way of the Offer for Sale.

22. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares are listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

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

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

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

SECTION IV – PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The objects of the Offer are to: (i) carry out the Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 9,000.00 million by the Selling Shareholders; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. Further, our Company expects that the proposed listing of our Equity Shares will enhance our visibility and brand image, provide liquidity to its existing Shareholders as well as provide a public market for the Equity Shares in India.

Utilisation of the Offer Proceeds

The Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer and all such proceeds (net of any Offer related expenses to be borne by the Selling Shareholders) will be received by the Selling Shareholders. For details of the Selling Shareholders and Offered Shares by each of the Selling Shareholders in the Offer see section titled "*The Offer*" on page 69.

Offer related expenses

The Offer expenses are estimated to be approximately ₹ [●] million. The Offer expenses comprise, amongst others, the listing fee, underwriting fee, selling commission and brokerage, fees payable to the BRLMs, fees payable to legal counsels, fee payable to Registrar to the Offer, Bankers to the Offer, 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 members of the Syndicate Registered Brokers, CRTAs and CDPs, fees payable to the Sponsor Banks for Bids made by UPI Bidders using UPI mechanism, printing and stationery expenses, advertising and marketing expenses, auditor's fee and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Other than the (a) listing fees which will be borne by the Company; and (b) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, all costs, charges, fees and expenses associated with and incurred with respect to the Offer, stamp duty, transfer, issuance, documentary, registration, costs for execution and enforcement of Agreement, and other Offer related agreements, Registrar's fees, fees to be paid to the Book Running Lead Managers, fees and expenses of legal counsels to the Company and the Book Running Lead Managers, fees and expenses of the Auditors, fees to be paid to Sponsor Banks, SCSBs (processing fees and selling commission), brokerage and commission for Syndicate Members, commission to Registered Brokers, Collecting CDPs and Collecting CRTAs, and payments to consultants, and advisors, regulatory fees, fees to intermediaries and third parties, shall be shared among the Company and the Selling Shareholders, in proportion with the relevant portion of the Offer for Sale, in accordance with Applicable Law, including section 28(3) of Companies Act 2013, upon the successful completion of the IPO. For all such payments that shall be made by the Company on behalf of the Selling Shareholders (in accordance with the appointment or engagement letter or memoranda of understanding or agreements with such entities), each of the Selling Shareholders agree that it shall, upon successful completion of the Offer, reimburse the Company, on a *pro rata* basis, in proportion to its respective portion of the Offered Shares, for any expenses incurred by the Company on behalf of such Selling Shareholder. It is further clarified that, subject to Applicable Law, all payments shall be made first by the Company and consequently, each of the Selling Shareholders, severally and not jointly, shall reimburse the Company for its respective proportion of Offer related expenses.

It is clarified that, in the event the Offer is not successfully completed and/or withdrawn and/or abandoned, all such cost and expenses shall be borne by the Company, unless otherwise required by SEBI.

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

Activity	Estimated expenses(1) (*in ₹ million*)	As a % of total estimated Offer expenses(1)	As a % of the total Offer size(1)
Book Running Lead Managers fees and commissions (including any underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer.	[●]	[●]	[●]

Activity	Estimated expenses[(1)] (*in ₹ million*)	As a % of total estimated Offer expenses[(1)]	As a % of the total Offer size[(1)]
Selling commission and uploading charges for Members of the Syndicate, Registered Brokers, CRTAs and CDPs[(2)(3)(4)]	[●]	[●]	[●]
Fee payable to the Registrar to the Offer	[●]	[●]	[●]
Others			
(a) Fees payable to advisors to the Offer (i) Statutory Auditor (ii) Industry expert (iii) Independent Chartered Engineers (iv) Consultants and market research firms (v) Legal counsels	[●]	[●]	[●]
(b) regulatory filing fees, including SEBI, BSE and NSE fees, book building software fees, listing fees, etc.	[●]	[●]	[●]
(c) printing and stationery	[●]	[●]	[●]
(e) advertising and marketing	[●]	[●]	[●]
(f) miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) *Offer expenses include applicable taxes, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.*

(2) *Selling commission payable to the SCSBs on the portion for RIBs and NIBs which are directly procured by the SCSBs, would be as follows:*

*Portion for RIBs**	*[●] % of the Amount Allotted (plus applicable taxes)*
*Portion for NIBs**	*[●] % of the Amount Allotted (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*
Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

(3) *No additional processing fees/ uploading charges shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.*
Processing fees payable to the SCSBs on the portion for RIBs and NIBs which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for RIBs	*₹[●] per valid application (plus applicable taxes)*
Portion for NIBs	*₹[●] per valid application (plus applicable taxes)*

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

Portion for RIBs	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for NIBs	*[●]%of the Amount Allotted* (plus applicable taxes)*

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

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

Bidding charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs and NIBs which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

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

Bidding charges payable to the Registered Brokers, CRTAs/CDPs on the portion for RIBs and NIBs which are directly procured by the Registered Broker or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

*Portion for RIBs**	*₹[●] per valid application (plus applicable taxes)*
*Portion for NIBs**	*₹[●] per valid application (plus applicable taxes)*

* *Based on valid applications*

Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:

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

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

The processing fees for applications made by UPI Bidders using the UPI Mechanism, where made available, may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Monitoring utilization of funds

Since the Offer is an Offer for Sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

Other Confirmations

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold by the Selling Shareholders, none of our Promoters, Directors, KMPs, SMPs, Promoter Group or Group Companies will receive any portion of the Offer Proceeds.

BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. The face value of the Equity Shares is ₹ 2 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Bidders should also refer to sections titled *"Risk Factors"*, "*Our Business", "Restated Consolidated Financial Information", "Other Financial Information" and "Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 28, 180, 253, 345 and 349, respectively, to have an informed view before making an investment decision.

Qualitative factors

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

1. Leading player across several specialty chemical products with significant industry barriers
2. Focus on R&D and technology, automation and innovation
3. Diversified, global customer base with longstanding relationships
4. Strategically located manufacturing facilities and well-connected logistics infrastructure
5. Emphasis on sustainability through company-wide focus on environment, health and safety
6. Strong and consistent financial performance
7. Experienced Promoters and strong Board and management team

For further details, see "*Our Business – Our Competitive Strengths*" on page 185.

Quantitative factors

Certain information presented below, relating to us, is based on or derived from the Restated Consolidated Financial Information. For details, see the section titled "*Restated Consolidated Financial Information*" on page 253.

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

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

Fiscal	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2023	10.62	10.62	3
March 31, 2022	7.77	7.77	2
March 31, 2021	7.76	7.76	1
Weighted Average	9.19	9.19	-

Notes:
1. *The face value of each Equity Share is ₹ 2.*
2. *Basic Earnings per share = Restated Profit attributable to the owners of the holding company / Weighted average number of equity shares outstanding during the year.*
3. *Diluted Earnings per share = Restated Profit attributable to the owners of the holding company / Weighted average number of equity shares considered for deriving the basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.*
4. *Earnings per share calculations are in accordance with Ind AS – 33 (Earnings per share) prescribed by the Companies (Indian Accounting Standards) Rules, 2015.*
5. *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 multiplied by the time weight factor. The Weighted average number of Equity Shares outstanding during the years are adjusted for the bonus issuance and split as per IND AS 33. Pursuant to a resolution of our Shareholders dated December 13, 2022, each equity share of our Company of face value ₹ 10 was sub-divided into five Equity Shares of face value ₹ 2 each. Further, our Company has, pursuant to a Board resolution dated December 13, 2022, issued bonus shares in the proportion of two Equity Shares for every one existing fully paid-up Equity Share (2:1) held by such Shareholder. The impact of the same has been considered in the calculation of basic and diluted earnings per share.*
6. *The figures disclosed above are derived from the Restated Consolidated Financial Information of our Company.*

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

Particulars	P/E at Floor Price (number of times)	P/E at Cap Price (number of times)*
Based on basic EPS for the year ended 2023	[●]	[●]
Based on diluted EPS for the year ended 2023	[●]	[●]

**Will be populated after finalization of price band*

III. Industry peer group P/E ratio

Based on the peer company information (excluding our Company) given below in this section:

Particulars	P/E Ratio
Highest	101.38
Lowest	50.54
Industry composite	**70.36**

Notes:

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

(ii) P/E figures for peers are computed based on closing market price as on August 9, 2023.

(iii) All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2023, as available on the websites of the stock exchanges.

IV. Return on Net Worth attributable to the owners of our Company ("RoNW")

Financial Year	RoNW (%)	Weight
March 31, 2023	20.93	3
March 31, 2022	18.47	2
March 31, 2021	22.36	1
Weighted Average	**20.35**	-

Notes:

(i) Weighted average = Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. (Return on Net Worth x Weight) for each year / Total of weights

(ii) Return on Net Worth (%) = Restated Profit attributable to the owners of the holding company / Net worth excluding non controlling interest

(iii) Networth as restated and consolidated, has been defined as the aggregate of paid-up equity share capital and all reserves and does not include non-controlling interests

(iv) The figures disclosed above are derived from the Restated Consolidated Financial Information

V. Net asset value per Equity Share

Net Asset Value per Equity Share	(₹)
As on March 31, 2023	50.72
After the Offer	
- At Floor Price	[●]
- At Cap Price	[●]
At Offer Price	[●]

Notes:

(i) Offer Price per Equity Share will be determined on conclusion of the Book Building Process

(ii) Net asset value per share= Net worth excluding non-controlling interest / Number of Equity Shares outstanding as at the end of year. The number of equity shares have been adjusted for sub-division of shares and bonus issuance

(iii) Networth as restated and consolidated, has been defined as the aggregate of paid-up equity share capital and all reserves and does not include non-controlling interests

VI. Comparison of accounting ratios with listed industry peers

Name of the company	Face value per equity share (₹)	P/ E as on August 9, 2023	Revenue from operations (*in ₹ million*)	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	Net Asset Value per Equity Share (₹)	Closing share price as on August 9, 2023 (*₹ per equity share*)
Shiva Pharmachem Limited*	2.00	-	10,794.66	10.62	10.62	20.93	50.72	-
Listed peers								
Navin Flourine International Limited	2.00	59.16	20,774.00	75.70	75.44	17.17	440.85	4,462.75
Clean Science and Technology Limited	1.00	50.54	9,357.99	27.79	27.78	29.23	95.07	1,404.10
Aether Industries Limited	10.00	101.38	6,510.74	10.47	10.47	10.48	99.96	1,061.45

**Pursuant to a resolution of our Shareholders dated December 13, 2022, each equity share of our Company of face value ₹ 10 was sub-divided into five Equity Shares of face value ₹ 2 each. Our Company has, pursuant to a Board resolution dated December 13, 2022, issued bonus shares in the proportion of two Equity Shares for every one existing fully paid-up Equity Share (2:1) held by such Shareholder. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of earnings per share and net asset value per equity share as per the requirement / principles of Ind AS 33, as applicable.*

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (except where only standalone numbers are available) and is sourced from the annual audited financial results of the company for the year ended March 31, 2023;

Notes:

(i) Basic EPS and Diluted EPS refer to the Basic EPS and Diluted EPS sourced from the financial statements of the respective company.

(ii) P/E Ratio has been computed based on the closing market price of equity shares on BSE on August 9, 2023 divided by the Diluted EPS.

(iii) Return on net worth (RoNW) is computed as profit/ (loss) for the year attributable to common shareholders divided by net worth (excluding non-controlling interest), as at March 31, 2023.

VII. Key Performance Indicators ("KPIs")

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for the Offer Price. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help in analyzing the growth of various verticals in comparison to our Company's listed peers, and other relevant and material KPIs of the business of our Company.

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "*Our Business*", and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 180 and 349, respectively.

The KPIs disclosed below have been used historically by our Company to understand and analyze our business performance, which in result, help us in analyzing the growth of business verticals in comparison to our peers. Our Company considers that the KPIs set forth below are the ones that may have a bearing for arriving at the basis for the Offer Price. The KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated August 21, 2023. Further, the members of our Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs disclosed herein have been certified by Talati & Talati LLP, Chartered Accountants, by their certificate dated August 21, 2023.

Our Company shall continue to disclose the KPIs disclosed in this section on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares, on the Stock Exchanges pursuant to the Offer, or for such other period as may be required under the SEBI ICDR Regulations.

Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational KPIs, to assess our performance over the last three Fiscals. We have also described and defined the KPIs, as applicable, in section titled "*Definitions and Abbreviations*" on page 1.

Particulars	As at, or for the fiscal year ended March 31		
	2023	**2022**	**2021**
Revenue from Operations *(₹ in million)*	10,794.66	10,159.90	7,601.17
Revenue Growth (%)	6.25	33.66	N.A.
Gross Profit *(₹ in million)*	5,274.42	4,558.31	3,885.99
Gross Margin (%)	48.86	44.87	51.12
EBITDA *(₹ in million)*	2,041.87	1,597.52	1,408.97
EBITDA Margin (%)	18.92	15.72	18.54
Profit after tax (PAT) *(₹ in million)*	1,166.46	833.20	862.57
PAT Margin (%)	10.66	8.07	11.03
Return on Average Equity (RoAE) (%)	22.88	20.24	22.36
Return on Average Capital Employed (RoACE) (%)	20.34	17.22	18.73
Net Fixed Asset Turnover	1.99	2.26	1.88
Net Working Capital Days	6	14	47
Operating Cash Flows *(₹ in million)*	1,412.53	778.25	1,866.64
Revenue from sale of products within India *(₹ in million)*	2,019.80	2,794.88	1,806.24
Revenue from sale of products outside India *(₹ in million)*	8,774.87	7,365.02	5,794.94
Revenue from sale of products within India (%)	18.71	27.51	23.76
Revenue from sale of products outside India (%)	81.29	72.49	76.24

** As certified by Talati & Talati LLP, Chartered Accountants vide their certificate dated August 21, 2023. The certificate dated August 21, 2023 issued by Talati & Talati LLP, Chartered Accountants, has been included in "Material Contracts and Documents for Inspection – Material Documents" on page 507.*

Notes:

a) N.A. – Not available since past comparative period is not disclosed in this Draft Red Herring Prospectus

b) The above financial information has been extracted or derived from the Restated Consolidated Financial Information

c) The method of computation of the above KPIs is set out below:

1. *Revenue from Operations means the Revenue from Operations as appearing in the Restated Consolidated Financial Information*
2. *Revenue Growth (%) is calculated as Revenue from operations for the current year minus Revenue from operations for the previous year as a % of Revenue from operations for the previous year.*
3. *Gross Profit is calculated as revenue from operations less cost of materials consumed, purchase of traded goods, changes in inventories of finished goods and work-in-progress*
4. *Gross Margin (%) is calculated as Gross Profit divided by Revenue from Operations*
5. *EBITDA is calculated as Profit before tax for the year, plus finance costs and depreciation and amortisation expenses, less other income*
6. *EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations*
7. *Profit after tax (PAT) refers to Restated Profit/(Loss) for the year from Continuing Operations as appearing in the Restated Consolidated Financial Information*
8. *PAT Margin (%) is calculated as profit for the year from continuing operations divided by total income for the year*
9. *RoAE is calculated as Restated Profit attributable to owners of the Company divided by Average Equity for the year*
   Average Equity is calculated as average of the total equity (excluding NCI) at the beginning of the year and at the end of the year
   Note: For calculation of average equity employed for Fiscal 2021, equity at the beginning of the year has not been considered since it does not form part of Restated Consolidated Financial Information
10. *RoACE is calculated as Earnings before interest and taxes (EBIT) divided by Average Capital Employed. EBIT is calculated as Profit before tax plus finance costs. Average Capital Employed is calculated as average of the capital employed at the beginning of the year and at the end of the year. Capital Employed is sum total of Tangible Net Worth and Total Debt*
    Note: For calculation of average capital employed for Fiscal 2021, capital employed at the beginning of the year has not been considered since it does not form part of Restated Consolidated Financial Information
11. *Net Fixed Asset Turnover is calculated as Revenue from Operations divided by net fixed assets which consists of property, plant and equipment and capital work-in progress*
12. *Net Working Capital Days is calculated as working capital (current assets minus current liabilities) as at the end of the year divided by Revenue from Operations multiplied by number of days in the year*
13. *Operating Cash Flows means net cash generated from operations as mentioned in the Restated Consolidated Financial Information*
14. *Revenue from sale of products within Indian and outside India refers to corresponding disclosures in the Restated Consolidated Financial Information*

Explanation for the KPI metrics

Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company is below:

KPI	Explanation
Financial	
Revenue from Operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of the company and size of the business
Revenue Growth (%)	Revenue Growth represents year-on-year growth of revenue generated by us from our business operations
Gross Profit	Gross Profit provides information regarding the profits from manufacturing of products and sale of services by the company
Gross Margin (%)	Gross Margin is an indicator of the profitability on sale of products manufactured and services sold by the company
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business and assists in tracking the margin profile of our business
Profit after tax for the year (PAT)	PAT represents the profit / loss that we make for the financial year. It provides information regarding the overall profitability of our business.
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of the business
Return on average equity (RoAE) (%)	Return on Average Equity is an indicator of our efficiency as it measures our profitability. It represents how efficiently we generate profits from our shareholders funds.
Return on Average Capital Employed (RoACE) (%)	Return on Average Capital Employed represents how efficiently we generate profitability from the capital employed during the year.
Net Fixed Asset Turnover (x)	Net Fixed Asset Turnover ratio is an indicator of the efficiency with which the company is able to leverage its assets to generate revenue from operations
Net Working Capital Days (days)	Net Working Capital Days indicates the working capital requirements of the company in relation to revenue generated from operations
Operating Cash Flows	Operating Cash Flows provides how efficiently the company generates cash through its core business activities
Revenue split between within India and outside India	This metric enables us to track the progress of sales within India and outside India

For any further details of our KPIs, see sections titled *"Our Business"* and "*Management's Discussion and Analysis of Financial Position and Results of Operations – Key Performance Indicators and Non-GAAP Financial Measures*" on pages 180 and 373, respectively.

Description on the historic use of the key performance indicators by us to analyze, track or monitor our operational and/or financial performance

In evaluating our business, we consider and use certain KPIs, as stated above, as a supplemental measure to review and assess our financial performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS. Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business.

VIII. Comparison of our key performance indicators with our listed industry peers

The following table provides a comparison of our KPIs with those of our peer group. The peer group has been determined on the basis of companies listed on Indian stock exchanges, whose business profile is comparable to our businesses in terms of our size and our business model:

(in ₹ million, unless otherwise specified)

KPIs	Shiva Pharmachem Limited			Navin Fluorine International Limited			Clean Science and Technology Limited			Aether Industries Limited		
	As at/ for the year ended											
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations	10,794.66	10,159.90	7,601.17	20,774.00	14,533.60	11,793.90	9,357.99	6,848.86	5,124.28	6,510.74	5,900.47	4,498.16
Revenue Growth (%)	6.25	33.66	-	42.94	23.23	11.10	36.64	33.66	22.21	10.34	31.18	49.01
Gross Profit	5,274.42	4,558.31	3,885.99	11,813.90	7,877.30	6,420.20	6,098.44	4,602.22	3,888.45	3,337.36	3,020.14	2,191.28
Gross Margin (%)	48.86	44.87	51.12	56.87	54.20	54.44	65.17	67.20	75.88	51.26	51.18	48.72
EBITDA	2,041.87	1,597.52	1,408.97	5,503.10	3,548.10	3,092.90	4,020.95	2,998.88	2,589.54	1,862.49	1,681.07	1,121.59
EBITDA Margin (%)	18.92	15.72	18.54	26.49	24.41	26.22	42.97	43.79	50.53	28.61	28.49	24.93
Profit after tax for the year (PAT)	1,166.46	833.20	862.57	3,751.90	2,630.80	2,470.50	2,951.76	2,284.95	1,983.80	1,304.15	1,089.29	711.19
PAT Margin (%)	10.66	8.07	11.03	17.76	17.63	19.63	30.57	31.96	36.87	19.53	18.25	15.67
Return on average equity (RoAE) (%)	22.88	20.24	22.36	18.62	15.13	15.12	33.19	34.93	36.76	15.99	38.82	40.79
Return on Average Capital Employed (RoACE) (%)	20.34	17.22	18.73	21.79	20.31	22.33	44.53	46.63	49.54	18.75	30.30	27.52
Net Fixed Asset Turnover (x)	1.99	2.26	1.88	1.19	1.30	2.63	2.11	2.04	2.16	1.14	2.01	2.18
Net Working Capital Days (days)	6	14	47	166	160	307	201	232	209	326	104	58
Operating Cash Flows	1,412.53	778.25	1,866.64	(635.90)	747.60	2,372.70	2,793.62	1,272.45	1,928.45	(65.59)	(54.42)	231.96
Revenue split:												
Revenue from sale of products within India	2,019.80	2,794.88	1,806.24	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Revenue from sale of products outside India	8,774.87	7,365.02	5,794.94	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Revenue from sale of products within India (%)	18.71	27.51	23.76	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

KPIs	Shiva Pharmachem Limited			Navin Fluorine International Limited			Clean Science and Technology Limited			Aether Industries Limited		
	As at/ for the year ended											
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from sale of products outside India (%)	81.29	72.49	76.24	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Source: The financial information pertaining to Navin Fluorine International Limited, Clean Science and Technology Limited and Aether Industries Limited have been extracted or derived from their audited consolidated financial statements for the year ended March 31, 2023 as available on the website of the stock exchanges and the respective companies.

IX. Comparison of KPIs over time based on additions or dispositions to the business

Apart from the acquisition of SPL Europe LLC, which was acquired pursuant to Scheme III, and the impact of which has been included in the Restated Consolidated Financial Information for all the last three Fiscals, our Company has not undertaken a material acquisition or disposition of assets / business for the periods that are covered by the KPIs and accordingly, no comparison of KPIs over time based on additions or dispositions to the business, have been provided.

X. Weighted average cost of acquisition, Floor Price and Cap Price

(a) *The price per share of our Company based on the primary/ new issue of Equity Shares or convertible securities (excluding issuance of equity shares pursuant to a bonus issue)*

There has been no issuance of Equity Shares or convertible securities, excluding shares issued under bonus shares, during the 18 months preceding the date of this DRHP, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days. ("**Primary Issuance**")

(b) *The price per share of our Company based on the secondary sale / acquisition of Equity Shares or convertible securities*

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where our Promoters, members of our Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of Directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this DRHP, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days. ("**Secondary Transactions**")

(c) *Price per share based on last five primary or secondary transactions*

Since there are no transactions to report under (a) and (b) therefore, information based on last five primary or secondary transactions (secondary transactions where our Promoters / members of our Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), during the three years prior to the date of this Draft Red Herring Prospectus, irrespective of the size of transactions, is as below:

Date of allotment/ transaction	No. of equity shares*	Face value per Equity Share (₹)	Issue/ Transaction price per equity share* (₹)	Nature of allotment/ transaction	Nature of consideration	Total consideration (₹ in million)
August 3, 2023	2,124,060	2	Nil	Transfer from Uma Rakesh Agrawal by way of a gift to Rahul Agrawal Family Trust	N.A.	N.A.
August 2, 2023	2,124,060	2	Nil	Transfer from Uma Agrawal Family Trust by way of a gift to Uma Rakesh Agrawal	N.A.	N.A.
July 7, 2023	6,372,180	2	Nil	Transfer from Rahul Rakesh Agrawal to Rakesh Agrawal Family Trust by way of a gift	N.A.	N.A.
June 28, 2023	2,124,060	2	Nil	Transfer from Vishal Rakesh Agrawal to Uma Agrawal Family Trust by way of gift	N.A.	N.A.

Date of allotment/ transaction	No. of equity shares*	Face value per Equity Share (₹)	Issue/ Transaction price per equity share* (₹)	Nature of allotment/ transaction	Nature of consideration	Total consideration (₹ in million)
June 27, 2023	8,188,251	2	Nil	Transfer from Rakesh Shiwebhagwan Agrawal to Vishal Agrawal Family Trust by way of a gift	N.A.	N.A.
June 27, 2023	796,931	2	Nil	Transfer from Rakesh Shiwebhagwan Agrawal to Rahul Agrawal Family Trust by way of a gift	N.A.	N.A.
June 27, 2023	9,504,760	2	Nil	Transfer from Rakesh Shiwebhagwan Agrawal to Rahul Agrawal Family Trust by way of a gift	N.A.	N.A.
Total	**31,234,302**					-

Note: As certified by Talati & Talati LLP, Chartered Accountants, pursuant to their certificate dated August 21, 2023.
** The number of equity shares have been adjusted for sub-division of shares and bonus issuance.*

Weighted average cost of acquisition, Floor Price and Cap Price

Floor Price and Cap Price as compared to the weighted average cost of acquisition of Equity Shares based on primary/ secondary transaction(s), as disclosed in paragraph above, are set out below:

Particulars	Weighted average cost of acquisition per Equity Share (*in ₹*)	Floor Price ₹ [•]*	Cap Price ₹ [•]*
(I) Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Daft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	N.A.	[•] times	[•] times
(II) Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares (equity/convertible securities), where promoter/ promoter group entities or selling shareholders or shareholder(s) having the right to nominate director(s) or selling shareholder in the Board are a party to the	N.A.	[•] times	[•] times

Particulars	Weighted average cost of acquisition per Equity Share (*in ₹*)	Floor Price ₹ [●]*	Cap Price ₹ [●]*
transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days			
Since there are no such transactions to report to under (I) and (II) above, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where our Promoters/members of our Promoter Group or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction, during the three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction, is as below:			
- Based on primary issuances	N.A.#	[●] times	[●] times
- Based on secondary transactions	N.A.#	[●] times	[●] times

Note: As certified by Talati & Talati LLP, Chartered Accountants, pursuant to their certificate dated August 21, 2023
**To be updated at Prospectus stage*
#*Since there have been no transactions excluding shares gifted or issued pursuant to bonus issuance*

XI. Explanation for Offer Price / Cap Price being [●] times of WACA of primary issuance price/secondary transaction price of Equity Shares (set out in X above) along with our Company's key financial and operational metrics and financial ratios for Fiscals 2023, 2022 and 2021.

[●]*

**To be included on finalisation of Price Band.*

XII. Explanation for Offer Price / Cap Price being [●] times of WACA of primary issuance price/secondary transaction price of Equity Shares (set out in X above) in view of the external factors which may have influenced the pricing of the Offer.

[●]*

**To be included on finalisation of Price Band.*

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

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

Bidders should read the above-mentioned information along with sections titled "*Risk Factors*", "*Our Business*", *Management Discussion and Analysis of Financial Position and Results of Operations*" and "*Financial Information*" on pages 28, 180, 349 and 253 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the section titled "*Risk Factors*" on page 28 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SHIVA PHARMACHEM LIMITED (THE "COMPANY"), ITS MATERIAL SUBSIDIARIES AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE TAX LAWS IN INDIA AND IN RESPECTIVE COUNTRIES (IN THE CASE OF MATERIAL SUBSIDIARIES)

Date: August 21, 2023

To

The Board of Directors
Shiva Pharmachem Limited
"SHIVA", 12th Floor, Sarabhai Complex,
Dr. Vikram Sarabhai Marg,
Vadiwadi, Vadodara- 390023
Gujarat, India

Subject: Statement of Possible Special Tax Benefits available to the Company, its Material Subsidiaries and the shareholders of the Company under the direct and indirect tax laws

Dear Sirs,

We, Talati & Talati LLP, statutory auditors of the Company refer to the proposed initial public offering of equity shares of Shiva Pharmachem Limited (the "**Company**"). We confirm and enclose herewith the statement (the "**Annexure**") which provides the possible special tax benefits available to the Company and the shareholders of the Company as per the provisions of the Indian direct and indirect tax laws, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("**GST Act**") read with rules, circulars, and notifications, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively the "**Taxation Laws**"), including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as amended by the Finance Act, 2023 and the Foreign Trade Policy 2023 and also to the material subsidiaries of the Company (as defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended), namely, (i) Shiva Pharmachem AG, (ii) SPL Europe Limited Liability Company, and (iii) Shiva Pharmachem International Inc. (collectively, the "**Material Subsidiaries**") under the respective tax laws of their country, as presently in force and applicable to the assessment year 2024-25 relevant to the financial year 2023-24.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company, its shareholders and its Material Subsidiaries, and do not cover any general tax benefits available to the Company. The benefits discussed in the enclosed statement are not exhaustive. The statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering by the Company ("**Offer**").

Several of these benefits are dependent on the Company or its shareholders or Material Subsidiaries fulfilling the conditions prescribed under the relevant provisions of the direct and indirect taxation laws, including the Income-tax Act, 1961. Hence, the ability of the Company or its shareholders or Material Subsidiaries to derive these tax benefits is dependent upon their fulfilling such conditions.

With respect to the special tax benefits in the overseas jurisdiction in the case of the Material Subsidiaries, the management of respective Material Subsidiaries has engaged other tax specialists. We have placed reliance on such statement of special tax benefits issued by other tax specialists and our work relating to statement of possible special tax benefits available to the Material Subsidiaries is solely based on such statement of special tax benefits reported by such tax specialists of the respective jurisdictions.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation in the Offer. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

- The Company or its shareholders or its Material Subsidiaries will continue to obtain these benefits in future; and
- The conditions prescribed for availing the benefits have been/would be met.

We also consent to the references to us as "expert" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the statement provided hereunder and included in the Draft Red Herring Prospectus ("**DRHP**"), Red Herring Prospectus ("**RHP**"), Prospectus or in any other documents in connection with the Offer (collectively, the "**Offer Documents**").

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 statement we have complied with the Code of Ethics issued by the ICAI.

We hereby give our consent to include this statement and the enclosed Annexure regarding the special tax benefits available to the Company, its Material Subsidiaries and the shareholders of the Company in the DRHP, RHP and Prospectus for the proposed Offer, which the Company intends to submit/file to the Securities and Exchange Board of India, the Registrar of Companies, Gujarat at Ahmedabad and the stock exchanges where the equity shares of the Company are proposed to be listed (as applicable), provided that the below statement of limitation is included in the DRHP, RHP and Prospectus.

LIMITATIONS

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the Annexure is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed Offer relying on the Annexure.

This statement has been prepared solely in connection with the proposed Offer under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

Yours Sincerely,

For Talati & Talati LLP,
Chartered Accountants
(FRN: 110758W/W100377)

CA. Manish Baxi
(Partner)
Membership No. 045011
Peer Review Certificate No. 012203
UDIN: 23045011BGRIVD7925

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SHIVA PHARMACHEM LIMITED (THE "COMPANY"), ITS MATERIAL SUBSIDIARIES AND THE COMPANY'S SHAREHOLDERS

The information provided below sets out the possible special tax benefits available to the Company, its Material Subsidiaries and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current tax laws presently in force. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a shareholder faces, may or may not choose to fulfil. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation in the Offer. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THEIR PARTICULAR SITUATION.

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARIES AND TO THE SHAREHOLDERS OF THE COMPANY

Under the Income-tax Act, 1961 ("Act") and direct tax laws

Outlined below are the possible special tax benefits available to Company and its shareholders under the Income-tax Act, 1961 (the "**Act**") as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.

I. ***Special tax benefits available to the Company***

1. As per the provisions of Section 10AA of the Act, the Company is entitled to avail the benefit on a deduction under the Act, available to enterprises located in the special economic zone, deriving profits or gains through export of goods/articles/services.

2. Under Section 32 of the Act, the Company is entitled to claim depreciation on tangible assets as explained in the said section. Subject to compliance of certain conditions laid down in section 32(iia) of the Act, the Company is entitled to additional depreciation at the rate of 20% on new plant and machinery installed after 31st March, 2005.

3. Section 115BAA grants an option to a domestic company to pay corporate rate tax @ 25.168% (i.e. tax rate 22% plus surcharge of 10% & education cess of 4%). Section 115BAA further provides that domestic company availing the option will not be required to pay the minimum alternate tax (MAT) on their book profits under section 115JB of the Act. Such option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim the specified deductions/exemptions.

II. ***Special tax benefits available to Shareholders of the Company***

There are no special tax benefits available to the shareholders of the Company under the provisions of the Act.

III. ***Special tax benefits available to Material Subsidiaries***

(a) Shiva Pharmachem AG

There are no special tax benefits available to Shiva Pharmachem AG under the direct tax laws.

(b) SPL Europe Limited Liability Company (formerly known as "Kis Chemicals Manufacture & Mercantile Limited Liability Company")

Following special tax benefits are available to SPL Europe Limited Liability Company:

(i) Deduction from the yearly Corporate Income Tax ("**CIT**"): SPL Europe Limited Liability Company is eligible for a deduction from the yearly CIT in connection with the interest on the loan for the purchase of tangible assets. The amount of the deduction is in accordance with the applicable tax laws and regulations. *(Section 22/A of Act LXXXI of 1996 on Corporate Income Tax and Dividend Tax)*

(ii) Reduction of the CIT base: SPL Europe Limited Liability Company is entitled to deferred amortization due to expected investments, and a capital reserve must be created as per the tax laws and regulations. This reduction in the CIT base results in a lower taxable income (bases of tax payment) for SPL Europe Limited Liability Company and reduces its CIT liabilities accordingly. *(Section 7. (1) f) of Act LXXXI of 1996 on Corporate Income Tax and Dividend Tax)*

(iii) Monthly deduction from the Social Contribution: SPL Europe Limited Liability Company is eligible for a monthly deduction from the Social Contribution in case of some special employment categories, as per the relevant tax laws and regulations. This deduction reduces the Social Contribution liabilities for SPL Europe Limited Liability Company. *(Section 13 of Act LII of 2018 on Social Tax)*

(c) Shiva Pharmachem International Inc.

There are no special tax benefits available to Shiva Pharmachem International Inc. under the direct tax laws.

Notes:

1. We have not considered the general tax benefits available to the Company, or shareholders of the Company or the Material Subsidiaries.

2. The above is as per the prevalent tax laws as on date.

3. 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.

STATEMENT OF POSSIBLE INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARIES AND THE SHAREHOLDERS OF THE COMPANY

I. ***Special tax benefits available to the Company***

Goods and services tax ("**GST**") provides several benefits for Special Economic Zones ("**SEZs**") in India, which are designated duty-free enclaves intended to promote exports and attract foreign investment. Set forth below are the benefits of GST for the Company's SEZ:

1. Refund of input tax credit: As per Section 54 of the Central Goods and Services Tax Act, 2017, SEZ units are entitled to claim a refund of GST paid on inputs used for the manufacture of goods or services.
2. Zero GST on supplies: Supplies to SEZ unit and SEZ developer are zero rated. Domestic tariff area unit can supply goods to SEZ unit or SEZ developer on payment of GST under section 16(3)(b) of Integrated Goods and Services Tax Act, 2017 or without payment of tax under section 16(3)(a) of Integrated Goods and Services Tax Act, 2017.

II. ***Special tax benefits available to Shareholders of the Company***

No special tax benefits are available to the shareholders of the Company under the indirect tax laws.

III. ***Special tax benefits available to Material Subsidiaries***

(a) Shiva Pharmachem AG

No special tax benefits are available to Shiva Pharmachem AG under the indirect tax laws.

(b) SPL Europe Limited Liability Company (formerly known as "Kis Chemicals Manufacturing & Mercantile Limited Liability Company")

No special tax benefits are available to SPL Europe Limited Liability Company under the indirect tax laws.

(c) Shiva Pharmachem International Inc.

No special tax benefits are available to Shiva Pharmachem International Inc. under the indirect tax laws.

Notes:

1. We have not considered the general tax benefits available to the Company, or shareholders of the Company or the Material Subsidiaries.

2. The above is as per the prevalent tax laws as on date.

3. 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 V – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

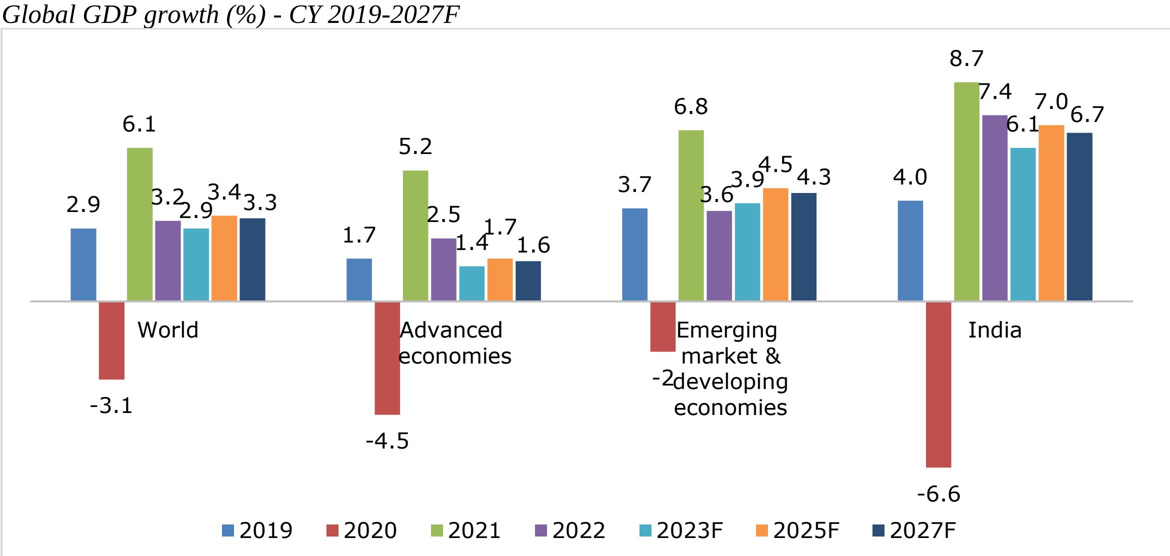
The information contained in this section is derived from various industry and publicly available resources. The information also includes information available from reports or databases of Frost & Sullivan ("F&S"). Neither the Company, its Directors, the BRLMs nor any other person connected with the Offer have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.

F&S has taken due care and caution in preparing the "Independent Market Report – India Chemical & Specialty Chemical Market Overview", released in August 2023 (the "Company Commissioned F&S Report") based on the information obtained by F&S from sources which it considers reliable ("Data"). However, F&S does not guarantee the accuracy, adequacy or completeness of the Data / Company Commissioned F&S Report and is not responsible for any errors or omissions or for the results obtained from the use of the Data / Company Commissioned F&S Report. The Company Commissioned F&S Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of the Company Commissioned F&S Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. F&S especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Company Commissioned F&S Report. Without limiting the generality of the foregoing, nothing in the Company Commissioned F&S Report is to be construed as F&S providing or intending to provide any services in jurisdictions where F&S does not have the necessary permission and/or registration to carry out its business activities in this regard. The Company will be responsible for ensuring compliances and consequences of non-compliances for use of the Company Commissioned F&S Report or part thereof outside India. No part of the Company Commissioned F&S Report may be published/reproduced in any form without F&S's prior written approval.

GLOBAL & INDIA MACROECONOMIC OVERVIEW

GDP growth rate

Global GDP growth (%) - CY 2019-2027F



Source: IMF, Frost & Sullivan Analysis; Company Commissioned F&S Report

Even though, the pandemic triggered a deep global recession, the economy has started showing signs of a quick recovery. The demand in next five years is expected to show imilar growth trends as prior to pre-Covid levels. Global growth projections indicate a healthy CAGR of around 4-5 % over the next five years. (CY 2023 – 2027).

India specifically is poised for a healthier growth compared to other economies of the world with a CAGR of 6-7% between CY 2023 and CY 2027.

India Macroeconomic Overview

GDP Growth and Outlook

Nominal GDP

India is among the top six countries in the world with a nominal GDP value of over USD 11.2 trillion in 2022 (current prices). India's nominal GDP is expected to reach 15.7 tn by 2026 based on current prices at a CAGR of 5.9%

India GDP Nominal (USD bn) and GDP PPP (USD bn) – Y-O-Y comparison

Year (CY)	GDP Nominal (USD bn)	GDP PPP (USD bn)
	Constant (2010)	**Current prices**
2010	1,676	5,229
2011	1,763	5,618
2012	1,860	6,153
2013	1,978	6,478
2014	2,125	6,781
2015	2,295	7,160
2016	2,484	7,735
2017	2,653	8,277
2018	2,827	9,029
2019	2,941	9,562
2020	2,707	8,907
2021	3,050	10,207
2022	3,313	11,162
2023F	3,737	12,192
2024F	3,885	13,281
2025F	4,199	14,438
2026F	4,534	15,671

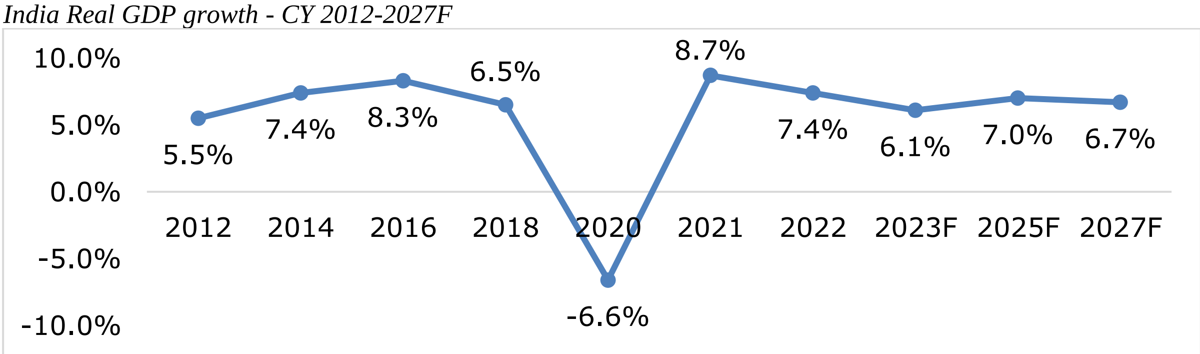
Source: World Bank, Frost & Sullivan Analysis; Company Commissioned F&S Report

GDP growth rate

India witnessed a GDP growth rate of 7.4%in CY 2022 Y-O-Y, largely due to investments in the infrastructure and manufacturing sector. According to Frost & Sullivan Analysis, the medium-term growth outlook is expected to improve and record a growth rate of approximately 6% by CY2027F, on account of the strong macroeconomic fundamentals which include moderate inflation, implementation of key structural reforms and the improved fiscal and monetary policies. India further needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between this period. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 1.2% of GDP in CY 2021-22.

Opportunities for exporting services, potential for domestic demand, and India's emergence as a desirable investment location will all contribute to the country's robust economic growth in the next 5-7 years.

India Real GDP growth - CY 2012-2027F



World Economic Outlook, July 2022, Frost & Sullivan Analysis; Company Commissioned F&S Report

Impact of COVID-19 on Indian Chemical Industry and the Future Outlook

India is expected to be the fastest-growing Asian economy in FY2024. India's gross domestic product (GDP) growth is expected to average over approximately 6% during FY2024 – the strongest among the largest economies – and contributing 28% and 22% to Asian and Global growth, respectively.

The key change in India's structural story lies in the clear shift in the policy focus towards lifting the productive capacity of the economy. Policymakers and the Government have taken up a series of reforms which are expected to catalyze an upswing in the private capex cycle, helping to improve productivity.

India is expected to perform better post global impact of Covid-19

Specialty Chemicals	India will witness growth because of its low manufacturing costs and a resurgence in demand from rapidly developing emerging countries
	India is expected to emerge as a hotbed for global M&A and strategic alliances. For e.g., 1. In order to strengthen its downstream integration into essential raw materials, the Belgian company Solvay invested in the Indian company Catasynth Specialty; 2. Frutarom, an Israeli company, may expand its market reach in rapidly developing nations like India; for example, they recently bought Sonarome (manufacturer of flavour and fragrances in India).
Agrochemicals	China accounts for over 50% of total agrochemical imports of India. Indian firms are expanding their product offerings, technical expertise and distribution networks by strengthening their inorganic growth via acquisitions or consolidations For e.g., 1. UPL, a company located in India, acquired the Chinese agrochemical firm Yoloo Biotechnology Co., enabling it to increase its technological offerings and product registrations; 2. Godrej Agrovet expanded into fungicides after purchasing Astec Lifesciences, an Indian company, and to strengthen its backward integration capabilities
	Most of the imports involve intermediates and not the final product
	Capacity utilisation of Chinese manufacturers is plummeting as Indian firms have started importing from other countries
Paints, Dyes and Pigments	Indian businesses produce a significant portion of chemical intermediates for the domestic market, although they continue to rely on China for several colour intermediates
	Due to the dependency on China for imports, there will be a short-term impact on input costs for the dye industry. Players involved in domestic integrated dye manufacturing would be better equipped to handle this problem
	Low petroleum prices will temporarily boost the paint industry. However, long-term demand spikes may remain muted, apart from basic demand in the segment from continued refurbishments and construction activities.
Chemical and Pharma APIs	Chinese imports of Key Starting Material (KSM) and Active Pharmaceutical Ingredient (API) are a major source of supply for Indian bulk pharma and formulation industries
	China had resumed production a year back. The prices have undergone a cycle of upward revision and now being normalized faring well for Indian pharma industry
	Long-term benefits are anticipated for Indian API and chemical intermediate businesses as clients look for other sources of raw materials, other than China.

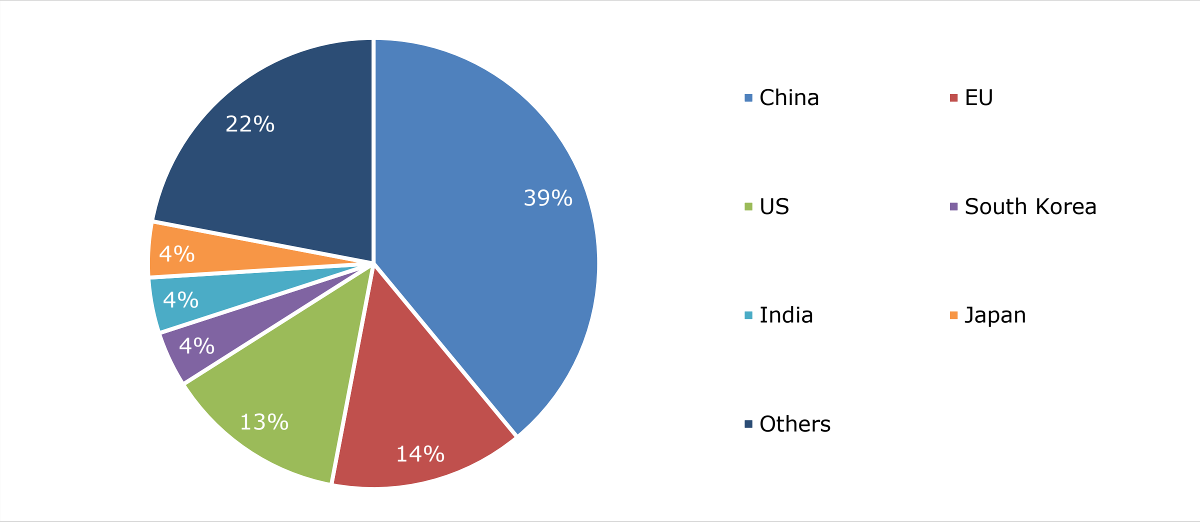
Source: Investing.com, Press Information Bureau - Government of India, industry reports, News articles, Frost & Sullivan Analysis; Company Commissioned F&S Report

GLOBAL AND INDIAN CHEMICAL AND SPECIALTY CHECMICALS MARKET

Global Chemicals Market

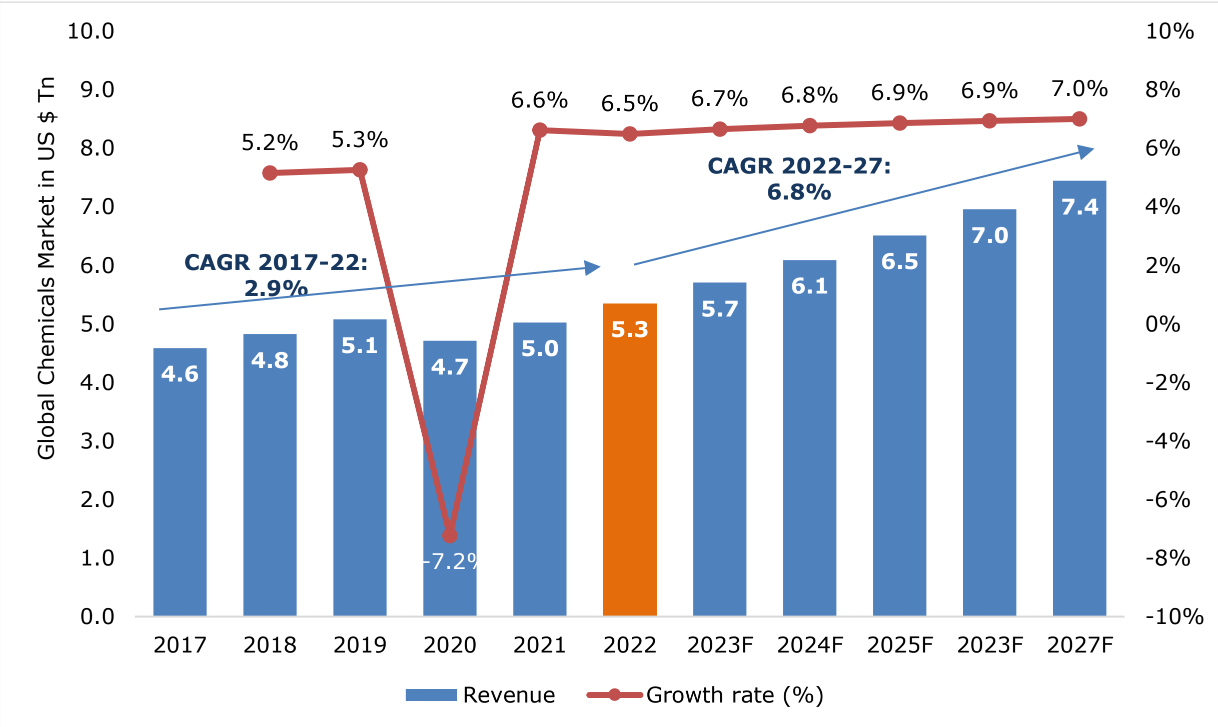
The global chemicals industry is expected to grow from USD 5,348 Bn in CY 2022 to USD 7,445 Bn in 2027 at a CAGR of 6.8%. China held a substantial market share by value (39%) in 2022, followed by the US (13%). Indian chemicals industry has emerged as a key player with a global market share of approximately 4% by value in CY2022. The country's chemicals industry is de-licensed, except for few hazardous chemicals. India holds a strong position in export of chemicals at a global level and ranks 14th in exports for CY2022. At the same time, India is a key importer of chemicals and ranks 8th at a global level by value in CY2022.

Global Chemicals Market – Country-wise break-up (value share by production) – CY 2022*



Source: Annual Reports of relevant stakeholders, Secondary sources

Global Chemicals Market (USD Tn) CY 2017-2027F

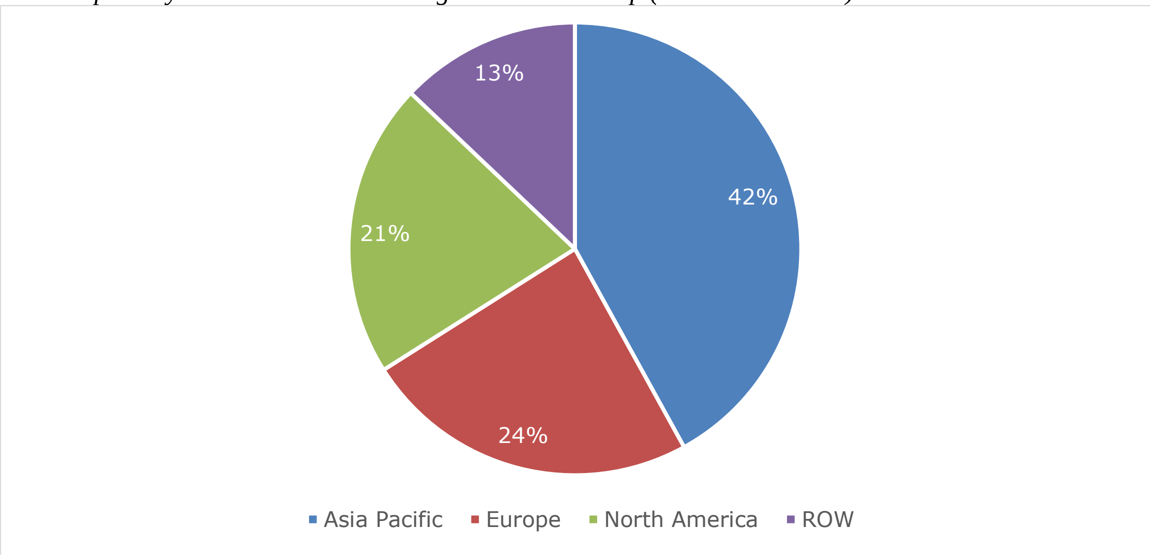


Source: Annual Reports of relevant stakeholders, F&S Note: Numbers are derived using market numbers available in annual reports of stakeholders; Company Commissioned F&S Report

Global Specialty Chemicals Market

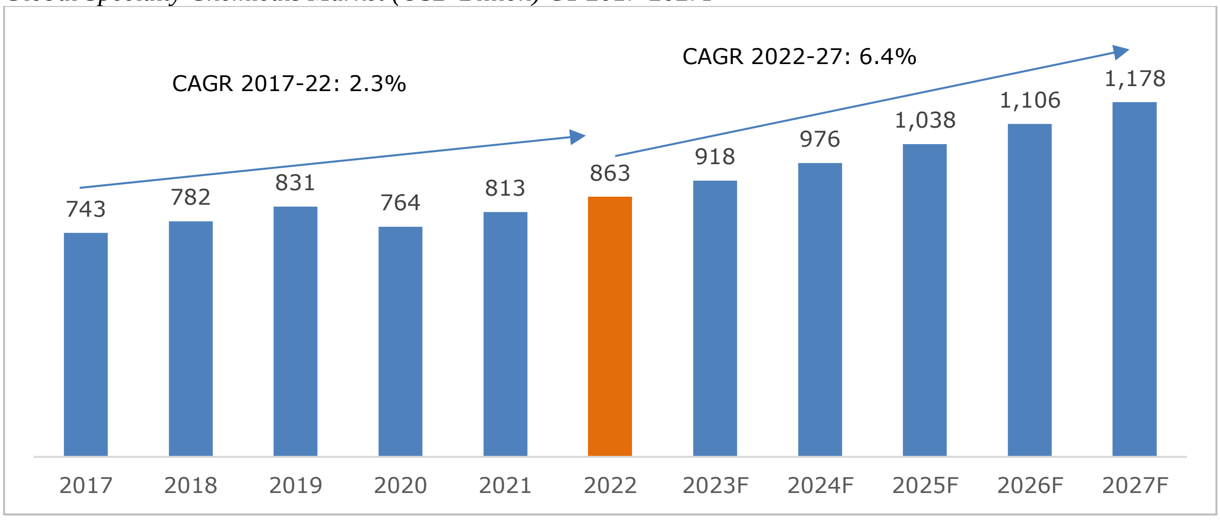
The global specialty chemicals market is expected to grow from USD 863 Bn in 2022 to USD 1,178 Bn in 2027 at a CAGR of 6.4%. This market growth is being driven by increasing demand for high-performance and function-specific chemicals across various end-use industries such as oil and gas, pulp and paper, and personal care and cosmetics. These chemicals are referred to as specialties because they are produced in lesser volumes and cater to only a few applications unlike the rest of the fine and commodity chemicals.

Global Specialty Chemicals Market – Region-wise break-up (Sales value share) – CY 2022



Source: Annual Reports of relevant stakeholders, Secondary sources

Global Specialty Chemicals Market (USD Billion) CY 2017-2027F



Source: Secondary Sources (annual report of prominent market participants for last 3 years), F&S

Segmentation by major industry wide uses and application

- **<u>Agrochemicals</u> -** Growth drivers like high population and subsequent increase in the demand for food, soil degradation, limited agricultural land, increase in awareness amongst consumers regarding the benefits of agrochemicals will aid the growth of the agrochemical industry. New demand for agricultural products would also be created by the use of agricultural products for industrial applications such as in fuel blending and polymer manufacturing, opening up new avenues of applications for agrochemicals. In India, the Indian government is encouraging the growth of the agrochemical manufacturing through the 'Make in India' initiative.

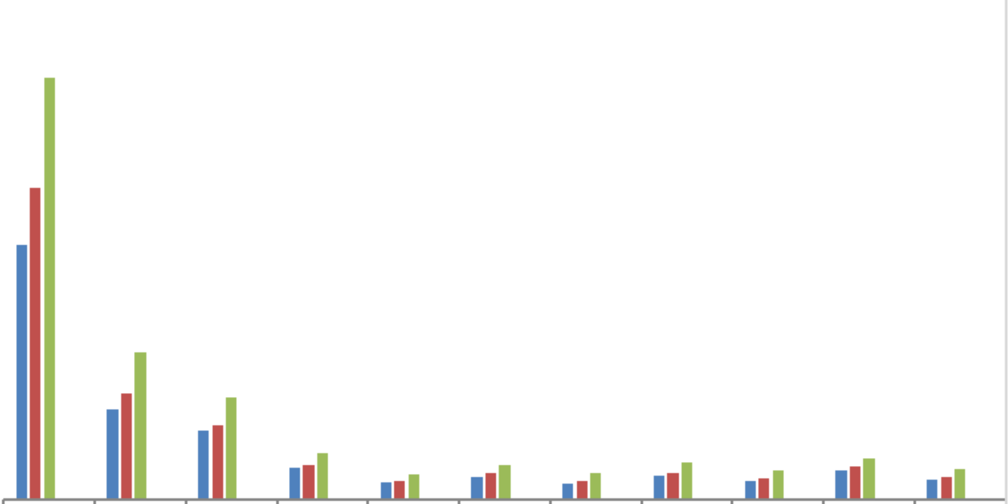
- **<u>Construction</u>** – Rise in construction projects across emerging markets in the world and increased adoption of construction chemicals for improvement in quality of projects is driving the construction sector. 'Smart City' projects by the Indian government are driving growth of plastics and polymer producing chemical companies in India. Availability of essential raw materials at low cost is anticipated to increase demand for construction chemicals.

- **<u>Water treatment</u>** - Increasing urbanisation and population is driving the demand for safe drinking water. Moreover, rising awareness of hygiene among the people is leading to increased water consumption. The concept of circular economy is also fuelling the re-use of industrial, agricultural and municipal water which will further drive the demand for water treatment chemicals.

- **Paints & coatings** - Increase in urbanisation, increase in middle-income households, high replacement demand, increase in per capita income, shortening of repainting cycles and the launch of innovative products at quicker pace are the factors driving the paints and coatings industry.

- **Personal care** - Industries such as cosmetics and FMCG are poised for robust growth with the pandemic receding and consumer spending levels increasing. This augurs well for segments such as perfumery cosmetics, essential oils, and sensory products where India has a competitive edge. While this would increase the consumption of specialty chemicals, it would also increase the usage of chemicals used in packaging of these products.

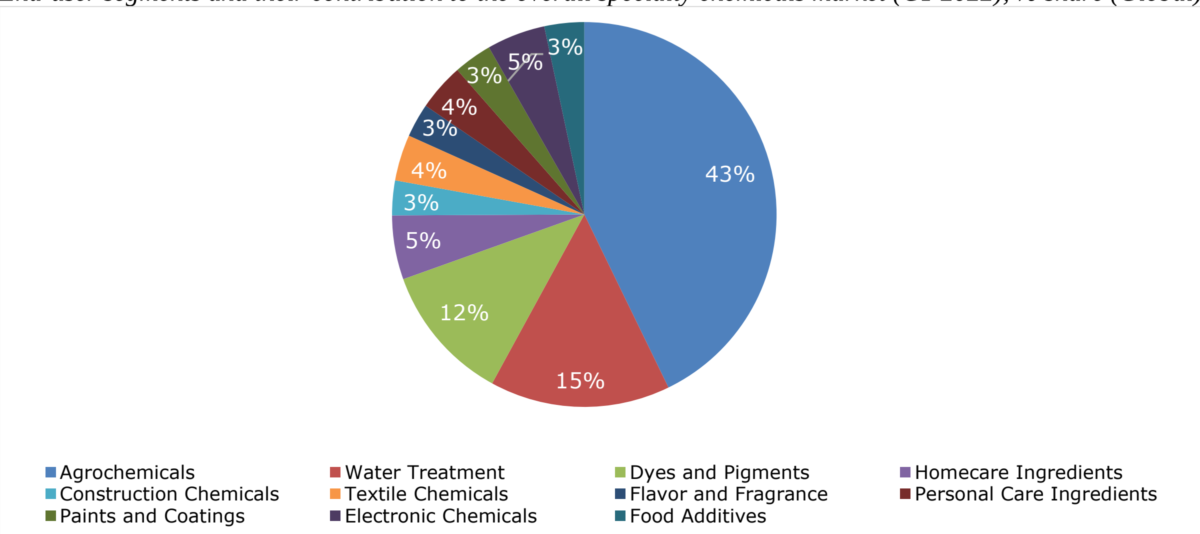
End-user segments and their contribution to the overall specialty chemicals market (CY 2017, 2022 and 2027F), Value share in USD Bn (Global)



	Agrochemicals	Water Treatment	Dyes and Pigments	Homecare Ingredients	Construction Chemicals	Textile Chemicals	Flavor and Fragrance	Personal Care Ingredients	Paints and Coatings	Electronic Chemicals	Food Additives
2017	317.9	112.7	86.1	40.0	21.7	28.8	21.1	29.4	23.9	36.5	24.8
2022	387.6	132.8	92.4	43.9	24.1	32.9	24.4	32.9	26.5	41.3	28.9
2027F	525.0	183.0	128.0	59.0	32.0	44.2	32.9	46.6	37.2	51.6	39.1
CAGR (2017-22)	4.0%	3.3%	1.4%	1.9%	2.1%	2.7%	3.0%	2.3%	2.1%	2.5%	3.1%
CAGR(2022-27F)	6.3%	6.6%	6.7%	6.1%	5.8%	6.1%	6.2%	7.2%	7.0%	4.6%	6.2%

Source: Company Commissioned F&S Report

End-user segments and their contribution to the overall specialty chemicals market (CY 2022), % share (Global)

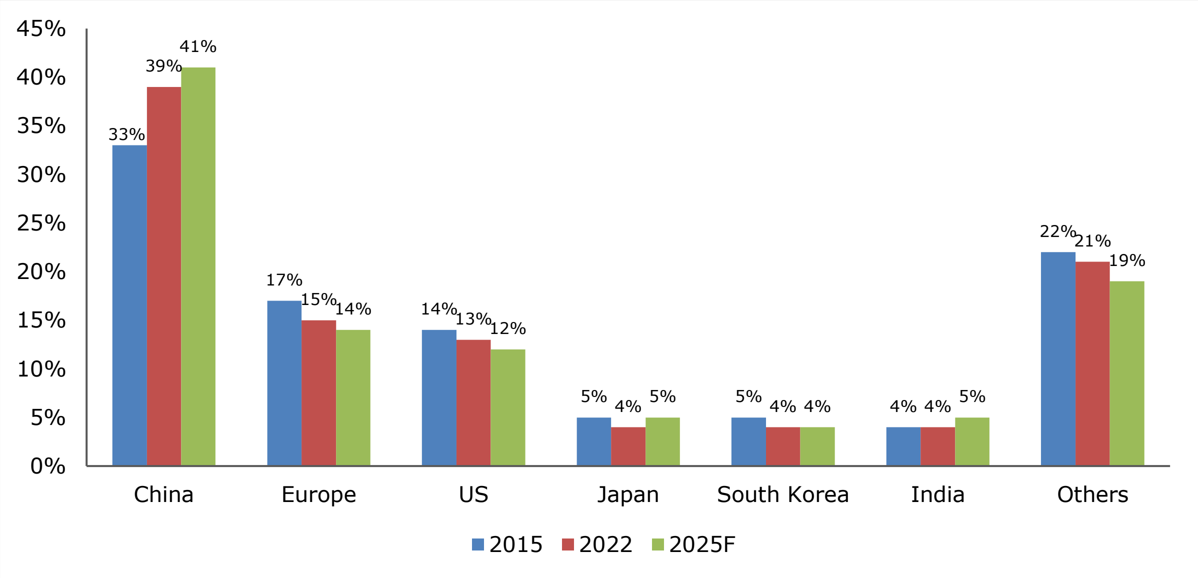


Source: Clean Science and Technology's annual report 2021-22, Secondary sources, F&S; Company Commissioned F&S Report

Segmentation by geographies

China has ruled the roost in both value and volume terms over the last 7-8 years with almost 40% market share. China is expected to continue its market leadership going forward.

Leading Countries by Production (% Share) CY – 2015,2022, 2025F



Source: Anupam Rasayan's Annual Report 2022-23, F&S; Company Commissioned F&S Report

The chemical capacities in Europe and North America, in the next 5-7 years will shrink owing to stringent climate norms. If no new trade restrictions are put in place, Indian manufacturers that export to regulated markets and maintain compliance standards will continue to grow.

Key Drivers - Global Specialty Chemicals Market

- **Surging demand for personal care products:** Even post pandemic, its effects continue to sweep across the globe. Leading manufacturers are observing a considerable increase in the demand for hygiene products, such as hand sanitizers, liquid soaps, disinfectant sprays, and germ safeguard wipes. Over the past 12-18 months, chemical companies have noticed an expansion in the consumption of specialty items.

- **Expansion and collaborations:** Global chemical giants are now resorting to inorganic growth measures to expand their product portfolios. Companies are looking to integrate across the full value chain to minimize the effect of supply chain disruptions and improve cost structures. In Jan 2021, Huntsman announced acquisition of Gabriel Performance Products, a North American manufacturing company dealing with specialty additives and epoxy curing agents, with the goal of expanding its product portfolio. Another example is of Lanxess which signed an agreement with Intace SAS, a French biocide company, in January 2021 to expand its business and achieve a competitive advantage as one of the world's leading manufacturers of antimicrobial biocides and fungicides for the packaging sector. Such arrangements help to unlock potential synergies existing between the companies.

- **Growing R&D expenditure**: Companies around the world are increasingly focusing on improvising specialty chemicals by continuously investing in research & development activities. The sector has seen increased R&D activities that would embrace growth opportunities and play a pivotal role for chemical companies in cementing their presence in the global specialty chemical industry. Companies are strategically focusing on becoming a benchmark in specialty chemicals and pharmaceuticals space.

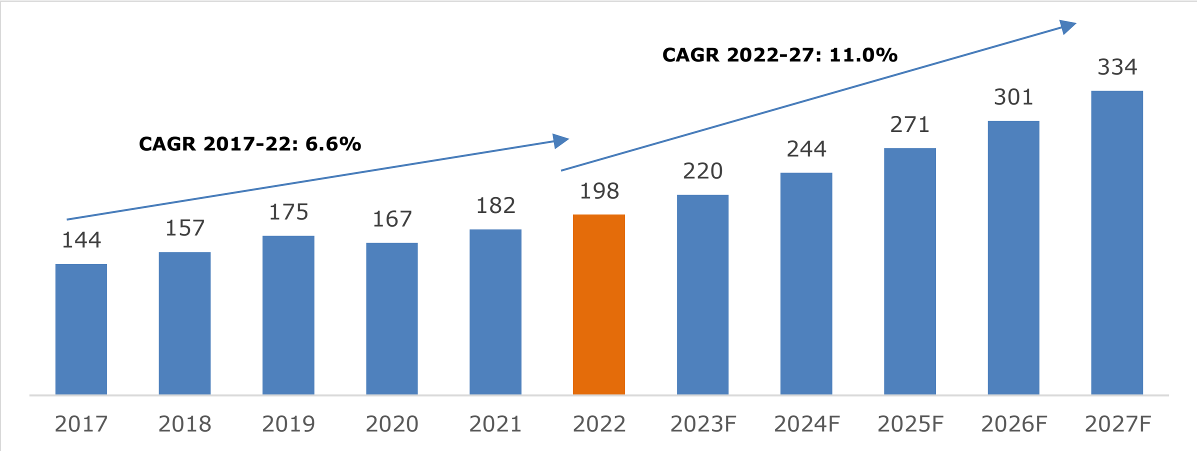
India Chemicals and Specialty Chemicals Market

India Chemicals Market

The chemical industry in India is highly diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers and fertilisers. The Indian chemical industry is expected to grow from USD 198 Bn in 2022 to USD 334 Bn in 2027 at a CAGR of 11%. Between 2023 and 2025, it is anticipated to draw investments of around USD 100 Bn. As multinationals are looking for an alternative to China to avoid further disruptions in supply, India's chemical industry stands in a favourable spot to profit from this shift and take a sizable share of the market.

In terms of the worldwide sale of chemicals, India is one of the major chemical marketplaces and is rated sixth globally and fourth in Asia in CY2022. 3.5% of the world's chemical sales come from India. The nation manufactures more than 80,000 chemicals, which are used in a variety of end-use industries, such as textiles, automotive, agricultural, packaging, pharmaceuticals, healthcare, construction, electrical, and electronics. The chemical industry has a significant impact on every aspect of the Indian economy including the jobs being created by the sector.

India Chemicals Market (in USD Bn) CY 2017-2027F

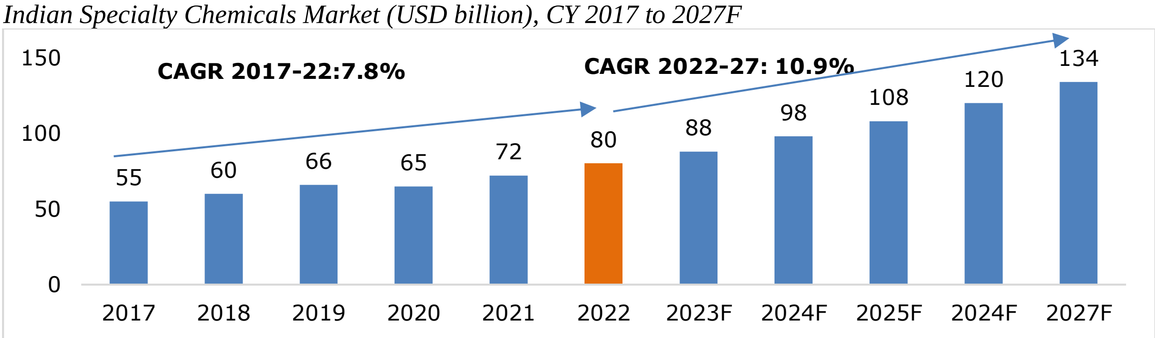


Sources: Annual reports and F&S estimation; Company Commissioned F&S Report
Note: The market numbers do not comprise the petrochemicals share.

India Specialty Chemicals Market

The Indian specialty chemical industry is expected to grow from USD 80 Bn in 2022 to USD 134 Bn in 2027 at a CAGR of 10.9%.

Indian Specialty Chemicals Market (USD billion), CY 2017 to 2027F



Source: Secondary Sources, F&S; Company Commissioned F&S Report

- *India's specialty chemicals industry, driven by domestic and exports consumption, will continue to gain favour from global MNCs on account of the geopolitical shift post the outbreak of the COVID-19 pandemic.*

- *Increasing demand for high-performance and function-specific chemicals across end-use industries such as agrochemicals, pharmaceuticals, dyes & pigments, and paints & coatings is expected to be one of the major market growth factors.*

- *The other major factors attributed to the remarkable growth are the numerous applications in the pharmaceutical industry such as manufacturing of drugs for the treatment of skin diseases, cardiovascular diseases, and Hughes Syndrome.*

- *Crop protection and high yield products are the key market trends shaping the speciality agrochemicals market. Growing awareness amongst farmers regarding the application of pesticides in farm management is expected to boost the growth of the speciality chemicals market.*

- *Moreover, with the rising population, the demand for food products have increased which in turn will increase demand for pesticides with higher crop yields per hectare of land, fuelling specialty chemicals market growth during the forecast period. This move is orchestrated by the China + 1 strategy, wherein companies are looking to significantly reduce their dependence on China.*

Key Trends of the Market

Some of the key trends of the India specialty chemicals market are:

- **Petrochemicals:** Petrochemical products such as oxo-alcohols, acrylic acid, acrylic monomers, and specialty plasticizers continue to gain traction due to applications in various end user industries including paints and coatings, adhesives, a variety of flexible PVC applications such as wires and cables, and as solvents in the chemical industry. Since the petrochemicals segment caters largely to non-essential end user industries, 2022 witnessed increased level of participation from the public sector which is expected to boost possibilities of utilising by-products of petroleum and petrochemical industries for production of crucial intermediates for pharma and agro-chemical industries.

- **Agriculture:** There is a strong impetus from the government to create a conducive Agri policy environment to help improve smallholder farmers' income. Even the recent regulatory guidelines on gene editing and deregulation of drones in agriculture are positive steps forward that will promote digitization and mechanization in the agricultural sector. Several companies have directed their efforts in advancing drone applications in India and making them accessible to smallholder growers. In horticulture, there is an adoption of a well-connected supply chain linked to city clusters. Agri exports, on the other hand, could see the need for produce certification. This will help established crop-focused value chains to address the major pain points of smallholders of accessing good quality inputs, agronomy knowledge and labour shortage, thereby driving mechanization with a strong linkage to produce markets.

- **Food and personal care:** The industry is witnessing an increasing trend of environmentally viable and sustainable solutions in areas such as textile solutions. Owing to pandemic, few businesses were affected by volatile feedstock prices and currency fluctuations, which to some extent was contained through localization of resources, portfolio mix alteration, customer mix and price management.

Key Growth Drivers of the Market

Some of the key drivers of the Indian specialty chemicals market are:

- **Promising macroeconomic scenario:** The growth of the specialty chemical segment is anticipated to be driven by two major factors: tailwinds from shift in global supply and recovery in demand from the end-user industries. This is attributed to the growing end-use markets such as construction, textile, automotive and consumer durables, increased raw material availability amongst others. India is expected to grow at the second highest rate after China and is placed better in terms of labour cost, global trade dynamics and uncertainties, relatively lenient environmental norms, and regulatory policies to name a few.

  Comparison of labour charges – India vs China

  Labour Charges

India	US$ 0.92/hour
China	US$ 3.52/hour

Source: https://eadn-wc03-877922.nxedge.io/cdn/wp-content/uploads/2015/11/MES-White-Paper-Series-China-vs.-India.-A-Sourcing-Experience.pdf

- **R&D DNA of Indian manufacturers:** Since inception, product portfolio of most of the Indian manufacturers has grown rapidly based on their R&D expertise. This insulates the companies from any slowdown in a particular product or category and de-risks their business model. Such products, being of higher value and of strategic importance to customers, cater to multiple end-user industries, such as, agrochemicals and pharmaceuticals. More importantly, an extensive product portfolio helps the organizations to win more customers across the globe as it meets multiple requirements and functionalities.

- **Make In India campaign further bolstering the speciality chemicals sector:** The Government of India has been rigorously implementing different initiatives and schemes to add impetus to the emergence of India as a manufacturing hub for the chemicals industry in the medium term. The Government is providing incentives, subsidies and grants under this campaign. Indian companies could benefit from these initiatives and could further reduce their dependencies on imports of raw material and ingredients.

OVERVIEW OF IDENTIFIED PRODUCT GROUPS (GLOBAL AND INDIA)

Acid Chlorides

Overall market size, historical and projected growth of Acid Chlorides

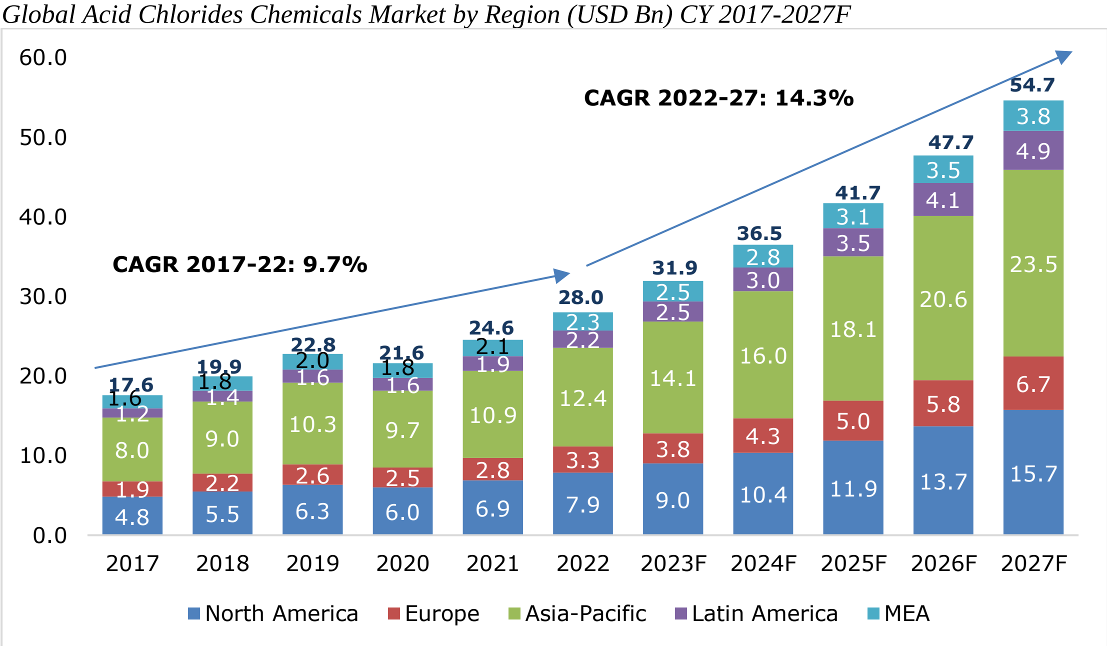
Acid Chlorides are compounds that are produced by reacting carboxylic acids with chlorosulfuric, phosphorus trichloride or thionyl chloride. Phosgene is used as an intermediate for manufacturing different acid chlorides. Products from these reactions find their use in various industries such as pharmaceuticals, polymers, agrochemicals, etc.

Acid Chlorides are primary ingredients for different products in agrochemicals. They are used for manufacturing different herbicides, pesticides and weed killing drugs. They are also used in manufacturing commercial products such as flavouring agents, perfumes, and resins. Different acid chlorides such as valeroyl chloride, propionyl chloride and pivaloyl chloride are used in pharmaceutical industry as building blocks and protective groups.

Polymers is another major application of acid chlorides. They are required in the automotive industry for manufacturing different parts that involve the use of plastic. With growing demand for fuel efficiency, the metal parts are increasingly being replaced by the plastic ones, giving long term boost to the acid chlorides market.

The Global acid chlorides market was estimated at USD 28,000 million in CY 2022 and is projected to reach USD 54,646 million in CY 2027. The market is expected to witness a CAGR of 14.3% between 2022 and 2027. The rising demand for fuels and oils and the growth of automotive industry will fuel the growth of acid chlorides in the forecast period.

Global Acid Chlorides Chemicals Market by Region (USD Bn) CY 2017-2027F

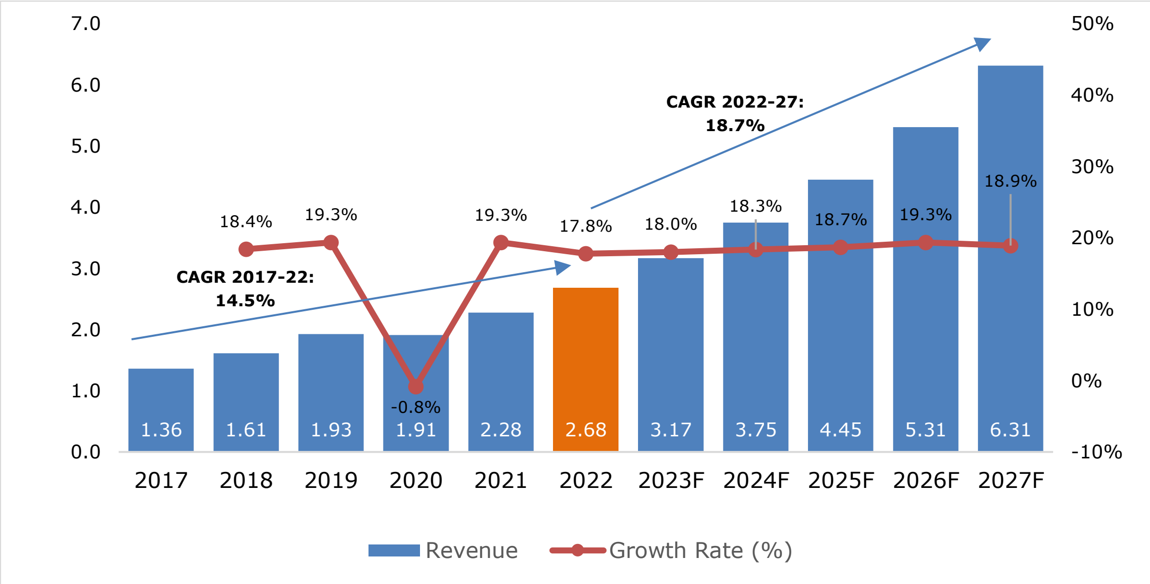


Sources: Annual reports and F&S estimation

The Indian acid chlorides market was estimated at USD 2,684 million in 2022, which is approximately 1 percent of the Indian Chemical market of 198 Bn in 2022 and is projected to reach USD 6,312 million in 2027. The market is expected to witness a CAGR of approximately 19% between 2022 and 2027. In India, acid chlorides are majorly used in agrochemicals and polymer application. India is a highly agriculture dependent economy and almost 20%

of the GDP share is captured by agriculture segment. In agrochemicals, acid chlorides are used for production of herbicides and pesticides. They are also used for manufacturing many anti-fungal and weed-killing pesticides.

India Acid Chlorides Chemicals Market (USD Bn) CY 2017-2027F



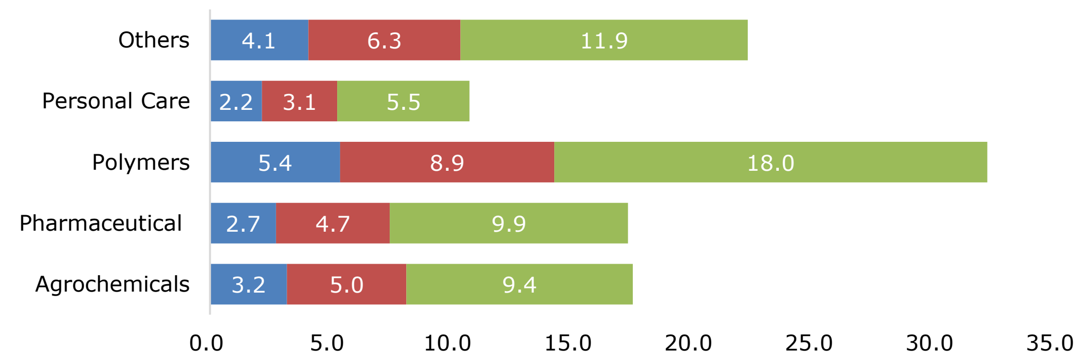
Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Acid Chlorides are further bifurcated into Aromatic Carbonyl Chlorides and Aliphatic Carbonyl Chlorides.

Market size – Acid Chlorides – Global and India – Based on Application

Based on application, pharmaceutical is the fastest growing segment in the forecast period, growing at a CAGR of 15.96% between 2022 to 2027. The requirement of acid chlorides for preparing different types of acetylating agents that are further used for different pharmaceutical formulations is driving the demand of acid chlorides in pharmaceuticals operation. Additionally, it is also used for manufacturing perfumes and tannins in personal care application. They are also being increasingly used in pigments and polymers. These are some of the growing applications that are contributing to the growth of acid chlorides in the forecast period.

Historic and Projected growth of select End-user segments of Acid Chloride, global, in USD bn

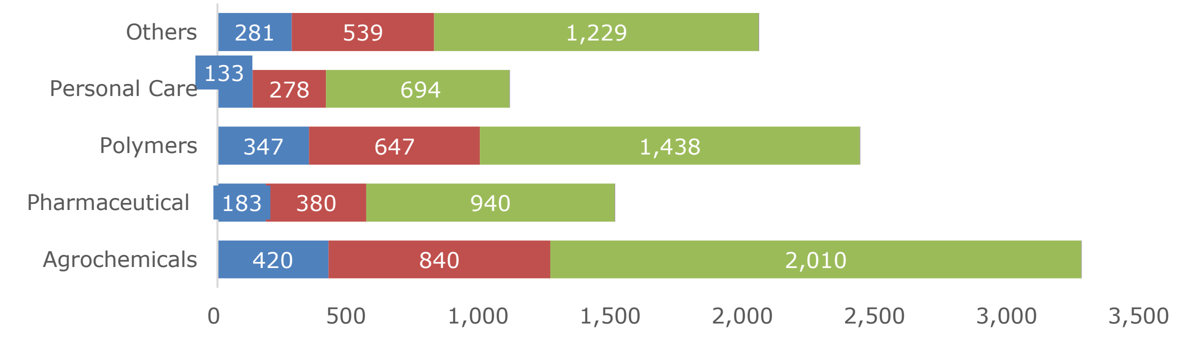


	Agrochemicals	Pharmaceutical	Polymers	Personal Care	Others
2017	3.2	2.7	5.4	2.2	4.1
2022	5.0	4.7	8.9	3.1	6.3
2027F	9.4	9.9	18.0	5.5	11.9
CAGR (2017-22)	9.2%	11.4%	10.5%	7.7%	9.1%
CAGR (2022-27F)	13.6%	16.0%	15.1%	11.9%	13.6%

2017 2022 2027F

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Historic and Projected growth of select End-user segments of Acid Chloride, India, in USD million



	Agrochemicals	Pharmaceutical	Polymers	Personal Care	Others
2017	420	183	347	133	281
2022	840	380	647	278	539
2027F	2,010	940	1,438	694	1,229
CAGR (2017-22)	14.9%	15.7%	13.3%	15.9%	13.9%
CAGR (2022-27F)	19.1%	19.8%	17.3%	20.1%	17.9%

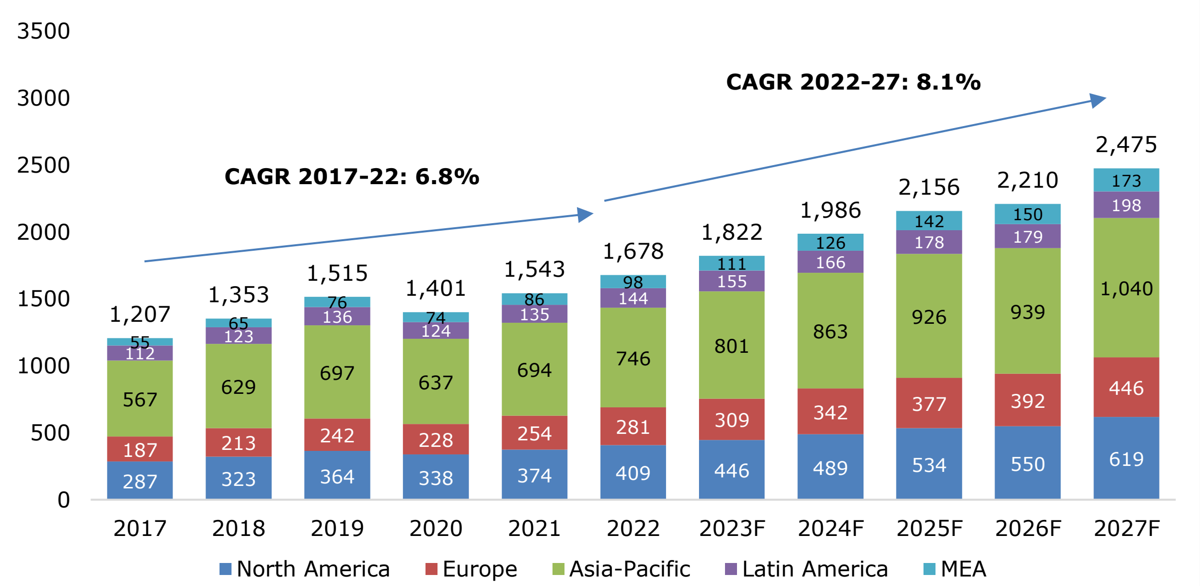
2017 2022 2027F

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Aromatic Carbonyl Chlorides Market

The Global aromatic carbonyl chloride market was estimated at USD 1,678 million in 2022 and is projected to reach USD 2,475 million by 2027. The market is expected to witness a CAGR of 8.1% between 2022 and 2027. The rising demand of aromatic carbonyl chloride in making organic chemicals, polycarbonate resins, dyestuffs, and isocyanates for making polyurethane resins is driving the demand of aromatic carbonyl chloride in the forecast period.

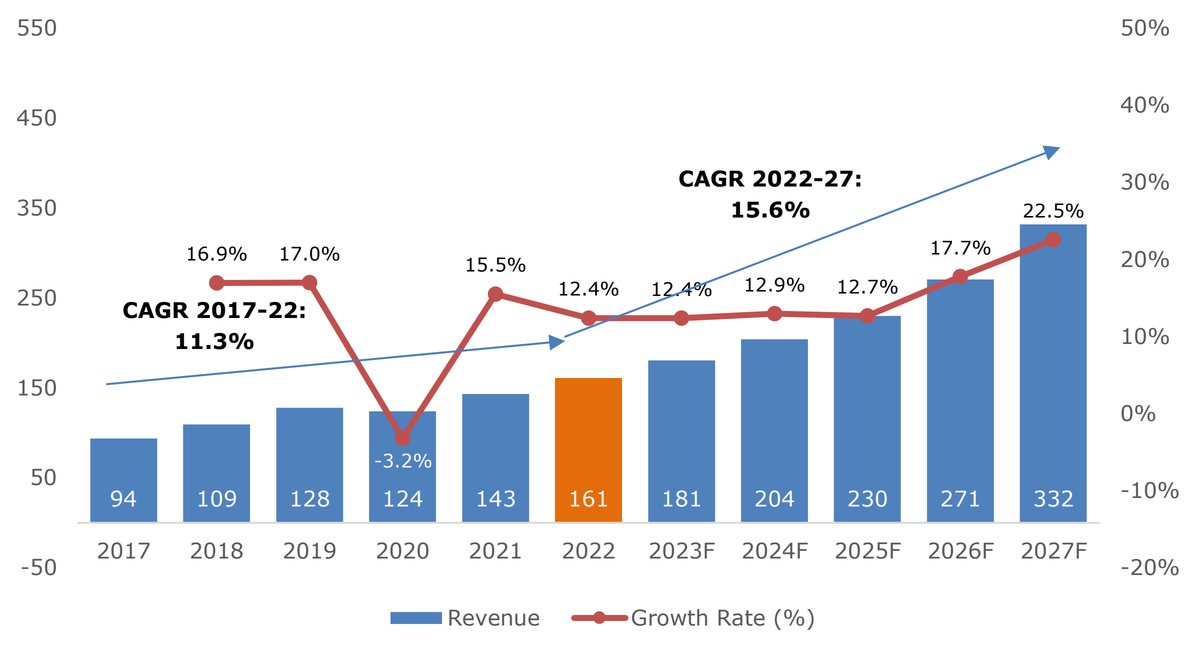
Global Aromatic Carbonyl Chloride Market by Region (USD Million) CY 2017-2027F



Sources: Annual reports and F&S estimation

The Indian aromatic carbonyl chlorides market was estimated at USD 161 million in 2022 and is projected to reach USD 332 million by 2027. The market is expected to witness a CAGR of around 15.6% between 2022 and 2027.

India Aromatic Carbonyl Chloride Market (USD Million) CY 2017-2027F



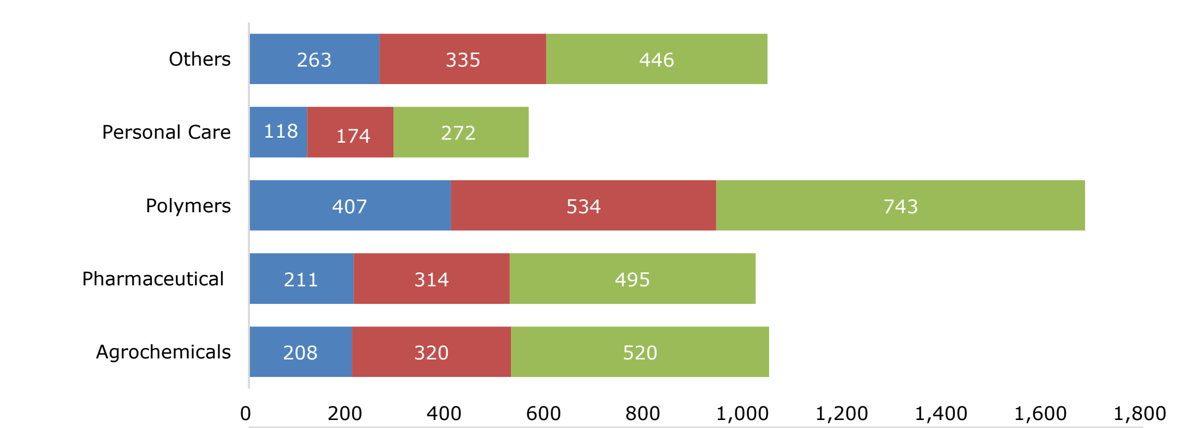
Sources: Annual reports and F&S estimation

Market size – Aromatic Carbonyl Chloride – Global and India – Based on Application

Globally, aromatic carbonyl chlorides are majorly used in polymers and the trend is expected to continue over the forecast period, contributing to around 32% of aromatic carbonyl chloride market in 2022. Polymers made using aromatic carbonyl chloride hold a market size of USD 534 million in 2022 and is expected to reach a value of USD 743 million by 2027. Some of the major applications in the polymer industry include production of plastics, dyes and pigments.

Additionally, aromatic carbonyl chlorides are also required in commercially important medicines such as acetaminophen and aspirin, and also have applications in agriculture and personal care.

Historic and Projected growth of select End-user segments of Aromatic Carbonyl Chloride, global, in USD million

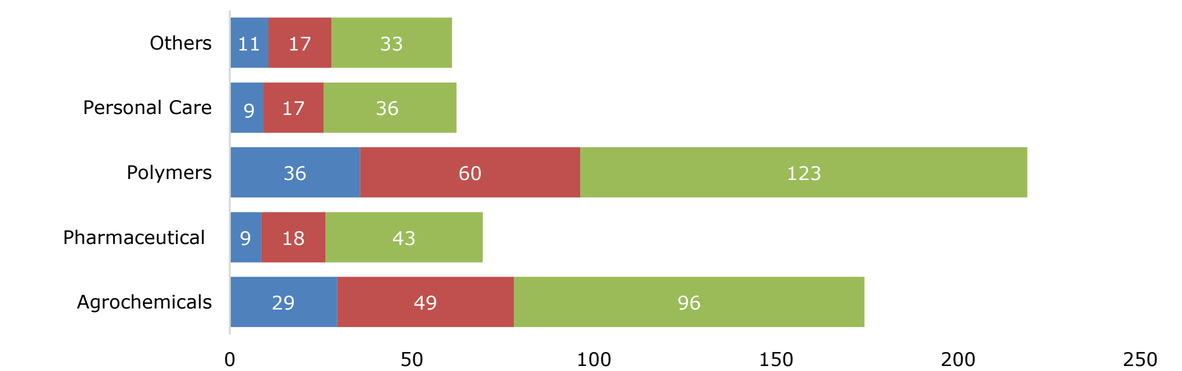


	Agrochemicals	Pharmaceutical	Polymers	Personal Care	Others
2017	208	211	407	118	263
2022	320	314	534	174	335
2027F	520	495	743	272	446
CAGR (2017-22)	9.0%	8.3%	5.6%	8.1%	5.0%
CAGR (2022-27F)	10.2%	9.5%	6.8%	9.4%	5.8%

2017 2022 2027F

Sources: Annual reports and F&S estimation

Historic and Projected growth of select End-user segments of Aromatic Carbonyl Chloride in India, in USD million



	Agrochemicals	Pharmaceutical	Polymers	Personal Care	Others
2017	29	9	36	9	11
2022	49	18	60	17	17
2027F	96	43	123	36	33
CAGR (2017-22)	10.5%	15.6%	11.1%	12.8%	10.3%
CAGR (2022-27F)	14.6%	19.4%	15.2%	17.0%	13.9%

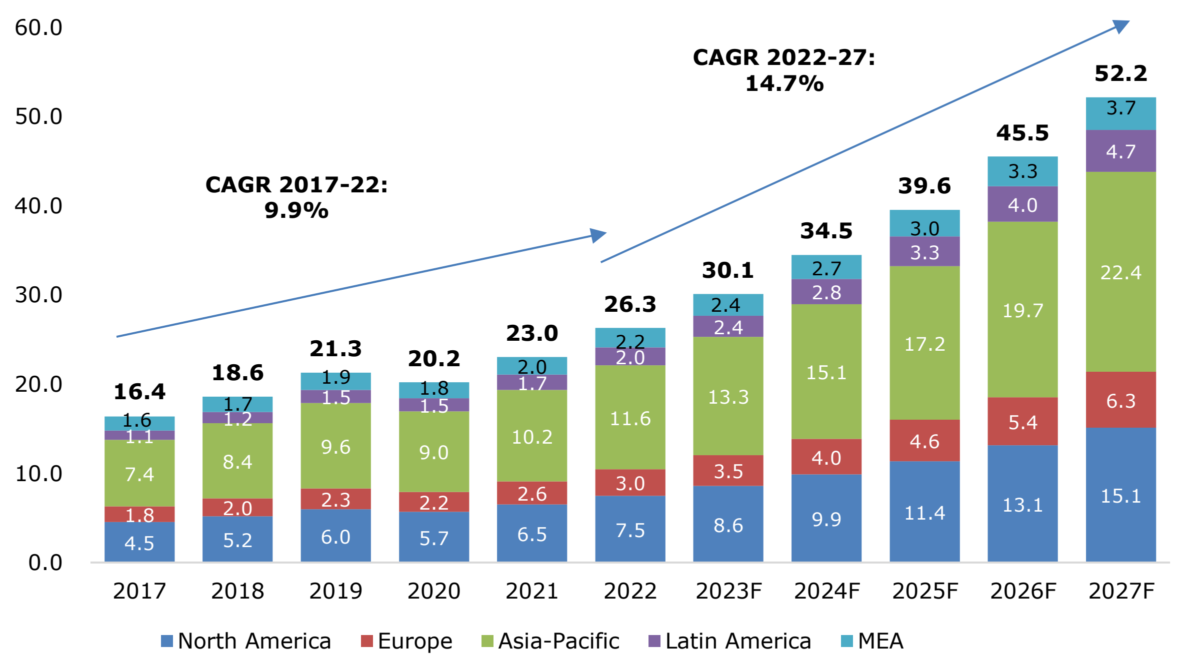
2017 2022 2027F

Sources: Annual reports and F&S estimation

Aliphatic Carbonyl Chlorides Market

Aliphatic compounds can be acyclic or cyclic which means they can contain either close chains or rings of carbon atoms in their molecule. The Global aliphatic carbonyl chloride market was estimated at USD 26,322 million in 2022 and is projected to reach USD 52,171 million by 2027. The market is expected to witness a CAGR of 14.7% between 2022 and 2027. The rising demand of aliphatic carbonyl chloride in manufacturing products such as household cosmetics and chemicals, pesticides, fuels, and essential oils is driving the growth of aliphatic carbonyl chlorides in the forecast period.

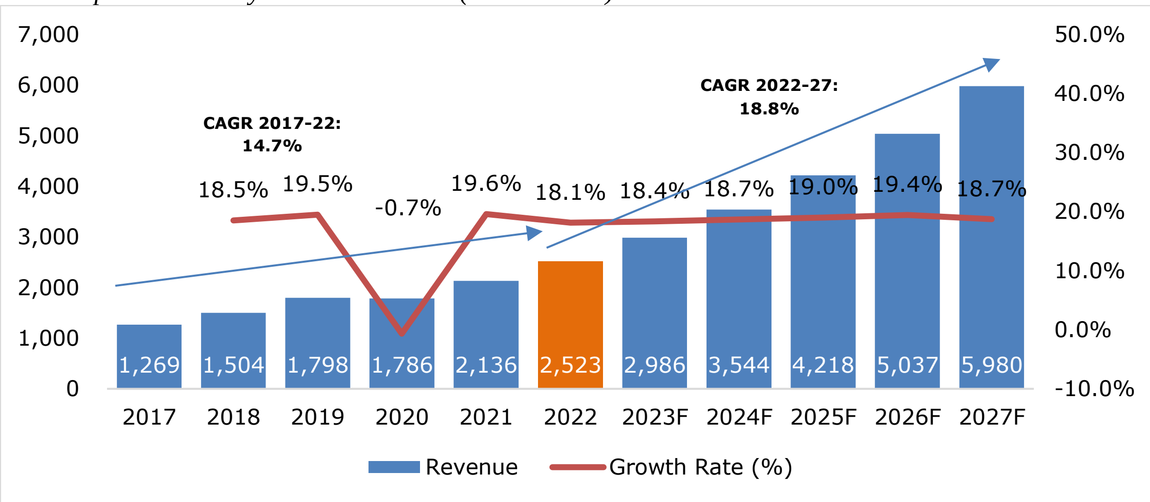
Global Aliphatic Carbonyl Chloride Market by Region (USD Bn) CY 2017-2027F



Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

The Indian aliphatic carbonyl chlorides market was estimated at USD 2,523 million in 2022 and is projected to reach USD 5,980 million by 2027. The market is expected to witness a CAGR of around 18.8% between 2022 and 2027.

India Aliphatic Carbonyl Chloride Market (USD Million) CY 2017-2027F

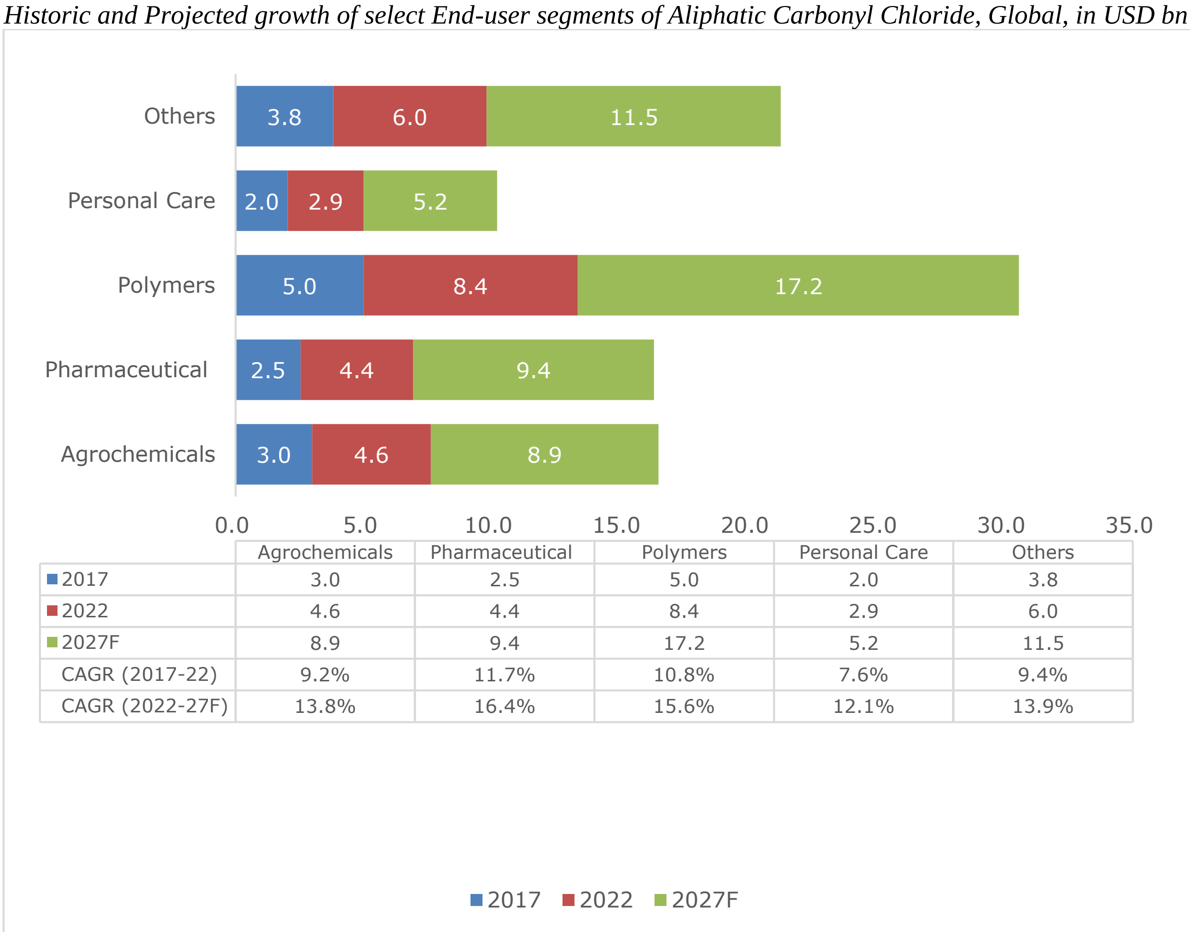


Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Market size – Aliphatic Carbonyl Chloride– Global and India – Based on Application

Globally, aliphatic carbonyl chlorides are majorly used in polymers and the trend is expected to continue over the forecast period. Polymers made using aliphatic carbonyl chloride hold a market size of USD 8,353 million in 2022 and is expected to reach a value of USD 17,216 million by 2027. Aliphatic carbonyl chlorides are also used in making fuels and essential oils. This is the major reason why the "Others" segment captured around 23% market share of the total aliphatic carbonyl chloride market in 2022. They are also actively used in pesticides and cosmetic products.

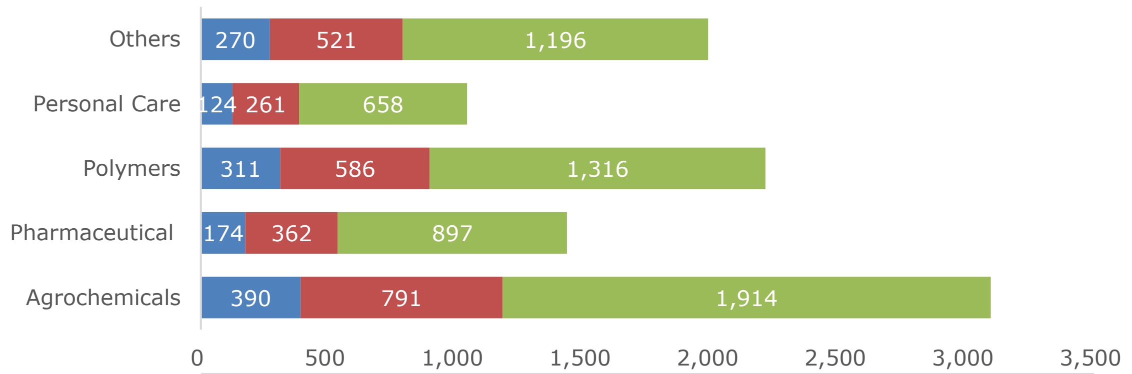
Historic and Projected growth of select End-user segments of Aliphatic Carbonyl Chloride, Global, in USD bn



	Agrochemicals	Pharmaceutical	Polymers	Personal Care	Others
2017	3.0	2.5	5.0	2.0	3.8
2022	4.6	4.4	8.4	2.9	6.0
2027F	8.9	9.4	17.2	5.2	11.5
CAGR (2017-22)	9.2%	11.7%	10.8%	7.6%	9.4%
CAGR (2022-27F)	13.8%	16.4%	15.6%	12.1%	13.9%

Sources: Annual reports and F&S estimation

Historic and Projected growth of select End-user segments of Aliphatic Carbonyl Chloride, India, in USD million



	Agrochemicals	Pharmaceutical	Polymers	Personal Care	Others
2017	390	174	311	124	270
2022	791	362	586	261	521
2027F	1,914	897	1,316	658	1,196
CAGR (2017-22)	15.2%	15.7%	13.5%	16.2%	14.1%
CAGR (2022-27F)	19.3%	19.9%	17.6%	20.3%	18.1%

2017 2022 2027F

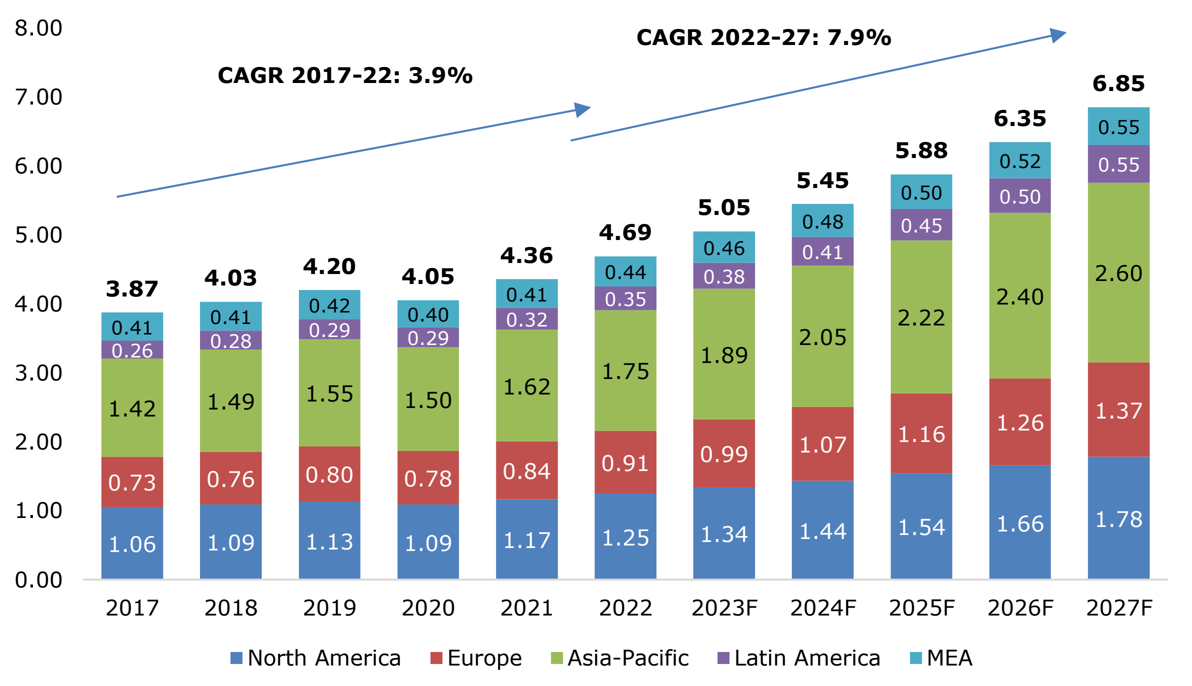
Sources: Annual reports and F&S estimation

Aromatic and Fluoro Aromatic Nitriles

Overall market size, historical and projected growth of Aromatic and Fluoro Aromatic Nitriles

Aromatic and Fluoro Aromatic Nitriles are often prepared in the laboratory from aniline through diazonium compounds. Exposure to nitriles by humans can result in hepatic, neurologic, cardiovascular, renal, and gastrointestinal disorders. The Global aromatic and fluoro aromatic nitriles market was estimated at USD 4,690 million in 2022 and is projected to reach USD 6,854 million by 2027. The market is expected to witness a CAGR of 7.9% between 2022 and 2027. Polymers application is the major application of the aromatic and fluoro aromatic nitriles chemicals. This is majorly attributed to the increasing demand of aromatic and fluoro aromatic nitriles in making gloves, seals, and hoses.

Global Aromatic and Fluoro Aromatic Nitriles Chemicals Market by Region (USD Bn) CY 2017-2027F

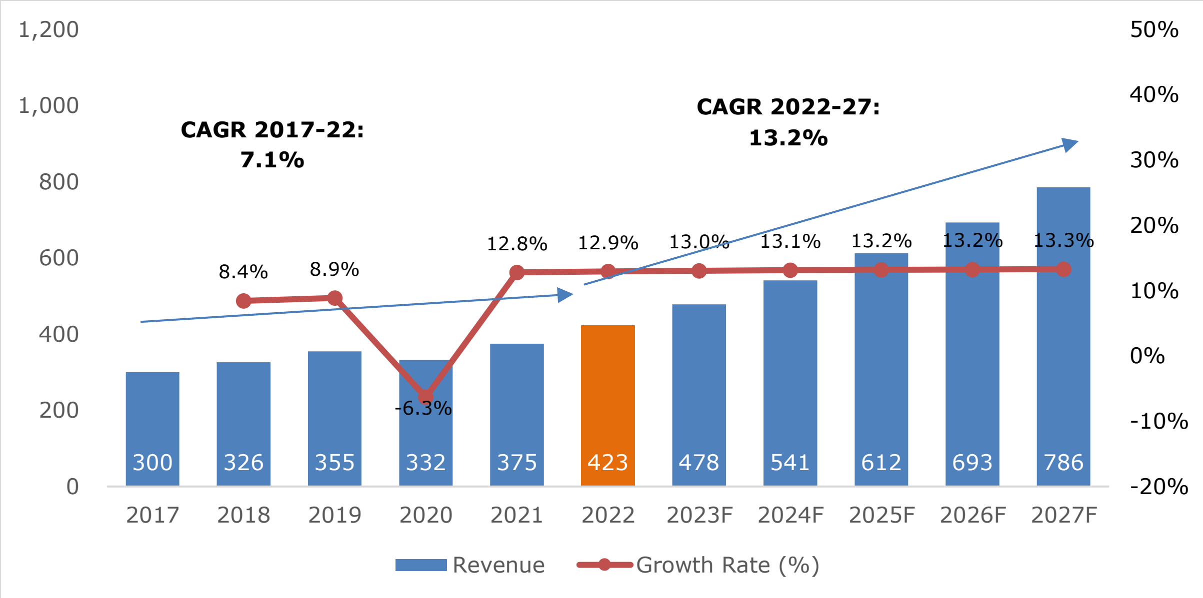


Sources: Annual reports and F&S estimation

The Indian aromatic and fluoro aromatic nitriles market was estimated at USD 423 million in 2022 and is projected to reach USD 786 million by 2027. The market is expected to witness a CAGR of around 13.2% between 2022 and 2027.

In India, aromatic and fluoro aromatic nitriles are majorly used in polymer, pharmaceuticals, adhesives, and personal care. The growing polymer industry coupled with increasing investments in pharmaceuticals industry by Indian government is driving the aromatic and fluoro aromatic nitriles market in India.

India Aromatic and Fluoro Aromatic Nitriles Chemicals Market (USD Million) CY 2017-2027F

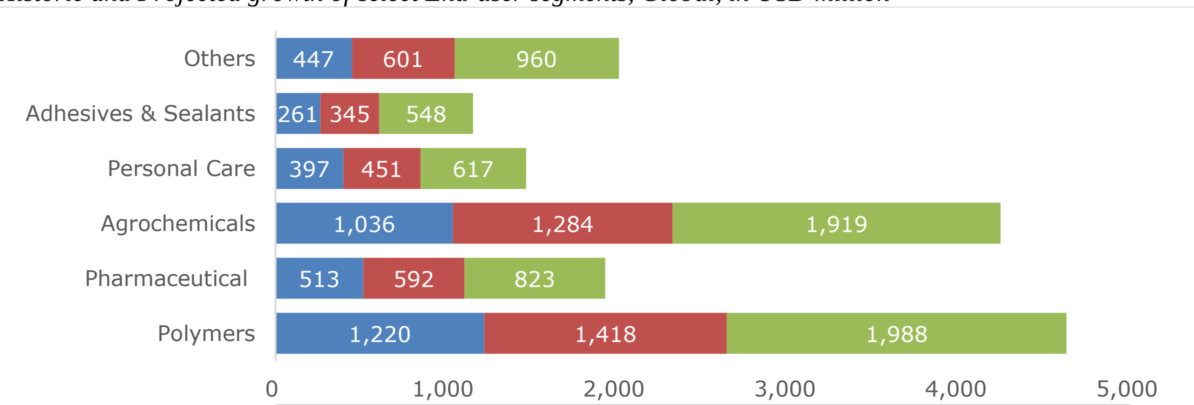


Sources: Annual reports and F&S estimation

Market size – Aromatic and Fluoro Aromatic Nitriles – Global and India – Based on Application

Aromatic and Fluoro Aromatic Nitriles exhibit resistance to some chemicals. They are also used as an antidiabetic drug which is used in the treatment of breast cancers. The compound of aromatic nitrile called pericyazine is used as an antipsychotic. Aromatic and fluoro aromatic nitriles are majorly used in polymer and latex industry. For the same reason, the polymers' application is expected to contribute to the largest share of 30% in 2022 in the aromatic and fluoro aromatic nitriles market.

Historic and Projected growth of select End-user segments, Global, in USD million

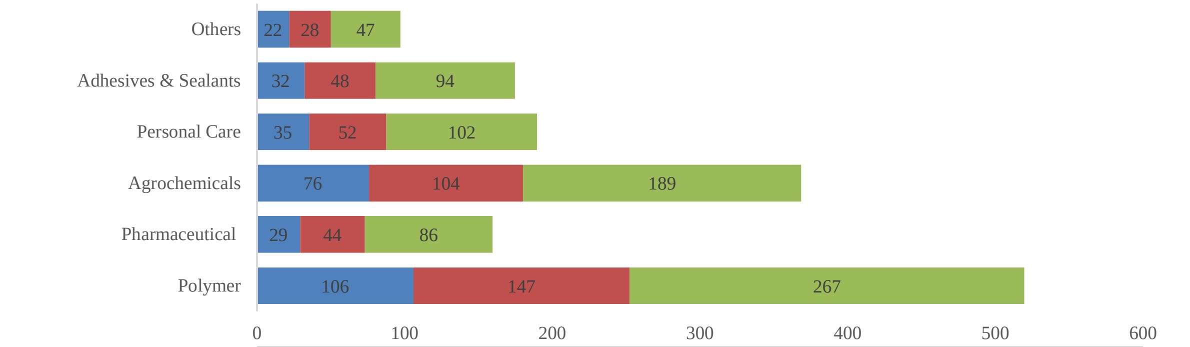


	Polymers	Pharmaceutical	Agrochemicals	Personal Care	Adhesives & Sealants	Others
2017	1,220	513	1,036	397	261	447
2022	1,418	592	1,284	451	345	601
2027F	1,988	823	1,919	617	548	960
CAGR (2017-22)	3.1%	2.9%	4.4%	2.6%	5.7%	6.1%
CAGR (2022-27F)	7.0%	6.8%	8.4%	6.5%	9.7%	9.8%

2017 2022 2027F

Sources: Annual reports and F&S estimation

Historic and Projected growth of select End-user segments in India, in USD million



	Polymer	Pharmaceutical	Agrochemicals	Personal Care	Adhesives & Sealants	Others
2017	106	29	76	35	32	22
2022	147	44	104	52	48	28
2027F	267	86	189	102	94	47
CAGR (2017-22)	6.7%	8.4%	6.6%	8.2%	8.3%	5.2%
CAGR (2022-27F)	12.8%	14.5%	12.6%	14.3%	14.4%	10.8%

2017 2022 2027F

Sources: Annual reports and F&S estimation

Application (Established and Emerging) of Aromatic and Fluoro Aromatic Nitriles

Aromatic and Fluoro Aromatic Nitriles are primary used in polymer industry for manufacturing different plastic materials. They have a special compound called methyl cyanoacrylate, that is extensively used in super glue and nitrile rubber, which is the major reason why they are used in adhesives & sealants application. They are widely used in the automotive industry for sealing vital parts since they are resistant to fuels and oils. Furthermore, the growing application in pharmaceutical industry is the major reason for this application to grow at the fastest CAGR of 14.53% in the forecast period.

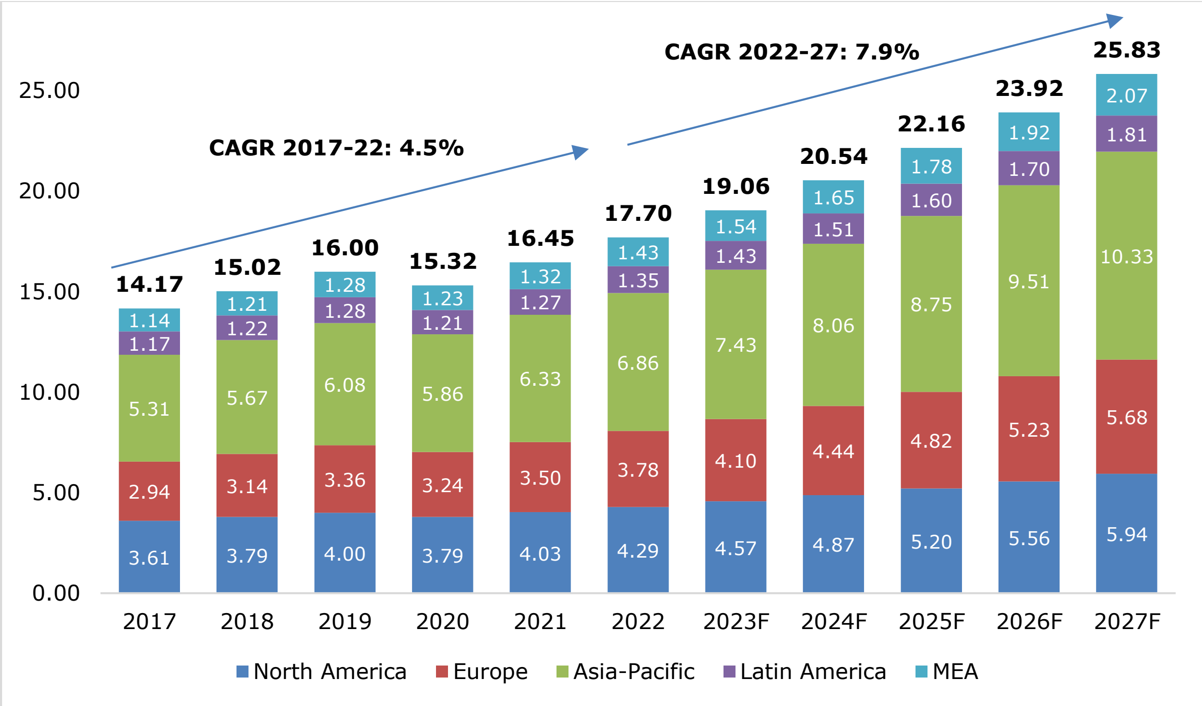
Fluoro Aromatic Amines

Overall market size, historical and projected growth of Fluoro Aromatic Amines

Fluoro aromatic amines are organic compounds that have an aromatic ring attached to a flouro amine. Phosgene is used as an intermediate for manufacturing different acid chlorides. Products from these categories find usage in various industries such as pharmaceuticals, polymers, agrochemicals, and some other industries.

The Global Fluoro Aromatic Amines market was estimated at USD 17,700 million in 2022 and is projected to reach USD 25,833 million by 2027. The market is expected to witness a CAGR of 7.9% between 2022 and 2027.

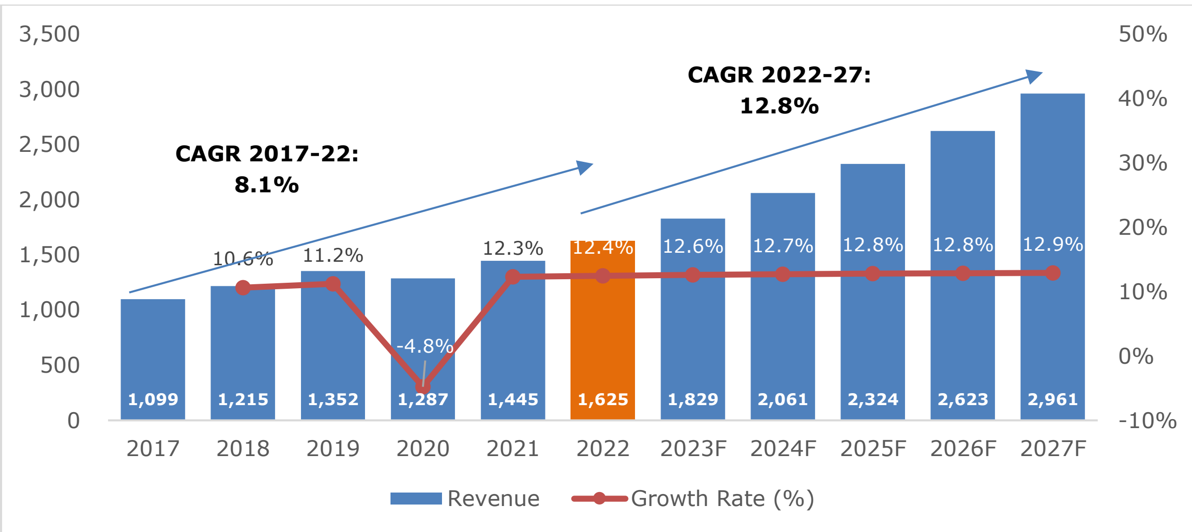
Global Fluoro Aromatic Amines Chemicals Market by Region (USD Bn) CY 2017-2027F



Sources: Annual reports and F&S estimation

The Indian fluoro aromatic amines market was estimated at USD 1,625 million in 2022 and is projected to reach USD 2,961 million by 2027. The market is expected to witness a CAGR of around 13% between 2022 and 2027. In India, fluoro aromatic amines are majorly used in agrochemicals (herbicides and pesticides) and polymer application.

India Fluoro Aromatic Amines Chemicals Market (USD Million) CY 2017-2027F

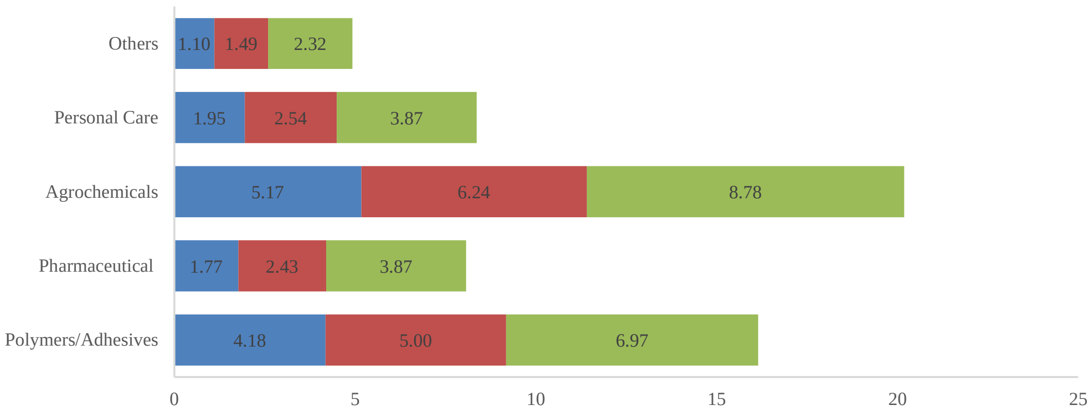


Sources: Annual reports and F&S estimation

Market size – Fluoro Aromatic Amines – Global and India – Based on Application

Fluoro aromatic amines are frequently used in demerol and morphine which are popular pain killers. Fluoro aromatic amines are also used as solvents for antihistamine diphenhydramine which are used in cough syrups. They are also used to prepare anesthetics which is extremely useful to athletes around the world.

Historic and Projected growth of select End-user segments, global, in USD bn

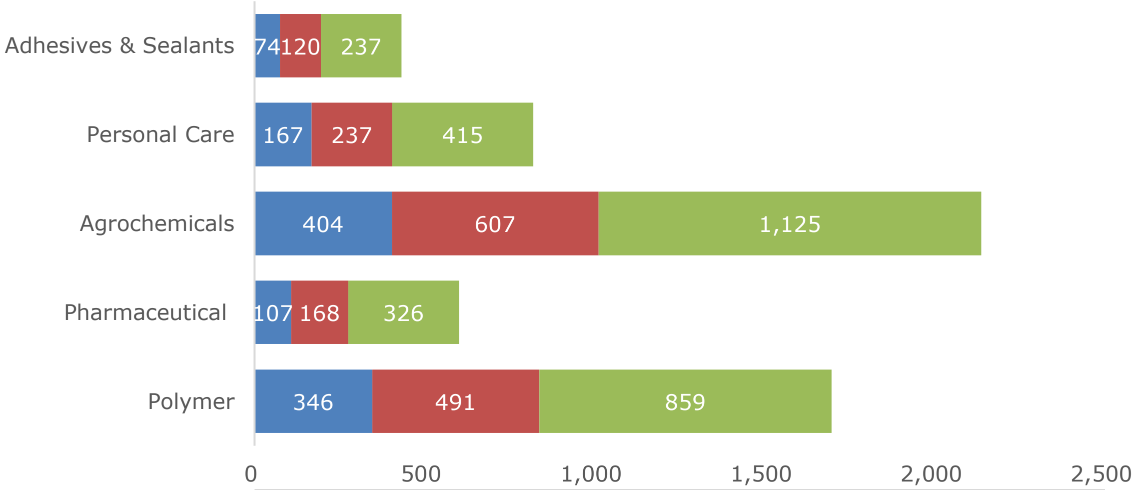


	Polymers/Adhesives	Pharmaceutical	Agrochemicals	Personal Care	Others
2017	4.18	1.77	5.17	1.95	1.10
2022	5.00	2.43	6.24	2.54	1.49
2027F	6.97	3.87	8.78	3.87	2.32
CAGR (2017-22)	3.6%	6.5%	3.8%	5.5%	6.2%
CAGR (2022-27F)	6.9%	9.8%	7.1%	8.8%	9.2%

2017 2022 2027F

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Historic and Projected growth of select End-user segments in India, in USD million



	Polymer	Pharmaceutical	Agrochemicals	Personal Care	Adhesives & Sealants
2017	346	107	404	167	74
2022	491	168	607	237	120
2027F	859	326	1,125	415	237
CAGR (2017-22)	7.3%	9.5%	8.5%	7.2%	10.1%
CAGR (2022-27F)	11.8%	14.1%	13.1%	11.8%	14.5%

2017 2022 2027F

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Application (Established and Emerging) of Fluoro Aromatic Amines

Fluoro aromatic amines are primarily used in manufacturing pharmaceuticals, agrochemicals, and polymer materials. Agrochemicals sector is expected to hold the largest share of 37% in 2022 owing to its usefulness in preparing different pesticides and herbicides. In India, farmers are increasingly using agrochemicals made from fluoro aromatic amines, which is why it is expected that by 2027, agrochemicals will hold the largest share.

Background on chlorination and phosgenation

Phosgene is produced when chlorinated hydrocarbon compounds are exposed to high temperatures. Chlorinated hydrocarbons contain the elements, chlorine, hydrogen, and carbon. Carboxylic acids react with Thionyl Chloride ($SOCl_2$) to form Acid chlorides. During the reaction, the hydroxyl group of the carboxylic acid is converted to a chlorosulfite intermediate making it a better leaving group.

Phosgenation and chlorination is a difficult process to master due to the nature of risks associated with this process. Sometimes, exposure to phosgenation may cause delayed symptoms on human body, that may not be evident before 48 hours. The major symptoms include breathing issues, low blood pressure and heart failure. Phosgene inhalation may temporarily cause symptoms like shortness of breath, post which patients again feel fine, but die later due to the fluid built up in lungs. Most people who recuperate after exposure to phosgene do make a complete recovery. Yet, emphysema and chronic bronchitis has been caused in many patients due to phosgene exposure.

BASF is a major player that has been handling phosgene derivatives for more than 40 years. They have adopted a traditional method that is the most effective method to prevent any hazards. The company enforces their employees to read the safety data sheet (MSDS) before handling any phosgene or chlorination products. The company also has safety drills in case any person gets exposed to phosgene and how to handle those situations. Moreover, an operating procedure manual is provided to the person working on phosgene. BASF is also the first company that has been certified by the SuCCESS (Sustainable Castor Caring for Environmental & Social Standards) Code and has successfully finished the certification process by an external body. Shiva Pharmachem Ltd. is also "Responsible Care" certified ensuring safety, pollution free process and employee health which is an integral pre-requisite of phosgenation and chlorination process.

Key growth drivers

- **Promising growth of end-use segments**: The Global Agriculture market currently stands at USD 222 billion in CY 2022 and it is expected to grow by 3% per annum over the forecast period till CY 2027. Similarly, the polymer market currently stands at USD 626 billion and is expected to grow at a CAGR of 3.2% p.a. between CY 2022-27. The acid chlorides segment contributes a significant portion to polymer chemicals market, with agrochemical, polymer and pharmaceuticals being the biggest end user segments. India's significant dependence on agriculture is driving the demand of agrochemical products that require acid chlorides, aromatic amines and aromatic and fluoro nitriles.

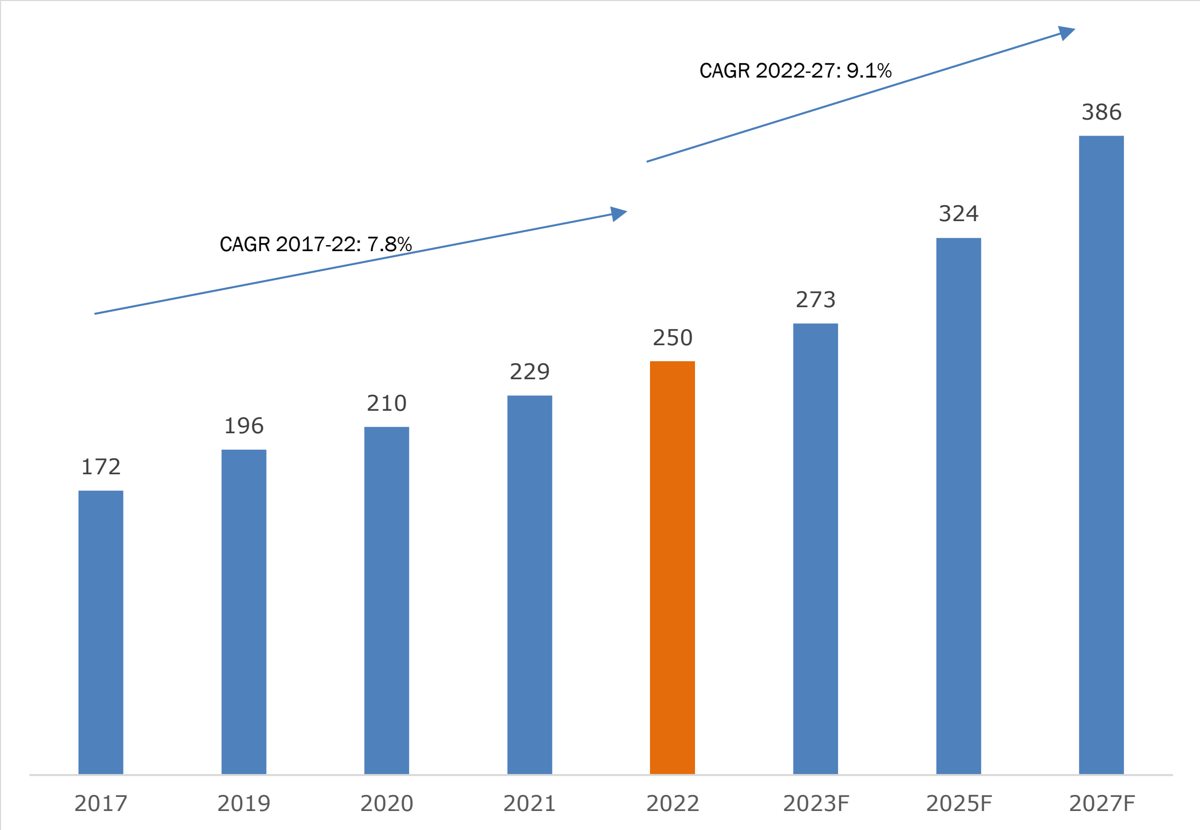
- **Increasing credit facilities in agriculture and polymer market**: According to RBI, credit activities in India from agriculture increased from 0.4 % in 2021 to 10.5% in 2022. Growing consumer awareness about different schemes of agriculture sector and other industries is propelling the credit services facilities. These industries are recuperating from COVID-19 effects and therefore availing more credit facilities to compensate the losses in previous financial years. Better incentives and credit facilities for starting new ventures in agriculture and polymer market in India is further fuelling the advanced intermediate chemicals market.

GLOBAL AND INDIA CSM/CRAMS MARKET

Overview of the Global CSM/CRAMS Market

In CY 2022, the global market for Custom Synthesis Manufacturing (CSM)/Contract Research and Manufacturing Services (CRAMS) was estimated to be worth approximately USD 250 billion. In the following five years (between 2022 and 2027), the market is expected to grow at a CAGR of 9.1% to reach USD 386 Bn by CY 2027 as compared to the 7.8% growth market saw between CY 2017 and CY 2022.

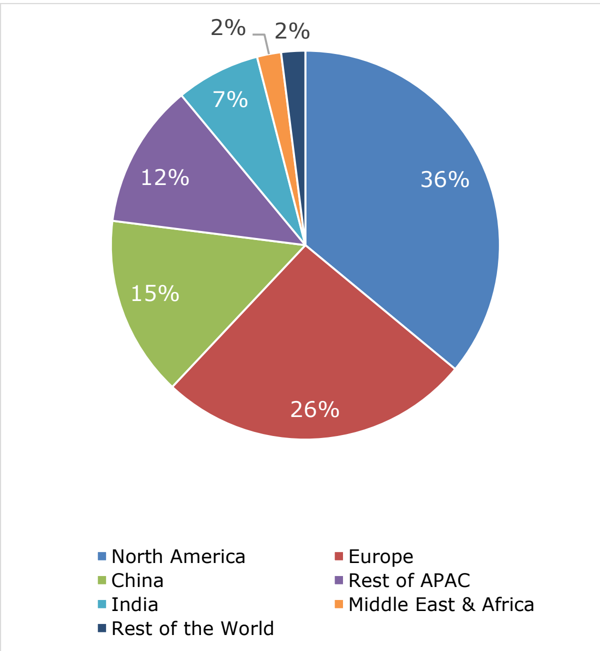
Global CSM/CRAMS Market (USD Bn), CY 2017-2027F

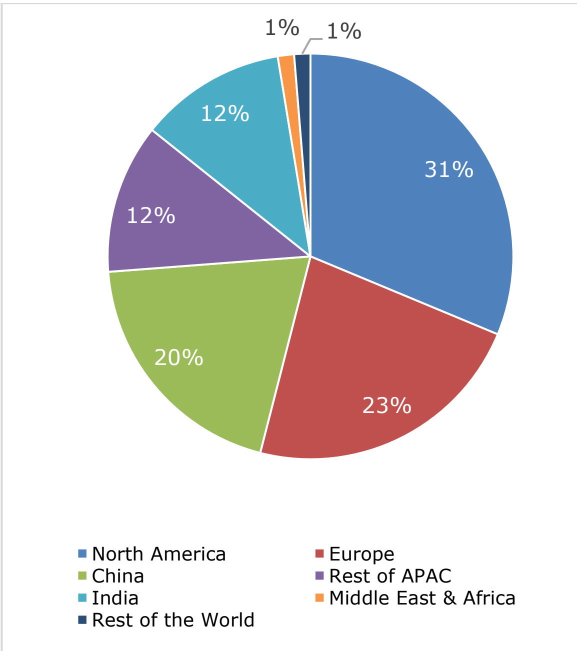


Source: Secondary Research, Frost & Sullivan analysis; Company Commissioned F&S Report

The CSM/CRAMS market is predicted to be dominated by Asia Pacific in 2022. Asia-Pacific is anticipated to have the fastest growth during the forecast period owing to efficient and cost-effective labour, low-cost production rates, and increased investment in pharmaceutical manufacturing.

Regional Share of the Global CSM/CRAMS Market, CY 2022 vs 2027F



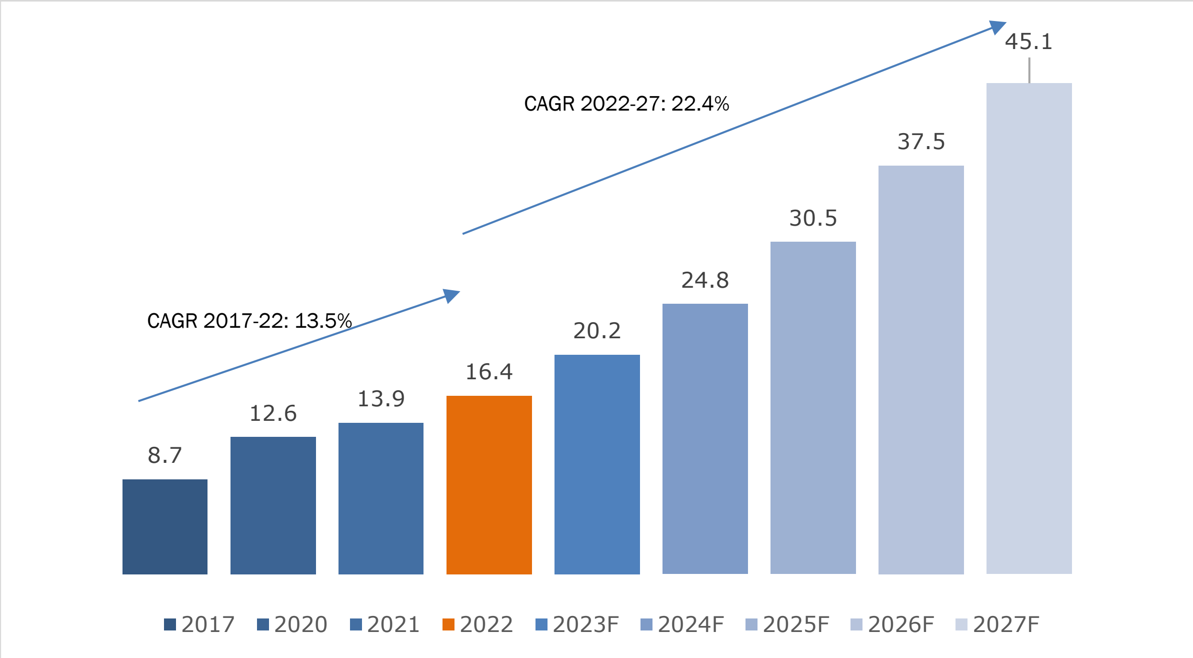


Source: Secondary Research, Frost & Sullivan analysis; Company Commissioned F&S Report

Overview of the India CSM/CRAMS Market

Indian CSM/CRAMS (Contract Research and Manufacturing services) market valued at USD 16.4 billion in 2022. It is expected to grow to USD 45.1 billion by 2027 at a CAGR of 22.4%.

India CSM/CRAMS Market CY 2017 – 2027F (in USD Bn)



Source: Secondary Research, Frost & Sullivan analysis; Company Commissioned F&S Report

Provided no new trade restrictions are put in place, Indian contract manufacturers that export to regulated markets and maintain compliance standards will continue to witness strong growth.

India's CSM/CRAMS market is expected to witness growth during the forecast period due to the below mentioned reasons:

- After China, India is APAC's second-largest generics market with market leadership in bulk drug manufacturing sector, which is dominated by generics and biosimilars. India ranks first in the number of FDA-approved production facilities outside of the US for manufacturing these drugs and generics. Besides having the manufacturing capabilities, India is strongly focussing on product development innovation which makes a preferred outsourcing destination for global pharma giants.

- Indian Companies like Anupam Rasayan are concentrating their focus towards research & development, operational scale-up, and increased commercialization of their manufacturing services within CRAMS/CSM space. This will help them leverage the innovators' shift in focus towards core competencies, development of new active ingredients and outsourcing of production activities in the chemicals sector.

- The increasing outsourcing trend in the specialty chemicals industry demonstrates the success of this outsourcing partnership, as CRAMS/CSM are increasingly becoming an integral part of their value chain.

The specialty chemicals CRAMS market is driven by the growth of the end-use industries, such as the electronics, healthcare, and personal care industries. These industries are using specialty chemicals in a variety of applications, such as in the manufacturing of electronic components, pharmaceuticals, and cosmetics.

The Government of India has taken several initiatives and schemes to drive the growth of the specialty chemicals' CRAMS market in India. One such initiative is - The National Chemical Policy (NCP): The NCP was launched in 2018 with the aim of making India a global hub for the specialty chemicals industry. The NCP includes a number of measures to promote the growth of the industry, such as tax breaks, investment incentives, and research and development support.

Across India, the recent revision of Market Access Initiative by the Ministry of Commerce and Industry aims at benefiting the small to mid-segment newer industry players which do not possess global sales and marketing reach. As a result of the revised MAI policies, the robust growth in CRAMS industry in India will support newer economies such as Myanmar, Cambodia to collaborate with the local Indian players beneficial for the overall growth of the Asian economy.

Moving forward, in pharmaceutical sector, with a total of over 300 USFDA approved manufacturing sites, the country can become the global leader in the CRAMS industry with the implementation of mandates including Schedule M (Good Manufacturing Practices (GMP) for Premises & Materials and Requirements of GMP in Plant and Equipment) outlining various requirements for manufacturing good quality drugs and pharmaceuticals, by applying Current Good Manufacturing Practice (CGMP) guidelines. Furthermore, with a cost advantage of almost 40-50% as compared to regulated markets and the availability of sufficient R&D infrastructure, India is expected to continue to enjoy a competitive advantage in the region there by assuring a strong CRAMS industry growth.

The Government of India is committed to ensuring delivery of affordable healthcare in the country as well as ensuring that there is a steady supply of critical drugs and specialty intermediates. This has resulted in the launch of the Production Linked Incentive Scheme (PLI) for APIs, KSMs as well as the Scheme for Promotion of Bulk Drug Parks and other chemicals. These schemes have been constructed to incentivize large-scale manufacturing of critical chemicals and to build the required infrastructure for developing manufacturing clusters for across India. This aligns with the Government's mission for self-reliance (Atmanirbhar Bharat).

Increasing Opportunities for CRAMS/CSM in India

In Asia, India is particularly becoming an attractive destination for global investments at a rapid pace as more and more multinationals are focusing on R&D activities and wish to outsource their manufacturing activities to low-cost destinations. India has also emerged as the most preferred destination for innovation in Asia and the third largest globally. The MNC R&D centers in India have seen a gradual growth over the years from 911 in 2020 to over 1,050 in 2022 at 7.3% CAGR and are expected to reach 1,500 by end of 2025. India's R&D ecosystem has grown at a phenomenal pace in the last ten years. About 42% (CY2022) of the global 500 R&D spenders have centers in India, with the figure expected to reach approximately 50% by 2023.

Increasing Government Incentives

The Government has been announcing several fiscal incentives for the private sector to increase R&D expenditure including:

- Tax deduction: Companies can claim a deduction of up to 200% of their R&D expenditure under the R&D Tax Incentive (RTDI) Scheme
- Capital allowance: Companies can claim a capital allowance of 100% on the cost of plant and machinery that is used for R&D activities
- Excise duty exemption: Companies are exempted from paying excise duty on the sale of products that are developed as a result of R&D activities
- Customs duty exemption: Companies are exempted from paying customs duty on the import of equipment and materials that are used for R&D activities
- Incentives for start-ups: Start-ups that undertake R&D activities are eligible for a number of incentives, such as tax breaks, funding support, and mentoring

In addition to these fiscal incentives, the government is also providing funding for R&D through the National Science Foundation (NSF) and the Department of Science and Technology (DST). The NSF and the DST provide grants to researchers in a variety of fields, including engineering, medicine, and the physical sciences.

The government's initiatives to promote R&D are expected to help India to become a global leader in innovation.

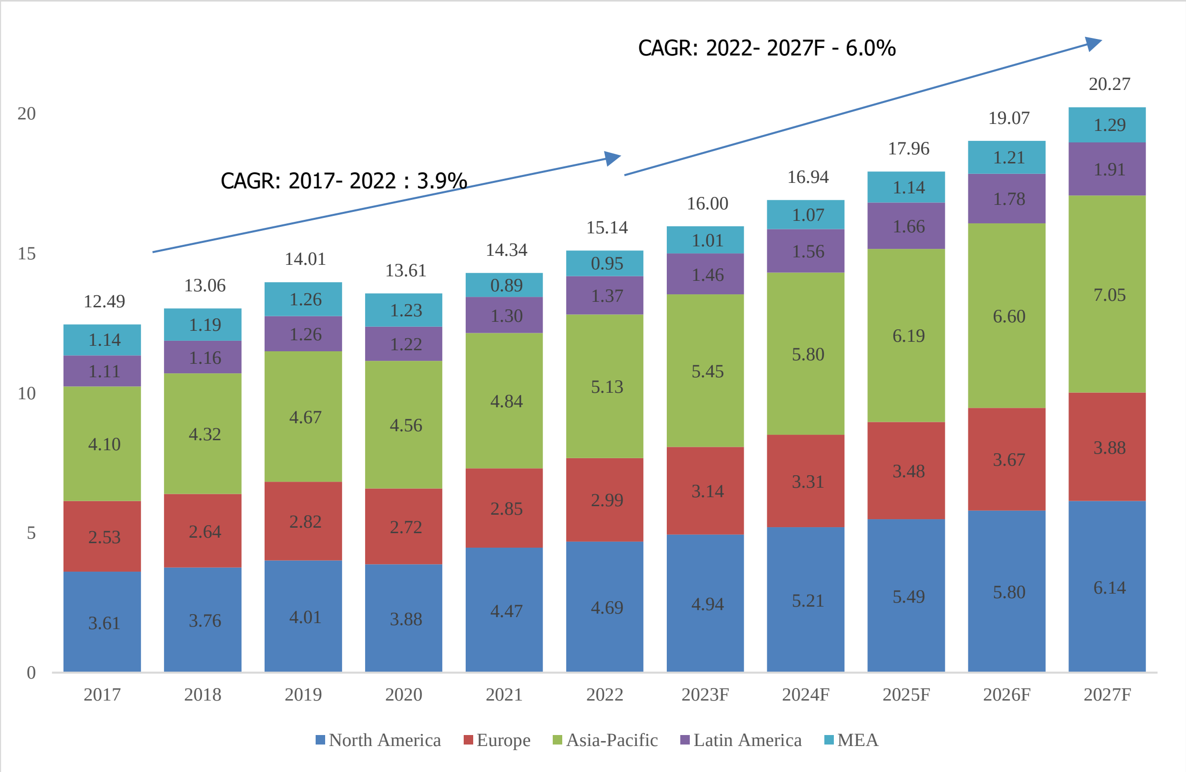
ADVANCED INTERMEDIATES OVERVIEW

Overview and Outlook

Global Advanced Intermediates Market

The Global advanced intermediates* market was estimated at a value of USD 15,136 Mn in 2022 and is projected to reach USD 20,265 Mn in 2027. The market is expected to witness a CAGR of 6% between 2022 and 2027. APAC holds the largest share of the advanced intermediates market in 2022 and the trend is expected to continue over the forecast period.

Global Advanced Intermediate Chemicals Market by Region (USD Bn) CY 2017-2027F

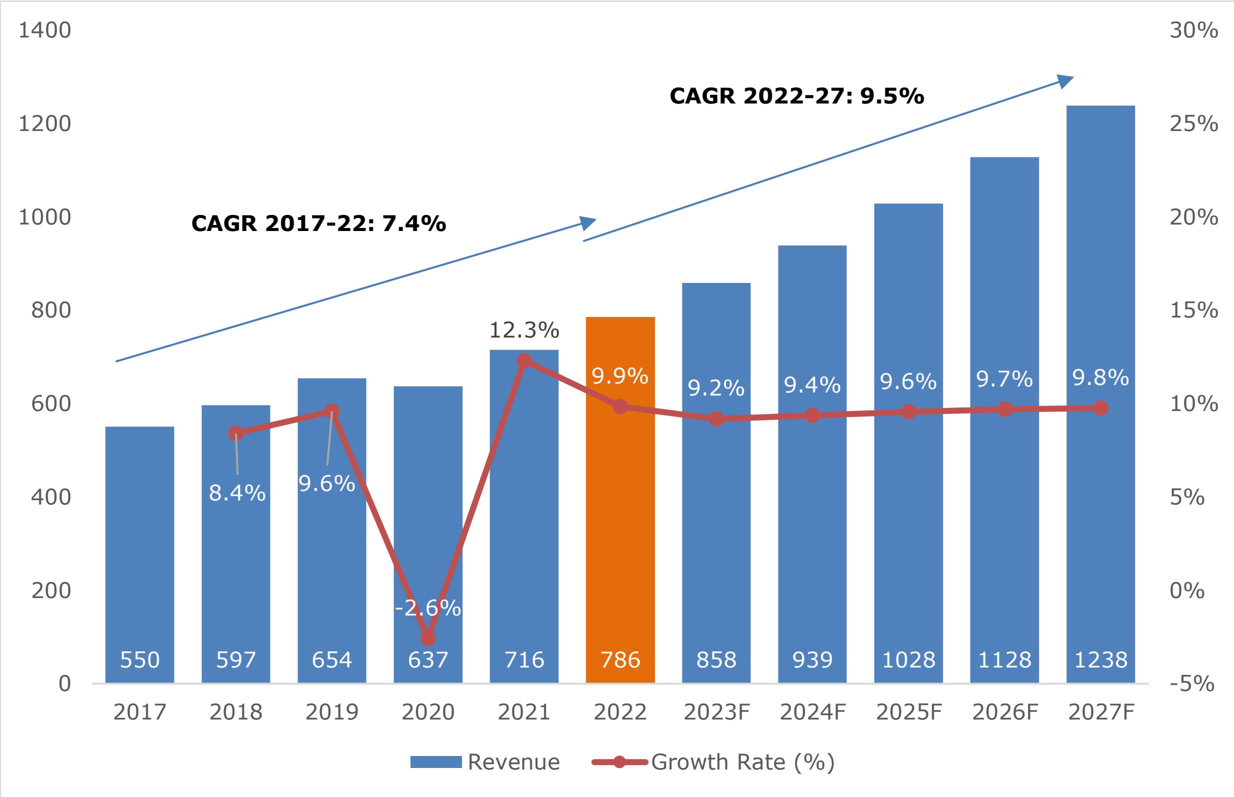


Sources: Annual reports and F&S estimation; Company Commissioned F&S Report
*Note: *The Global advanced intermediates market size includes market size (by sales value) for total of 9 identified products, that are being covered under advanced intermediates described herein.*

India Advanced Intermediates Market

The Indian advanced intermediates market was estimated at USD 786 million in 2022 and is projected to reach at USD 1,238 million by 2027. The market is expected to witness a CAGR of around 9.5% between 2022 and 2027.

India Advanced Intermediate Chemicals Market (USD Million) CY 2017-2027F



Sources: Annual reports and F&S estimation; Company Commissioned F&S Report
Note: The India advanced intermediates market size includes market size (by sales value) for total of 9 identified products, that are being covered under advanced intermediates described herein.

Advanced Intermediates are prominently used in various industrial applications such as agrochemicals, polymer, flavours & fragrances, pharmaceuticals, and personal care. India's rapid industrialisation, abundant availability of skilled manpower, upsurge in consumption of polymer-based products and favourable macroeconomic conditions is driving the growth of Advanced Intermediates market.

This is further facilitated by the government initiatives of managing plastic and its disposal. The key contributor in the polymer market is the rising demand from the automotive sector for manufacturing of spare parts. The demand for agrochemicals has been increasing in recent years due to growing food demand from increasing population and well-being of the crop plants. The components that are used in the production of agrochemicals are sometimes advanced intermediate chemicals, which ultimately help in controlling the pests from damaging the crops or helps improve soil fertility. Post COVID-19, the agricultural activities have normalized, which has helped the companies to deliver to target geographies. Further, the rising cost of imports have created opportunities for domestic producers.

Terephthaloyl Chloride

Overview

Terephthaloyl Chloride (TC) is an acid chloride of terephthalic acid that is primarily used for manufacturing synthetic fiber such as Kevlar. It is also widely used in aerospace and defence industry as an intermediate Terephthaloyl Chloride is an effective water scavenger that is used to stabilize urethane and isocyanates prepolymers.

Established and Emerging Applications

The chemical finds use in automotive market as it possesses the required technical, mechanical, and physical properties. It is also used in manufacturing of aramid fibers which are further used in aerospace and defense applications for ballistic-rated body armor fabric and ballistic composites, marine cordage, marine hull reinforcement, and as an asbestos substitute.

Key growth drivers

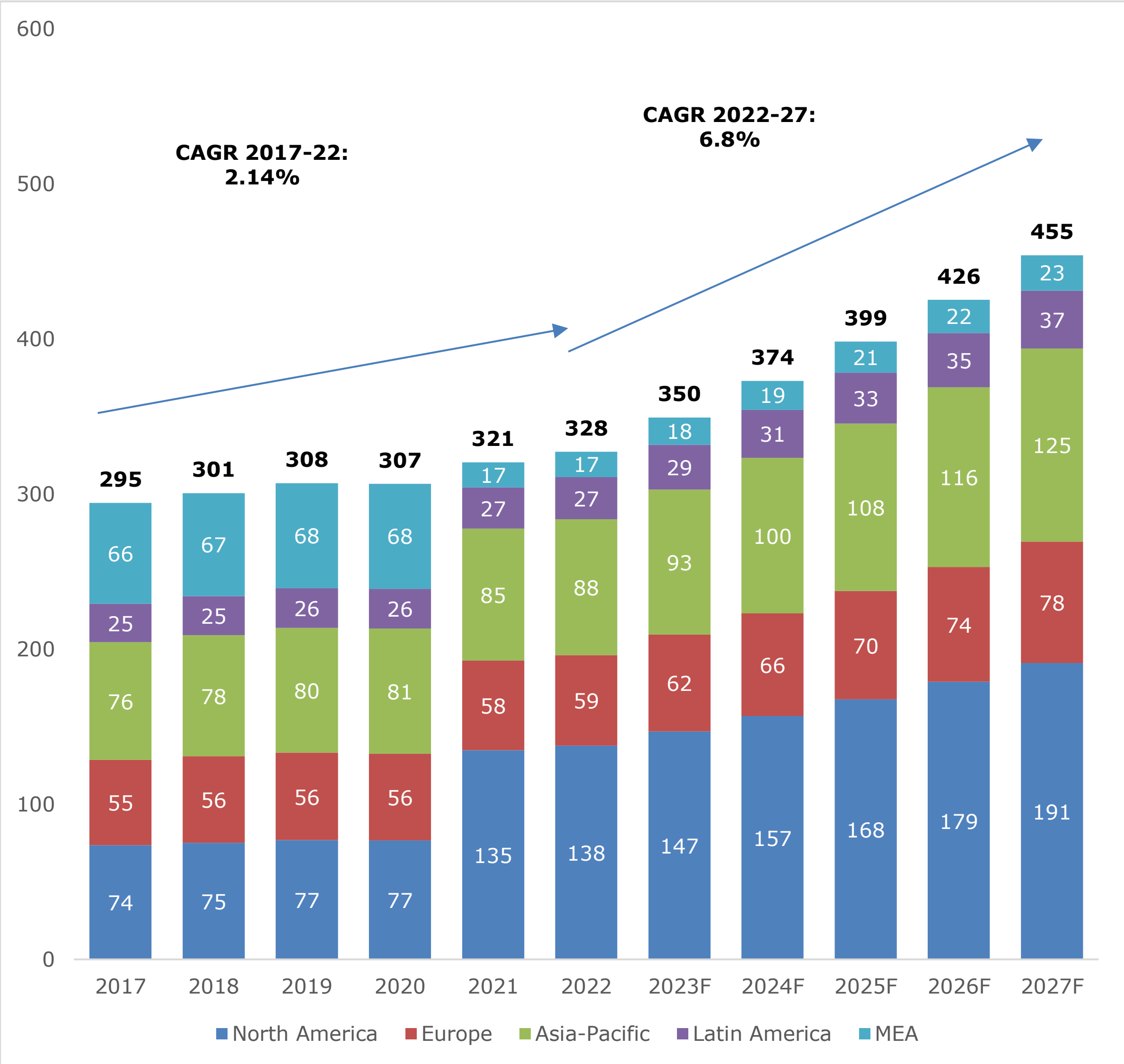
The rising demand of industrial gadgets that require terephthaloyl chloride is expected to drive its demand in the near future. The growing usage of terephthaloyl chloride in protective clothing for aerospace, defense and industrial sector owing to its light weight and easy manufacturing is driving its demand in the forecast period.

Market size - Global and India – Based on Region

The Global Terephthaloyl Chloride market is expected to grow from USD 328 Mn in 2022 to USD 455 Mn in 2027 at a CAGR of 6.8%.

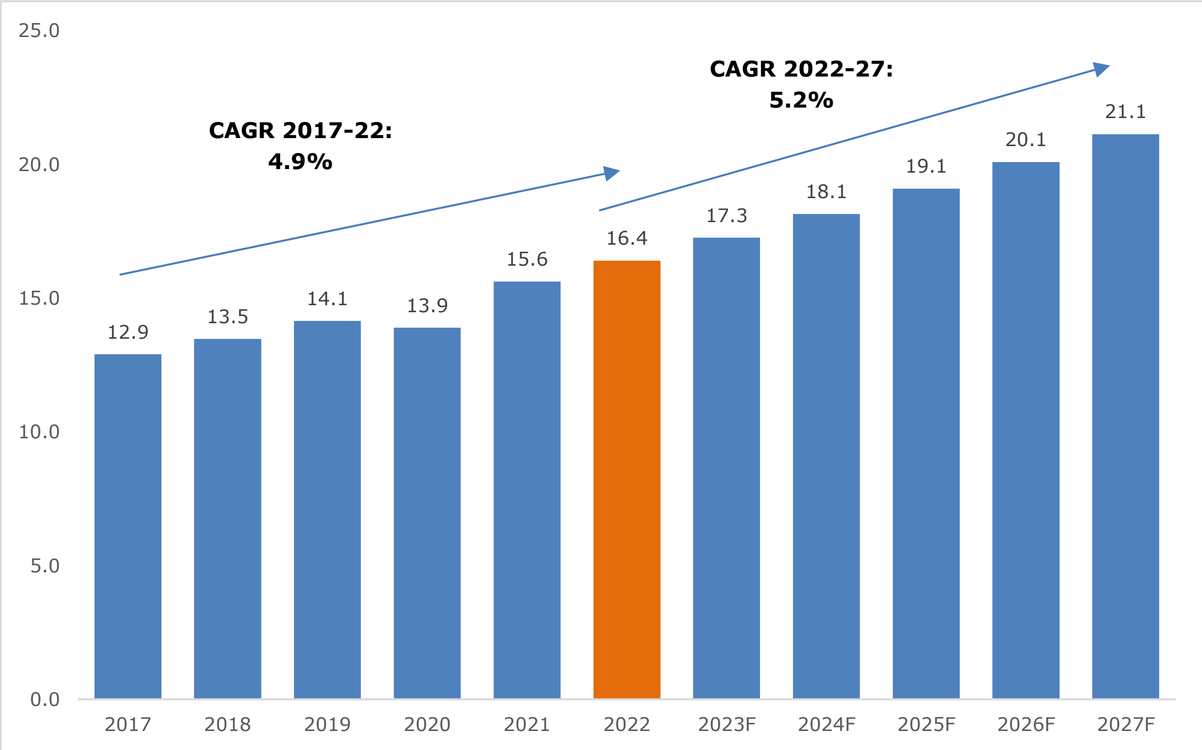
The Indian Terephthaloyl Chloride market is expected to grow from USD 16 Mn in 2022 to USD 21 Mn in 2027 at a CAGR of 5.2%.

Global Terephthaloyl Chloride Chemicals Market by Region (USD Million) CY 2017-2027F



Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Indian Terephthaloyl Chloride Chemicals Market (USD Million) CY 2017-2027F

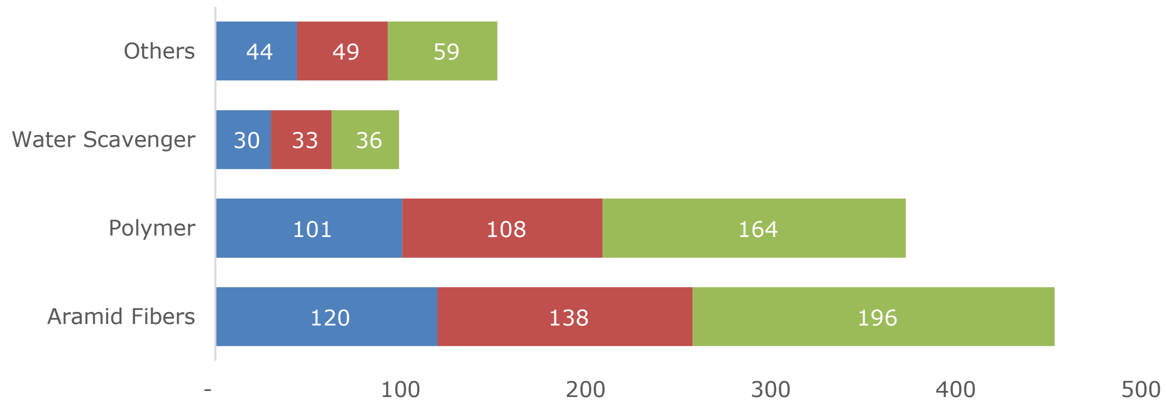


Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Market size – Global and India – Based on Application

Terephthaloyl Chloride is used in preparing liquid crystalline thermosets by thermal cyclotrimerization of di-cyanate compounds of ring substituted bis (4-hydroxyphenyl) terepthalates. Additionally, it is involved in the condensation reaction with difunctional alfa, μ-diaminopolystyrene to get chain-extended polystyrene containing amide bonds along the polymer backbone.

Global Historic and Projected growth of select End-user segments in USD million

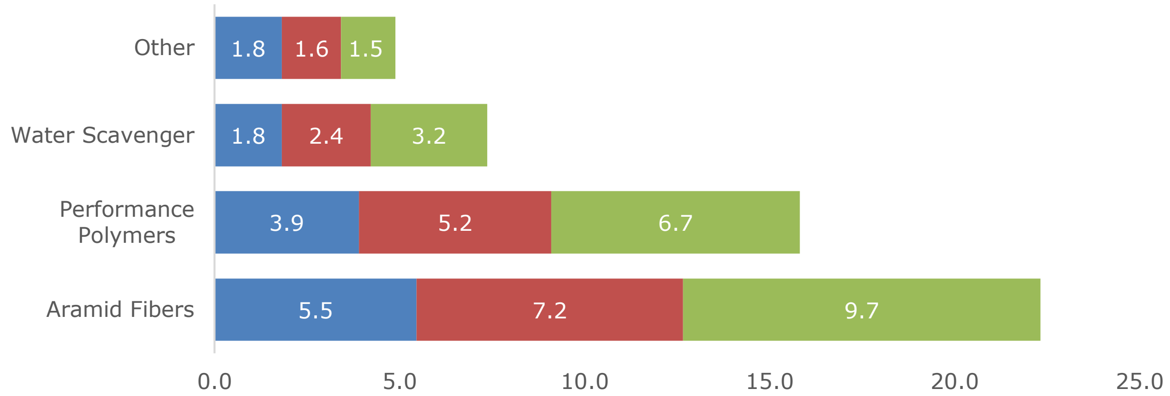


	Aramid Fibers	Polymer	Water Scavenger	Others
2017	120	101	30	44
2022	138	108	33	49
2027F	196	164	36	59
CAGR (2017-22)	2.8%	1.4%	1.8%	2.3%
CAGR (2022-27F)	7.3%	8.6%	2.1%	3.8%

2017 2022 2027F

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

India Historic and Projected growth of select End-user segments in USD million



	Aramid Fibers	Performance Polymers	Water Scavenger	Other
2017	5.5	3.9	1.8	1.8
2022	7.2	5.2	2.4	1.6
2027F	9.7	6.7	3.2	1.5
CAGR (2017-22)	5.7%	5.9%	5.7%	-2.5%
CAGR (2022-27F)	6.1%	5.3%	5.6%	-1.7%

2017 2022 2027F

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Isophthaloyl Chloride (ICL)

Overview

Isophthaloyl Chloride (IPC, or isophthaloyl dichloride) is an advanced intermediate chemical that is primarily used in a wide variety of polymers. Isophthaloyl chloride is an organic compound with the chemical formula $C_8H_4Cl_2O_2$.

Established and Emerging Applications

It has a white appearance, and it imparts flame resistance, temperature stability, chemical resistance, and flexibility. It is also an effective stabilizer that could be used to stabilize urethane prepolymers due to its capability to scavenge water. The growing polymer market is further driving the demand of isophthaloyl chloride in India. It is also used as a raw material in aromatic fiber.

Key growth drivers

Isophthaloyl chloride is an acid chloride and is utilized in a variety of fibres and performance polymers. Due to its capacity to pass through water, isophthaloyl chloride is the most efficient stabilizer for urethane prepolymers. It serves as a powerful stabilizer and is utilized in the manufacture of drugs and insecticides. Pharmaceuticals, insecticides, dyes, pigments, & fibres and polymers can all be made using isophthaloyl chloride.

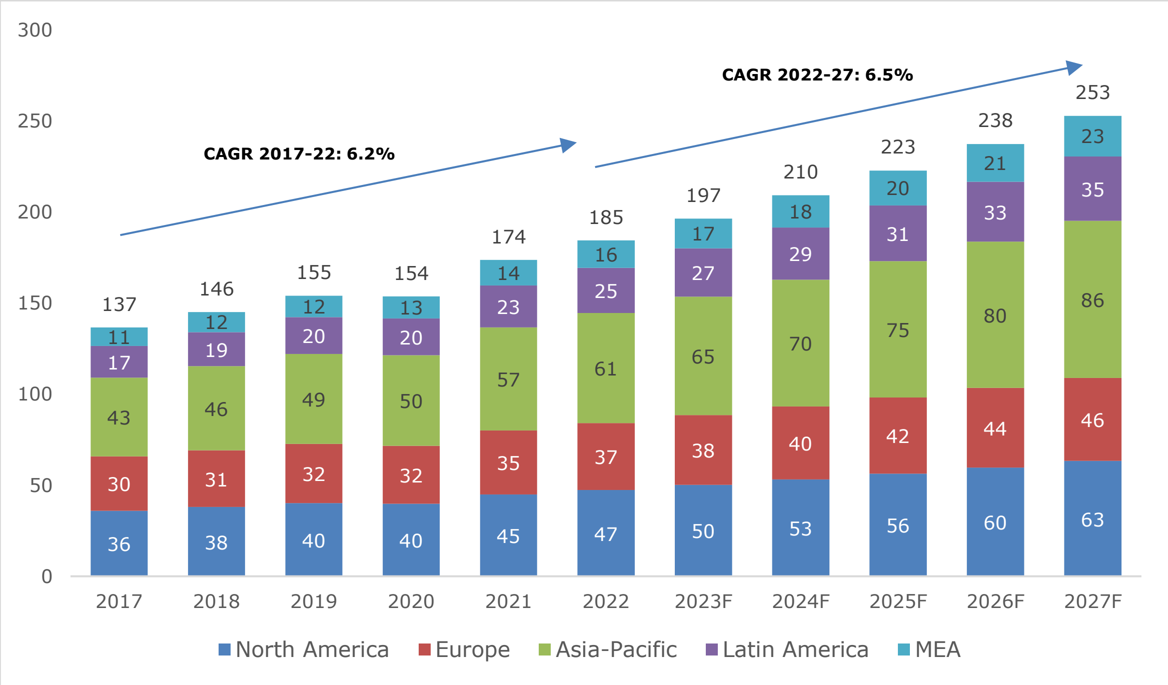
Based on form, the isophthaloyl chloride market is segmented into solid and liquid form. The liquid form accounts for a significant share due to increasing demand for production of chemical-resistant materials. Solid isophthaloyl is consumed in the production of high-performance polymers and is anticipated to create productive opportunities for development of the segment.

Market size - Global and India – Based on Region

The Global Isophthaloyl Chloride market is expected to grow from USD 185 Mn in 2022 to USD 253 Mn in 2027 at a CAGR of 6.5%.

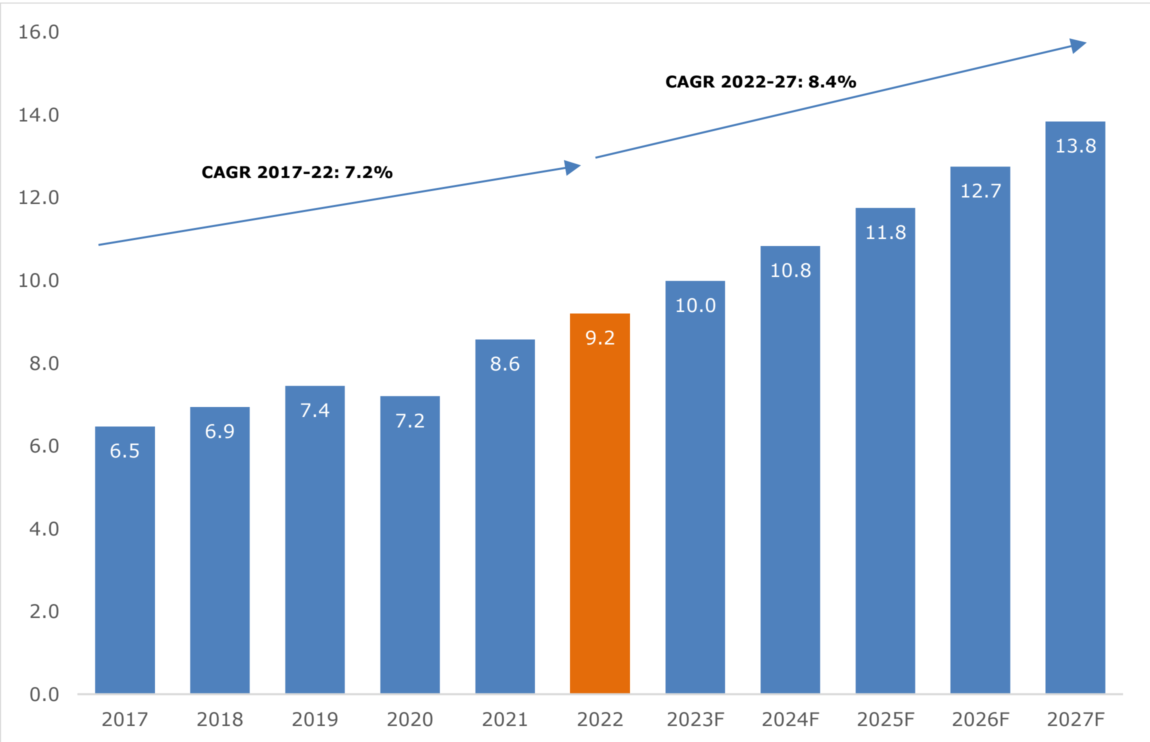
The Indian Isophthaloyl Chloride market is expected to grow from USD 9 Mn in 2022 to approximately USD 14 Mn in 2027 at a CAGR of 8.4%.

Global Isophthaloyl Chloride (ICL) Chemicals Market (USD Million) CY 2017-2027F



Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

India Isophthaloyl Chloride (ICL) Chemicals Market (USD Million) CY 2017-2027F

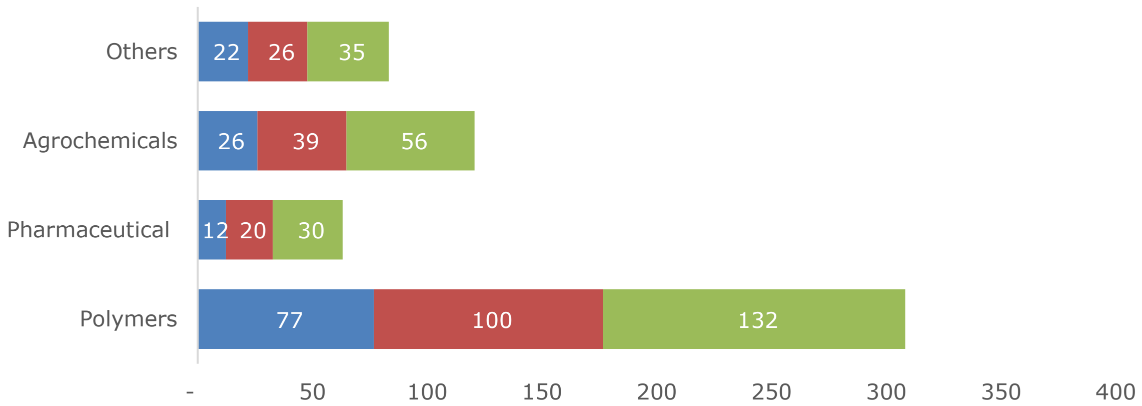


Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Market size - Global and India – Based on Application

It is used in the production of pesticides for crop protection. Its increasing usage in agrochemicals will drive the isophthaloyl chloride market in the forecast period.

Global Historic and Projected growth of select End-user segments in USD million

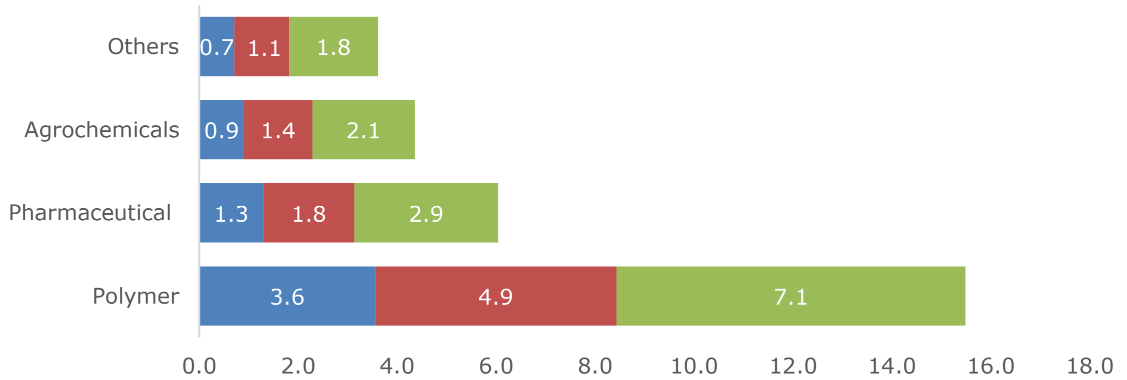


	Polymers	Pharmaceutical	Agrochemicals	Others
2017	77	12	26	22
2022	100	20	39	26
2027F	132	30	56	35
CAGR (2017-22)	5.4%	10.5%	8.3%	3.4%
CAGR (2022-27F)	5.7%	8.4%	7.5%	6.5%

2017 2022 2027F

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

India Historic and Projected growth of select End-user segments in USD million



	Polymer	Pharmaceutical	Agrochemicals	Others
2017	3.6	1.3	0.9	0.7
2022	4.9	1.8	1.4	1.1
2027F	7.1	2.9	2.1	1.8
CAGR (2017-22)	6.5%	7.3%	8.8%	9.2%
CAGR (2022-27F)	7.7%	9.6%	8.5%	10.3%

2017 2022 2027F

Sources: Annual reports and F&S estimation

Pivaloyl Chloride

Overview

Pivaloyl Chloride is a colorless reactive medical intermediate. Pivaloyl chloride is used as an input in the manufacture of some drugs, insecticides, and herbicides.

Established and Emerging Applications

It is used as a raw material for preparation of many amides and phenolics. It is widely used in pharmaceuticals, polymers and agrochemicals market. The major application remains in pharmaceuticals market for manufacturing of drugs such as cefaclor benzyl, benzyl hydroxylamine penicillin, cefazolin, and dual valeryl adrenals. It is also used for producing peracid ester initiators of polyvinyl chloride.

Key growth drivers

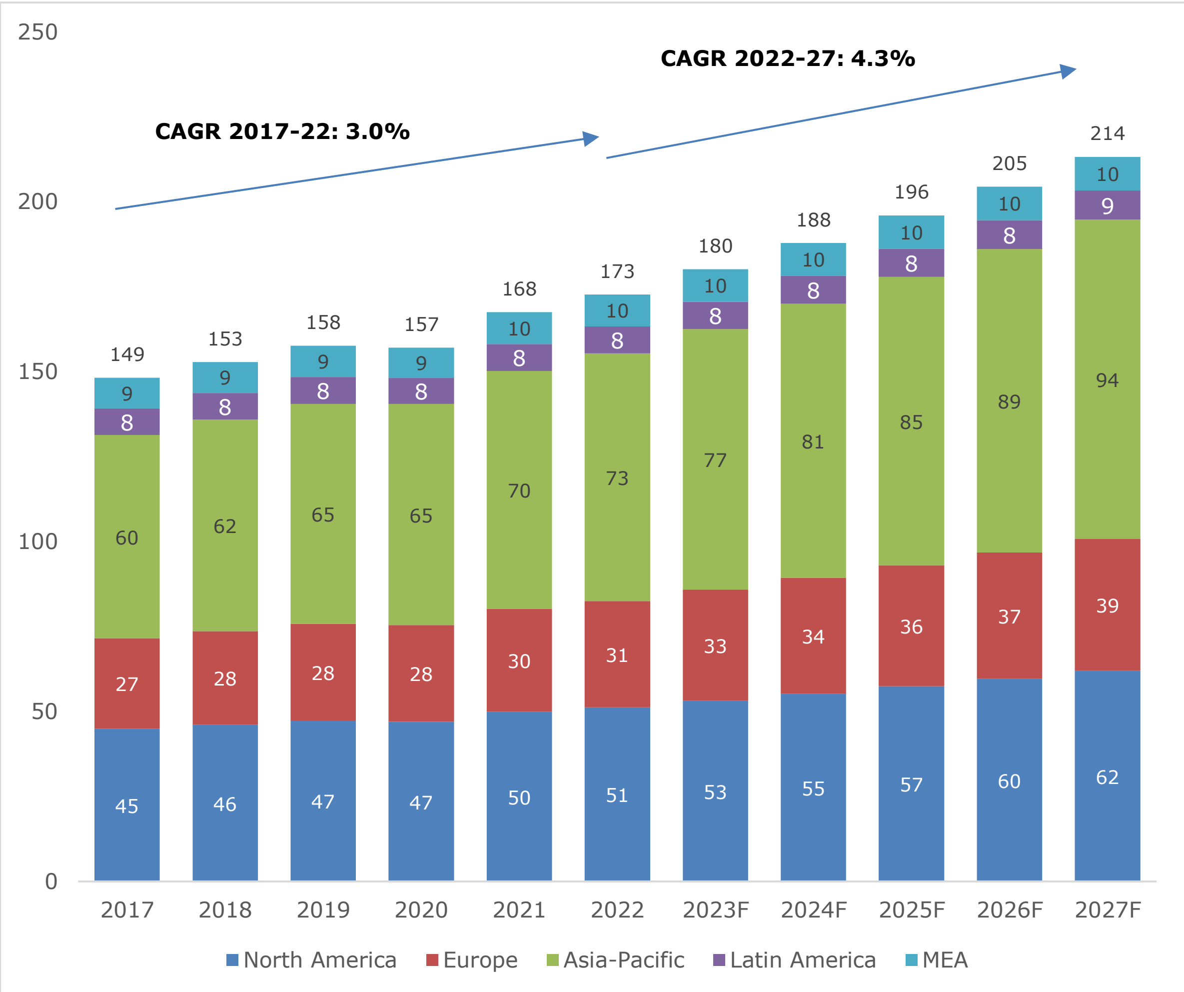
The ongoing rapid expansion of agrochemical, pharmaceuticals and polymer industry triggered by rising demand of herbicides, pesticides and infectious disease drugs is expected to push the demand for pivaloyl chloride during the forecast period.

Market size - Global and India – Based on Region

The Global Pivaloyl Chloride market is expected to grow from USD 173 Mn in 2022 to USD 214 Mn in 2027 at a CAGR of 4.3%.

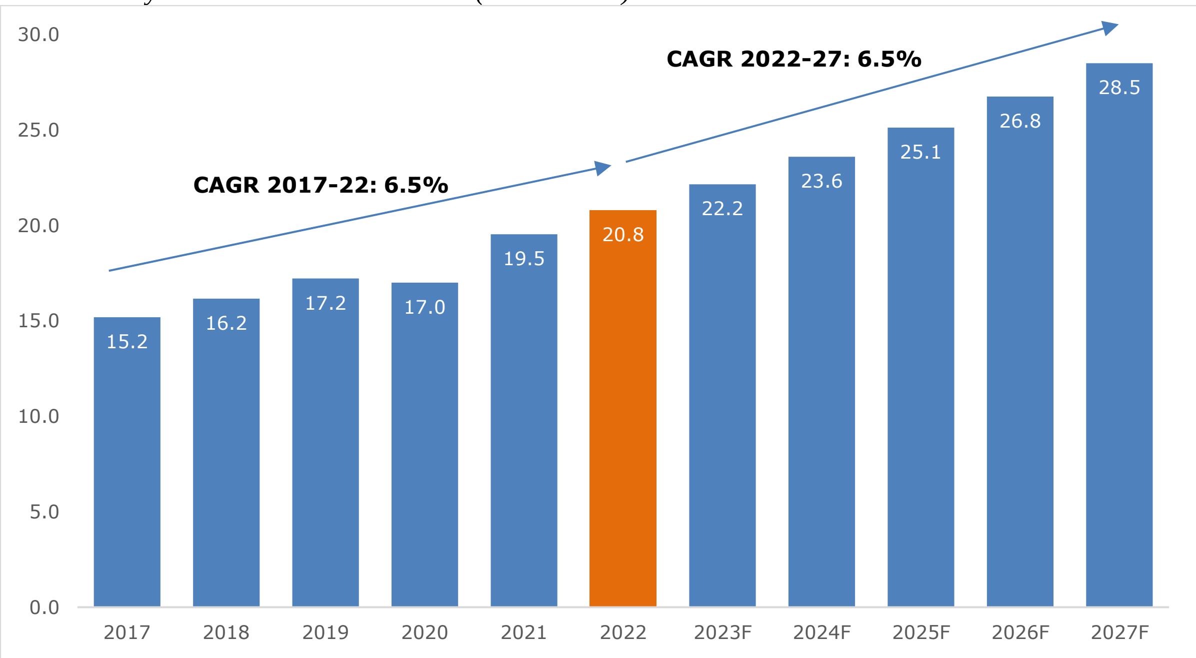
The Indian Pivaloyl Chloride market is expected to grow from approximately USD 21 Mn in 2022 to USD 28 Mn in 2027 at a CAGR of 6.5%.

Global Pivaloyl Chloride Chemicals Market (USD Million) CY 2017-2027F



Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Indian Pivaloyl Chloride Chemicals Market (USD Million) CY 2017-2027F

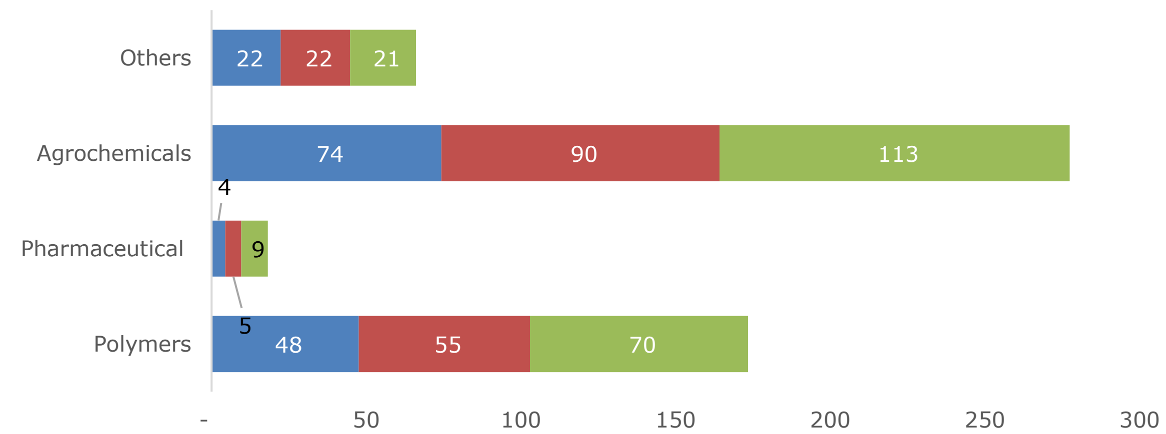


Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Market size - Global and India – Based on Application

Pivaloyl chloride has become a commonly used intermediate for the production of agricultural chemicals like herbicides, insecticides, and pesticides, pharmaceutical compounds, and in peroxyesters' manufacturing. For this reason, the agrochemicals application contributes to the largest share in the forecast period.

Global Historic and Projected growth of select End-user segments, in USD million

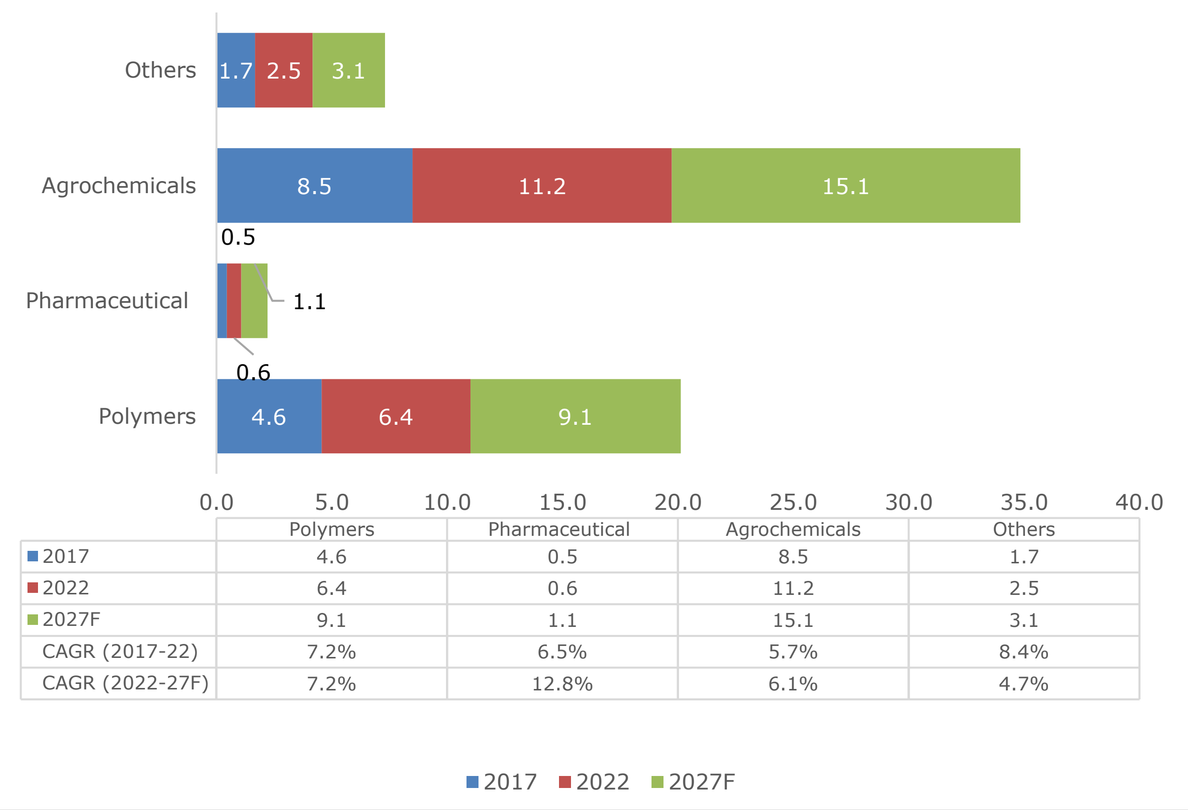


	Polymers	Pharmaceutical	Agrochemicals	Others
2017	48	4	74	22
2022	55	5	90	22
2027F	70	9	113	21
CAGR (2017-22)	3.1%	3.1%	3.9%	0.2%
CAGR (2022-27F)	4.9%	10.5%	4.7%	-1.0%

2017 2022 2027F

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

India Historic and Projected growth of select End-user segments, in USD million



	Polymers	Pharmaceutical	Agrochemicals	Others
2017	4.6	0.5	8.5	1.7
2022	6.4	0.6	11.2	2.5
2027F	9.1	1.1	15.1	3.1
CAGR (2017-22)	7.2%	6.5%	5.7%	8.4%
CAGR (2022-27F)	7.2%	12.8%	6.1%	4.7%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Octanoyl Chloride

Overview

Octanoyl Chloride is a colorless and odorless advanced intermediate that reacts with water to form hydrochloric acid and caprylic acid. It reacts with bases, alcohols, water, and oxidizing agents to form hazardous chemicals and is also combustible in nature.

Established and Emerging Applications

The major applications of the advanced intermediate are in polymer/adhesives, pharmaceuticals, and agrochemicals. It is used for producing adhesives that cater to different end use industries like automotives, industrial and retail. In pharmaceuticals, this intermediate is used for synthesis of (R)-2-propyloctanoic acid, a therapeutic agent for Alzheimer's disease. It is also used for synthesis of a variety of N-n-octyl-D-gluconamide based organogels.

Key growth drivers

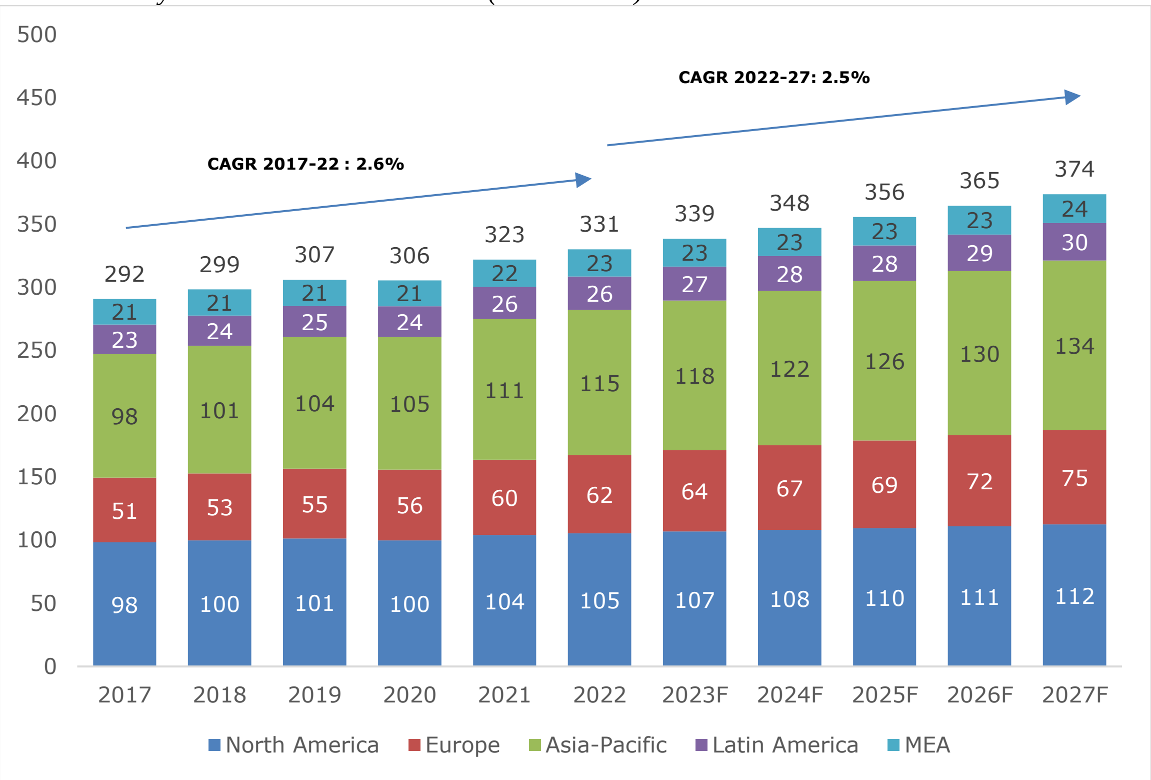
It is expected that in the coming few years this intermediate would be used for synthesis of pharmaceutical intermediates that would be beneficial in cancer treatment.

Market size - Global and India – Based on Region

The Global Octanoyl Chloride market is expected to grow from USD 331 Mn in 2022 to USD 374 Mn in 2027 at a CAGR of 2.5%.

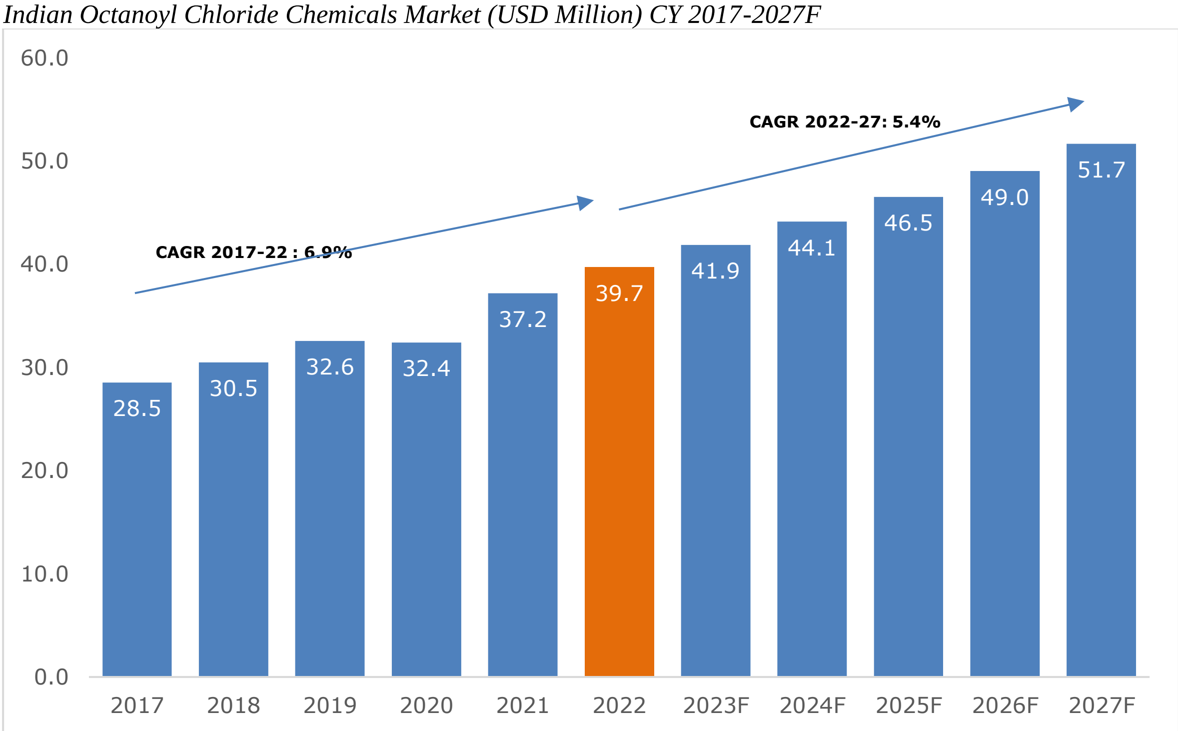
The Indian Octanoyl Chloride market is expected to grow from USD 40 Mn in 2022 to USD 52 Mn in 2027 at a CAGR of 5.4%.

Global Octanoyl Chloride Chemicals Market (USD Million) CY 2017-2027F



Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Indian Octanoyl Chloride Chemicals Market (USD Million) CY 2017-2027F

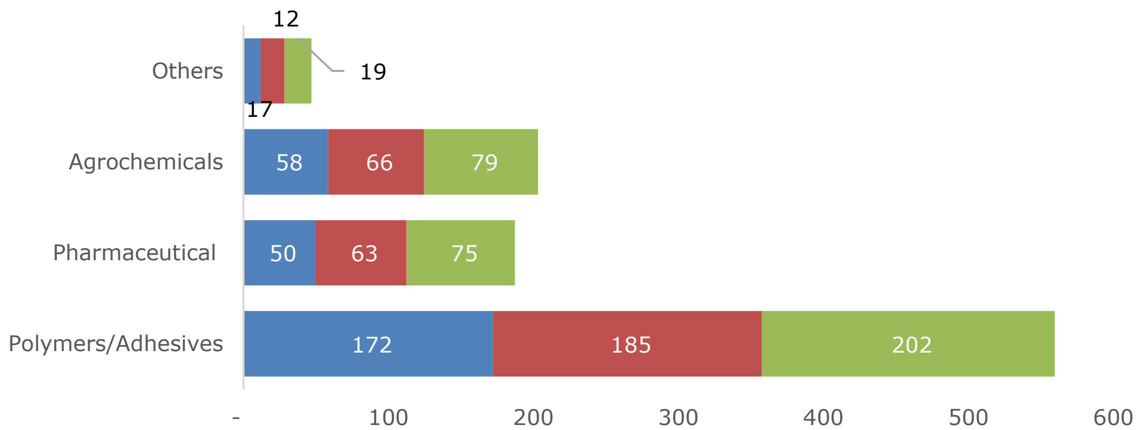


Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Market size - Global and India – Based on Application

Octanoyl chloride is used to manufacture adhesives. It is used as an acylating agent for a variety of compounds such as sugars (e.g., Sucrose, aromatic compounds Anisole and monoglycerides). Therefore, it holds a major share in polymers/adhesives application in the forecast period. The rising demand of adhesives in automotives and packaging industry is the primary reason for polymers/ adhesives application to contribute to the largest market share in the forecast period.

Global Historic and Projected growth of select End-user segments, in USD million

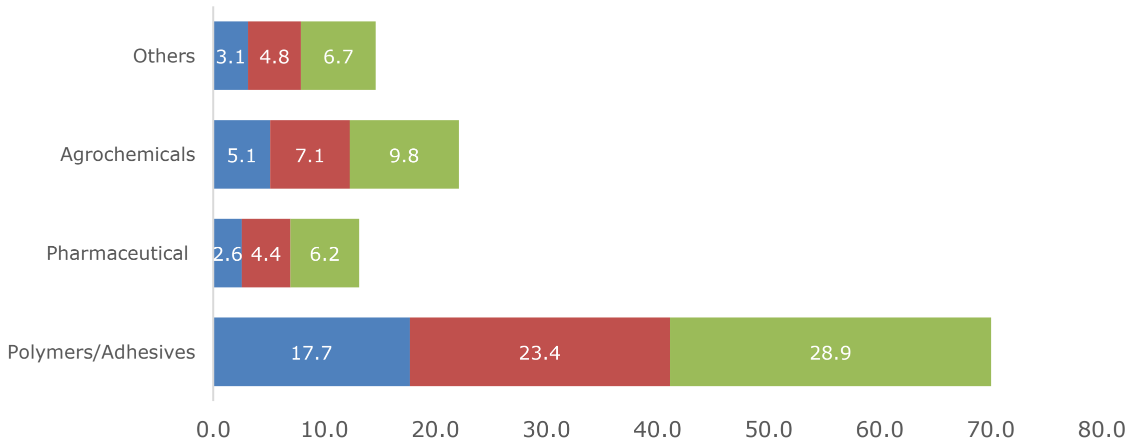


	Polymers/Adhesives	Pharmaceutical	Agrochemicals	Others
2017	172	50	58	12
2022	185	63	66	17
2027F	202	75	79	19
CAGR (2017-22)	1.5%	4.9%	2.6%	7.2%
CAGR (2022-27F)	1.8%	3.6%	3.5%	2.5%

2017 2022 2027F

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

India Historic and Projected growth of select End-user segments in USD million



	Polymers/Adhesives	Pharmaceutical	Agrochemicals	Others
2017	17.7	2.6	5.1	3.1
2022	23.4	4.4	7.1	4.8
2027F	28.9	6.2	9.8	6.7
CAGR (2017-22)	5.8%	11.2%	6.8%	8.7%
CAGR (2022-27F)	4.3%	7.3%	6.5%	7.1%

2017 2022 2027F

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Cloquintocet Mexyl

Overview

Cloquintocet Mexyl has a white appearance and is widely used in agrochemicals market. The major industries that it caters to include agrochemicals and pharmaceuticals.

Established and Emerging Applications

It is used as an herbicide safener to improve crop tolerance and crop immunity. This would further prevent crop damage and enhance crop life. Cloquintocet-mexyl specifically protects cereals against the harmful effects of herbicides that combat grass insects; these are for example clodinafop-propargyl, pyroxsulam, fenoxaprop-P-ethyl and pinoxaden. The safener is spurted in a mixture together with the actual herbicide and acts as an antidote to the herbicide for the crop plants.

Key growth drivers

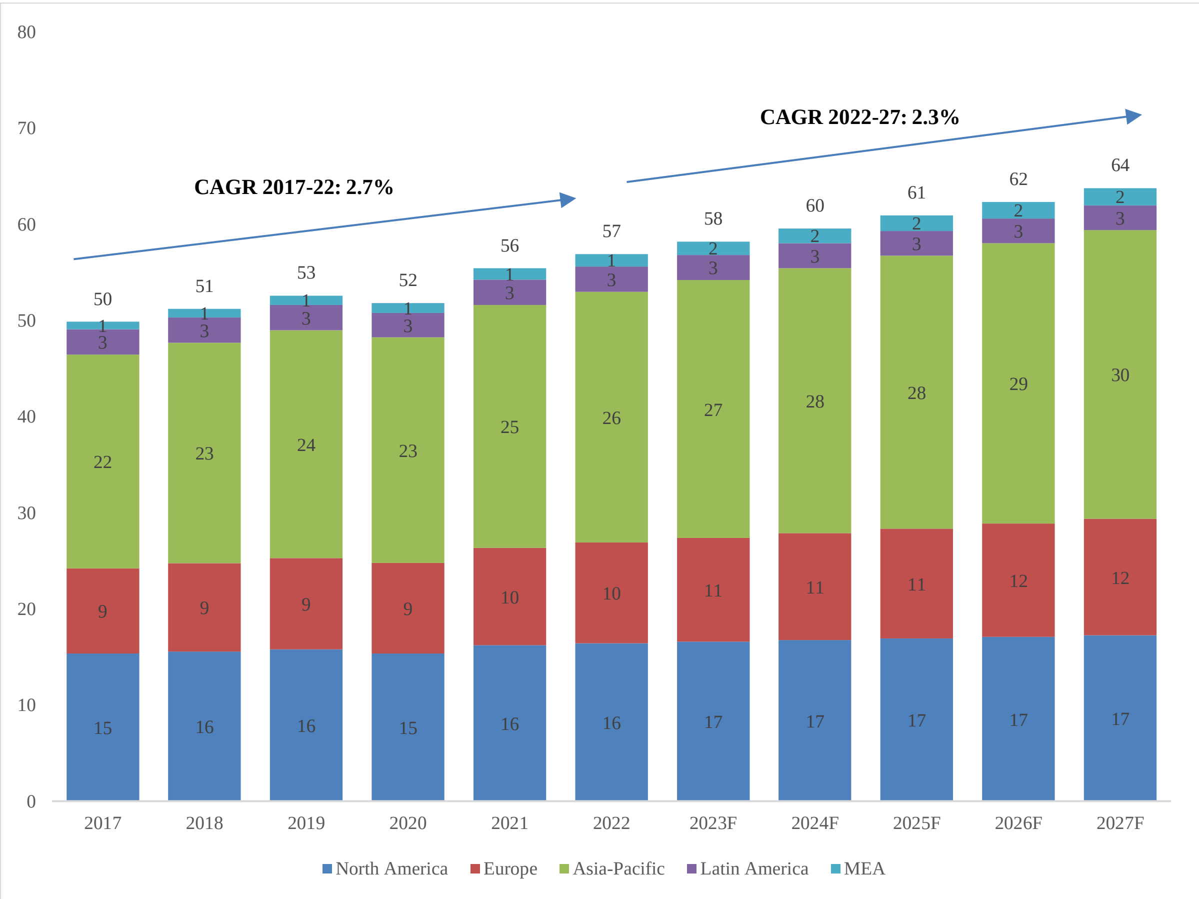
It is expected that the rising demand of safener in India for controlling weeds coupled with the rising expenditure by the Indian government is expected to propel the cloquintocet market in the forecast period.

Market size - Global and India – Based on Region

The Global Cloquintocet Mexyl market is expected to grow from USD 57 Mn in 2022 to USD 64 Mn in 2027 at a CAGR of 2.3%.

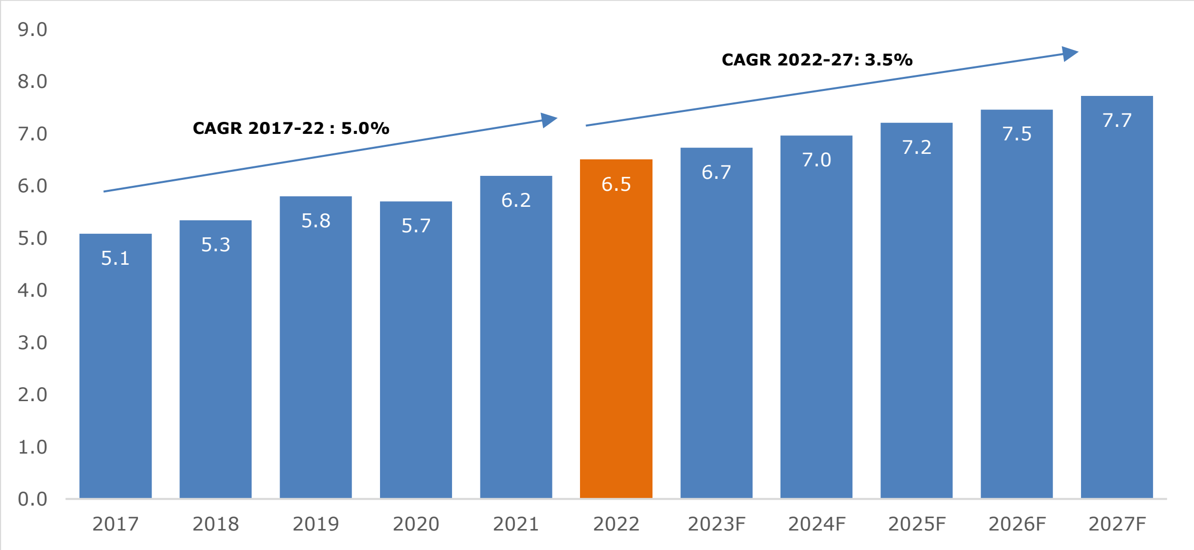
The Indian Cloquintocet Mexyl market is expected to grow from USD ~7 Mn in 2022 to approximately USD8 Mn in 2027 at a CAGR of 3.5%.

Global Cloquintocet Mexyl Chemicals Market (USD Million) CY 2017-2027F



Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Indian Cloquintocet Mexyl Chemicals Market (USD Million) CY 2017-2027F

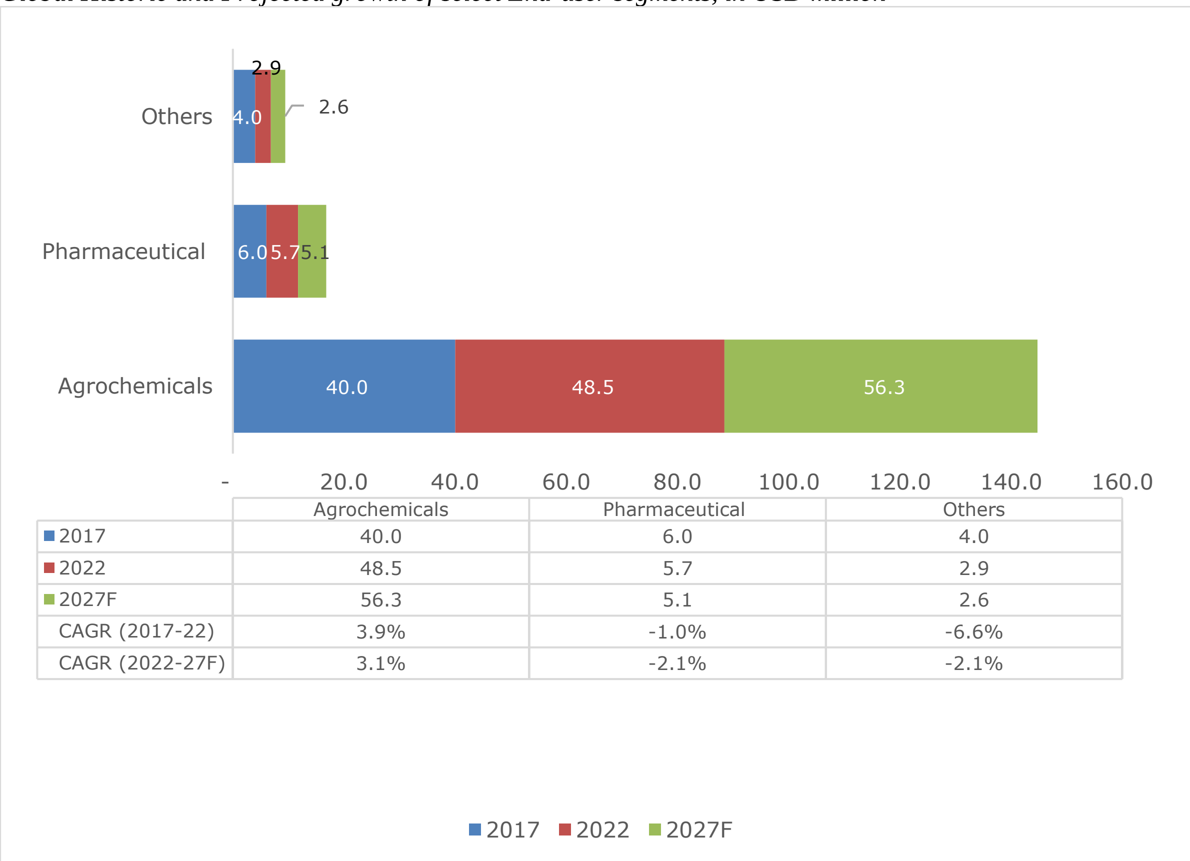


Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Market size - Global and India – Based on Application

Cloquintocet-mexyl is a safener needed in formulations to prevent damage to target crops due to phytotoxic effects. The agrochemical application demand is being driven by a robust demand from domestic as well as export market. Rising population and increasing subsidies allocated by government in emerging economies for supporting agricultural mechanisms are some of the key factors driving the growth of Cloquintocet Mexyl market. Agrochemicals is expected to continue to be the largest application going forward.

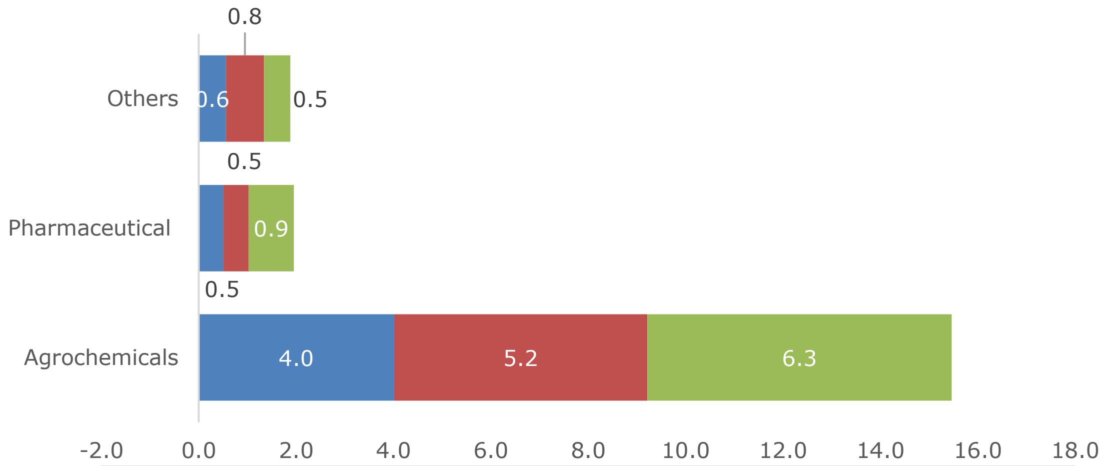
Global Historic and Projected growth of select End-user segments, in USD million



	Agrochemicals	Pharmaceutical	Others
2017	40.0	6.0	4.0
2022	48.5	5.7	2.9
2027F	56.3	5.1	2.6
CAGR (2017-22)	3.9%	-1.0%	-6.6%
CAGR (2022-27F)	3.1%	-2.1%	-2.1%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

India Historic and Projected growth of select End-user segments in USD million



	Agrochemicals	Pharmaceutical	Others
2017	4.0	0.5	0.6
2022	5.2	0.5	0.8
2027F	6.3	0.9	0.5
CAGR (2017-22)	5.3%	0.5%	6.9%
CAGR (2022-27F)	3.8%	12.2%	-7.1%

2017 2022 2027F

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

2-Cyano Phenol

Overview

2-Cyanophenol is an off white to brownish coloured advanced intermediate that has toluene like odour. It can be synthesised by reacting hydrogen peroxide with phenol in the presence of sephadex g-100, which provides a high yield of product.

Established and Emerging Applications

It has been shown to have antimicrobial properties against Gram-positive bacteria, such as Staphylococcus aureus, and Gram-negative bacteria, such as Escherichia coli and Pseudomonas aeruginosa. 2-Cyanophenol has capability to react with metal hydroxides such as ferric chloride or zinc chloride to form precipitates. It is a phenolic compound that is used as an intermediate for the synthesis of pharmaceuticals and agrochemicals. The major application of this advanced intermediate is as a pesticide and it is also used as a disinfectant. It is used for wastewater treatment and to remove salicylaldoxime from contaminated water.

Key growth drivers

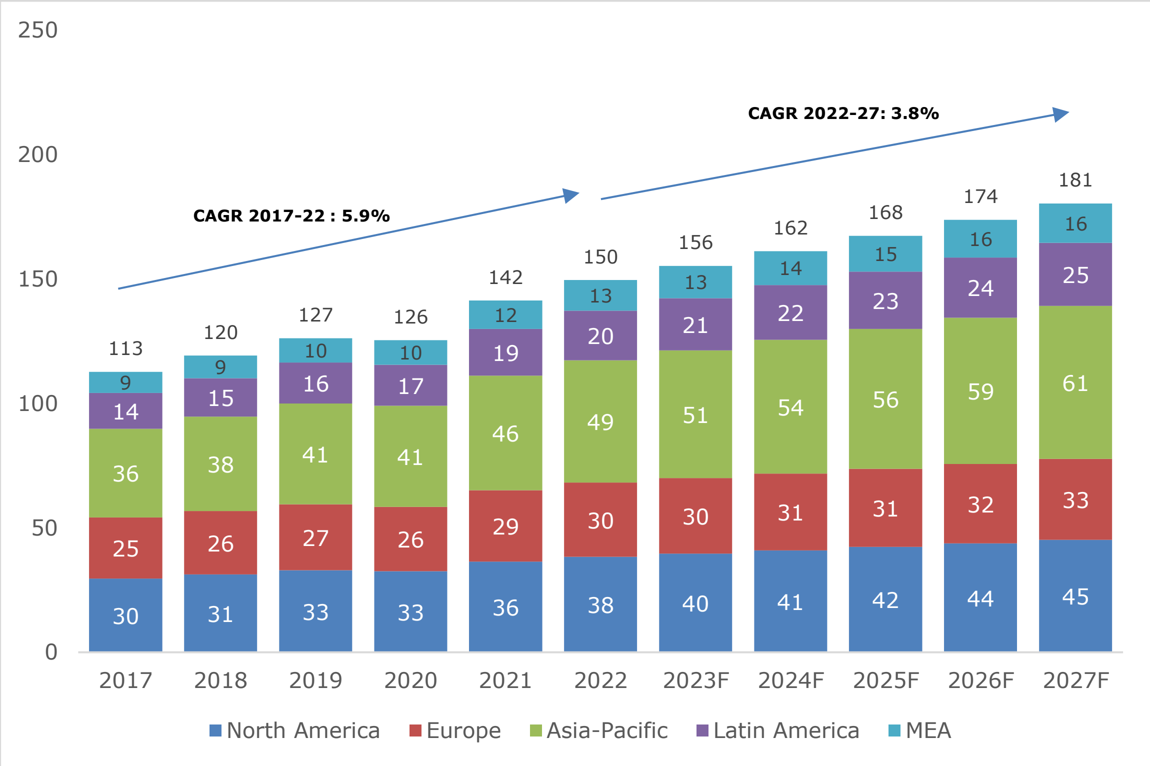
The growing usage of 2-Cyanophenol in healthcare sector ((As an intermediate to produce some pharmaceuticals (antianginal compounds, anti-malarial agents, antiseptics, disinfectants, etc.), also used as an intermediate to produce some fungicides)) and in the agriculture sector is driving the demand of 2-Cyanophenol in the forecast period.

Market size - Global and India – Based on Region

The Global 2-Cyanophenol market is expected to grow from USD 150 Mn in 2022 to USD 181 Mn in 2027 at a CAGR of 3.8%.

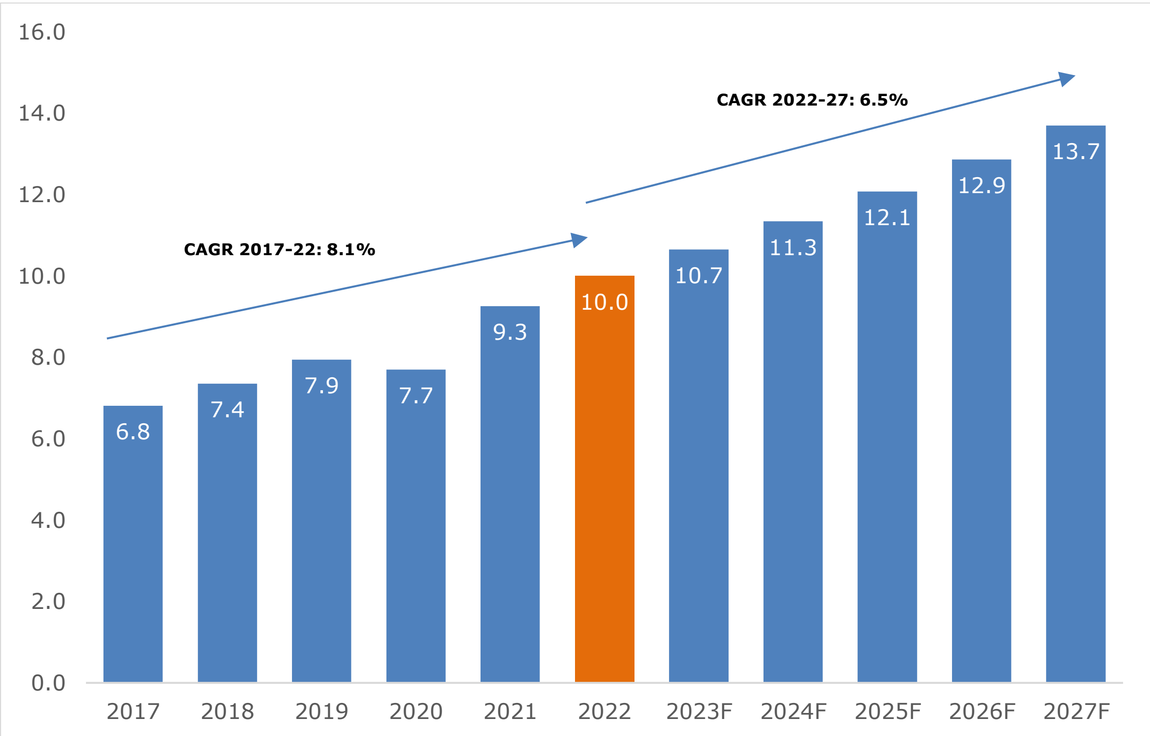
The Indian 2-Cyanophenol market is expected to grow from USD 10 Mn in 2022 to approximately USD14 Mn in 2027 at a CAGR of 6.5%.

Global 2 Cyano Phenol Chemicals Market (USD Million) CY 2017-2027F



Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Indian Cyano Phenol Chemicals Market (USD Million) CY 2017-2027F

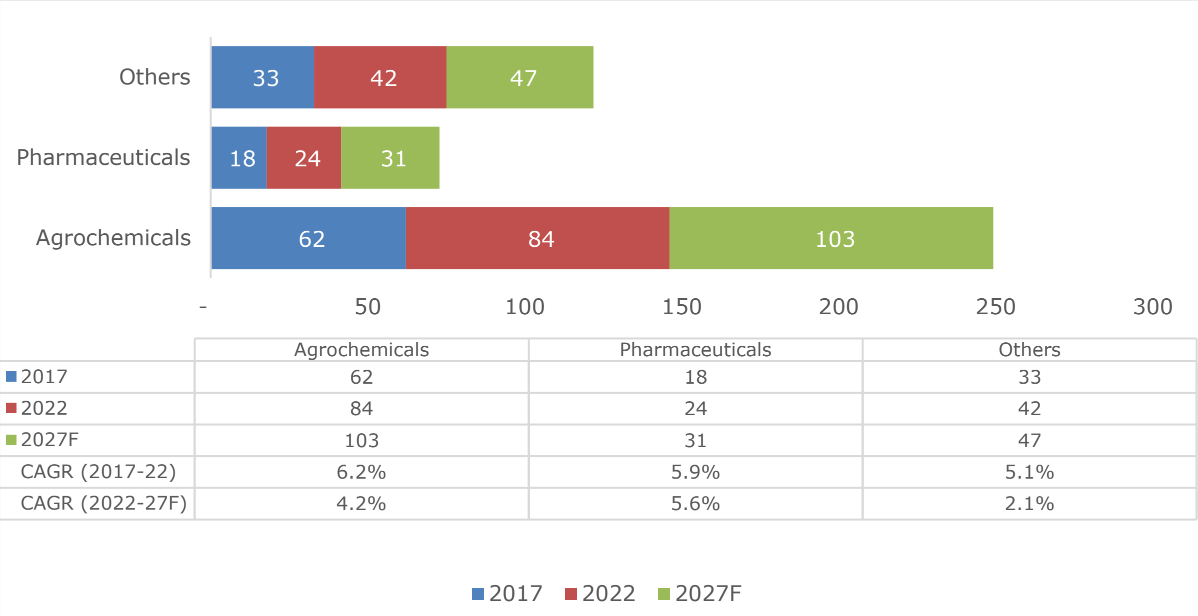


Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Market size - Global and India – Based on Application

The growing usage in agrochemicals and pharmaceuticals sector is driving the demand of 2-Cyanophenol in the forecast period. The pharmaceuticals application captured a share of ~16% in 2022 and is expected to be the fastest growing segment in the forecast period. After the pandemic, the usage of disinfectants in various applications such as household, institutional and industrial cleaning has become more pronounced. 2-Cyanophenol is the key ingredient for manufacturing disinfectants which will further fuel the demand for the same.

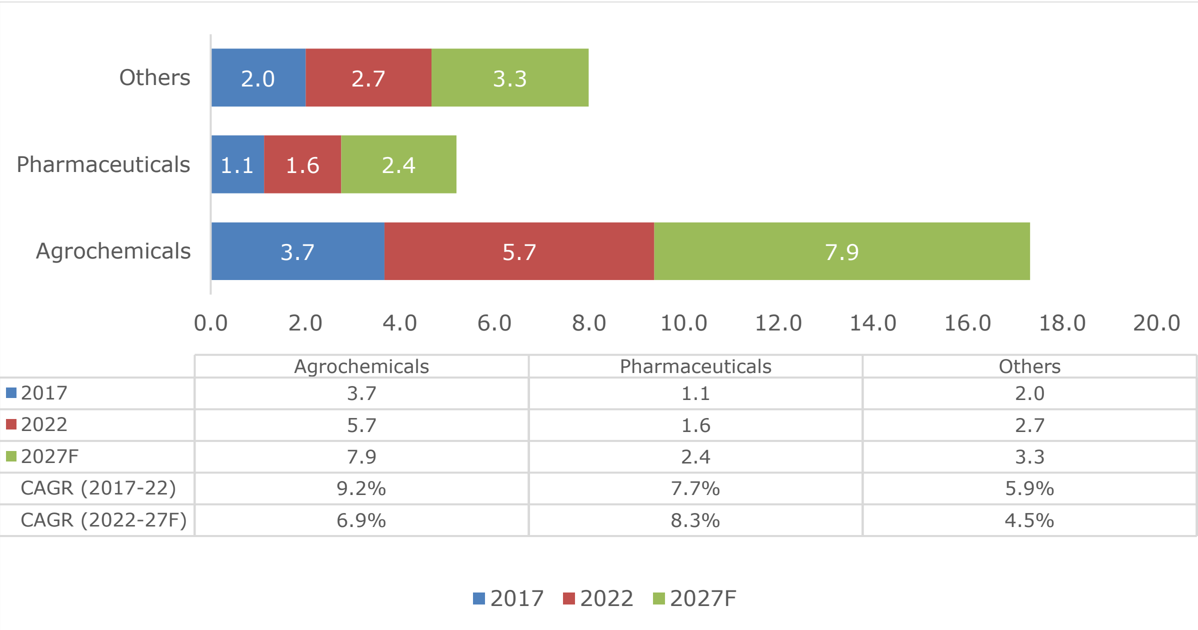
Global Historic and Projected growth of select End-user segments, in USD million



	Agrochemicals	Pharmaceuticals	Others
2017	62	18	33
2022	84	24	42
2027F	103	31	47
CAGR (2017-22)	6.2%	5.9%	5.1%
CAGR (2022-27F)	4.2%	5.6%	2.1%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

India Historic and Projected growth of select End-user segments , in USD million



	Agrochemicals	Pharmaceuticals	Others
2017	3.7	1.1	2.0
2022	5.7	1.6	2.7
2027F	7.9	2.4	3.3
CAGR (2017-22)	9.2%	7.7%	5.9%
CAGR (2022-27F)	6.9%	8.3%	4.5%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

DCPI (3,4 and 3,5)

Overview

3,4-Dichlorophenyl isocyanate is used in the synthesis of 1,5-disubstituted-2-thiobiuret derivatives via reaction with thioureido-containing aromatic/heterocyclic sulfonamides. It is a solid, and ranges in colour from white to yellow. It is an irritant for tissues including eyes and mucous membrane with toxic fumes.

Established and Emerging Applications

This advanced intermediate chemical is majorly used in agrochemical market as it is mainly used in synthesizing herbicides such as diuron, and propanil. Other major applications of this chemical are chemical synthesis, manufacturing of dyestuffs, cosmetics, and polymer auxiliaries.

Key growth drivers

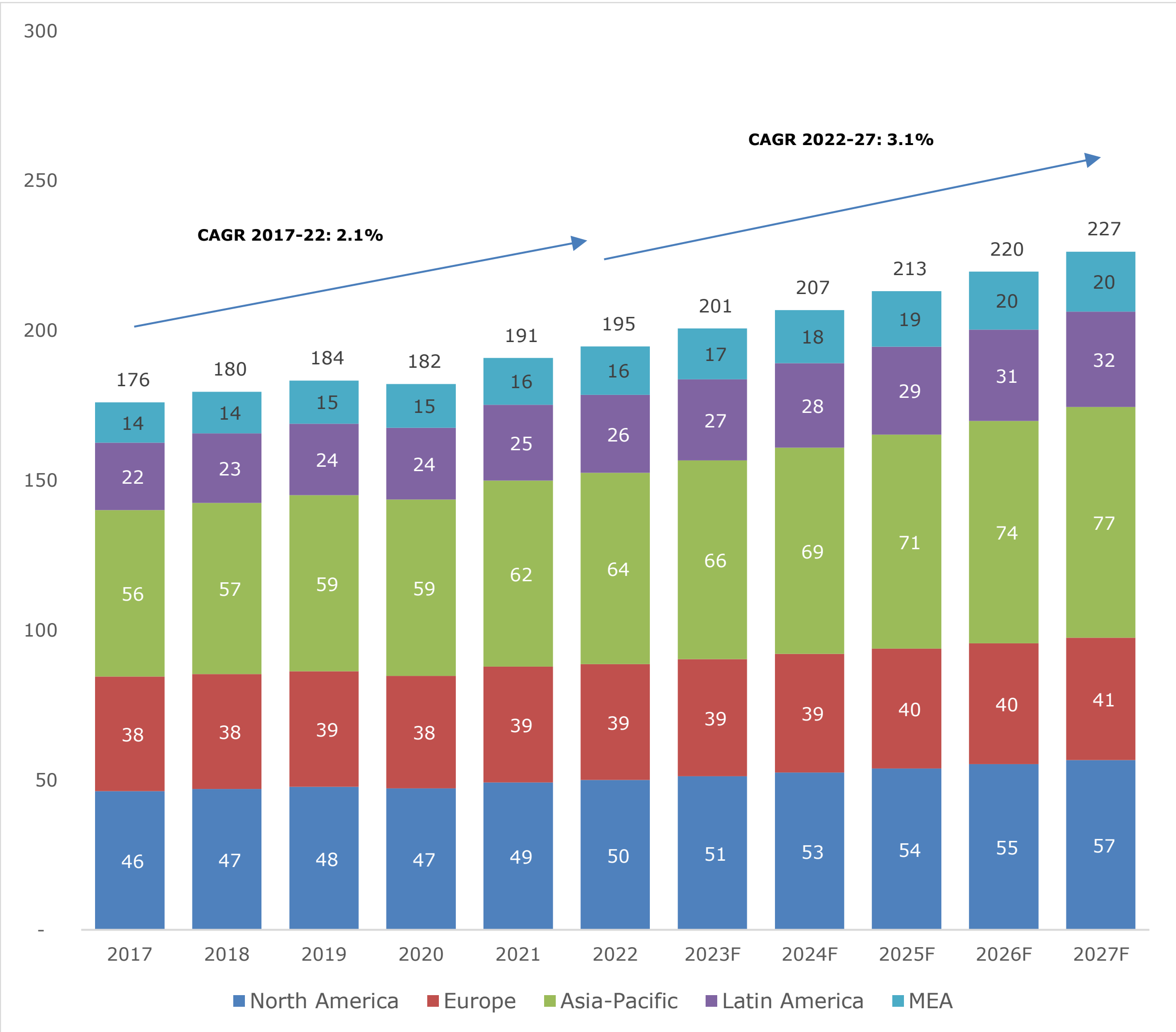
It is used as a hardener in the polymer market and is the prime reason to drive the 3,4-Dichlorophenyl isocyanate market in the forecast period. Also, the growing demand for cosmetics and agricultural chemicals, where 3,4-Dichlorophenyl isocyanate finds application is also expected to drive its market in the forecast period.

Market size - Global and India – Based on Region

The Global 3,4-Dichlorophenyl isocyanate market is expected to grow from USD 195 Mn in 2022 to USD 227 Mn in 2027 at a CAGR of ~3.1%.

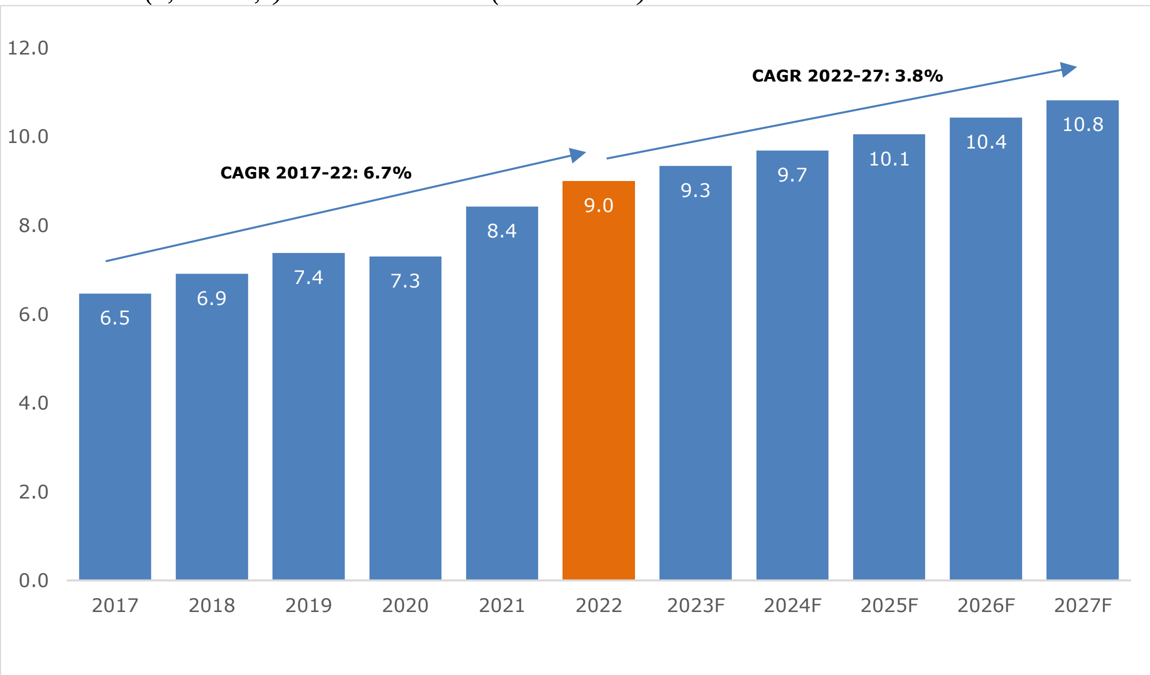
The Indian 3,4-Dichlorophenyl isocyanate market is expected to grow from USD 9 Mn in 2022 to USD 11 Mn in 2027 at a CAGR of ~3.8%.

Global DCPI (3,4 and 3,5) Chemicals Market (USD Million) CY 2017-2027F



Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Indian DCPI (3,4 and 3,5) Chemicals Market (USD Million) CY 2017-2027F

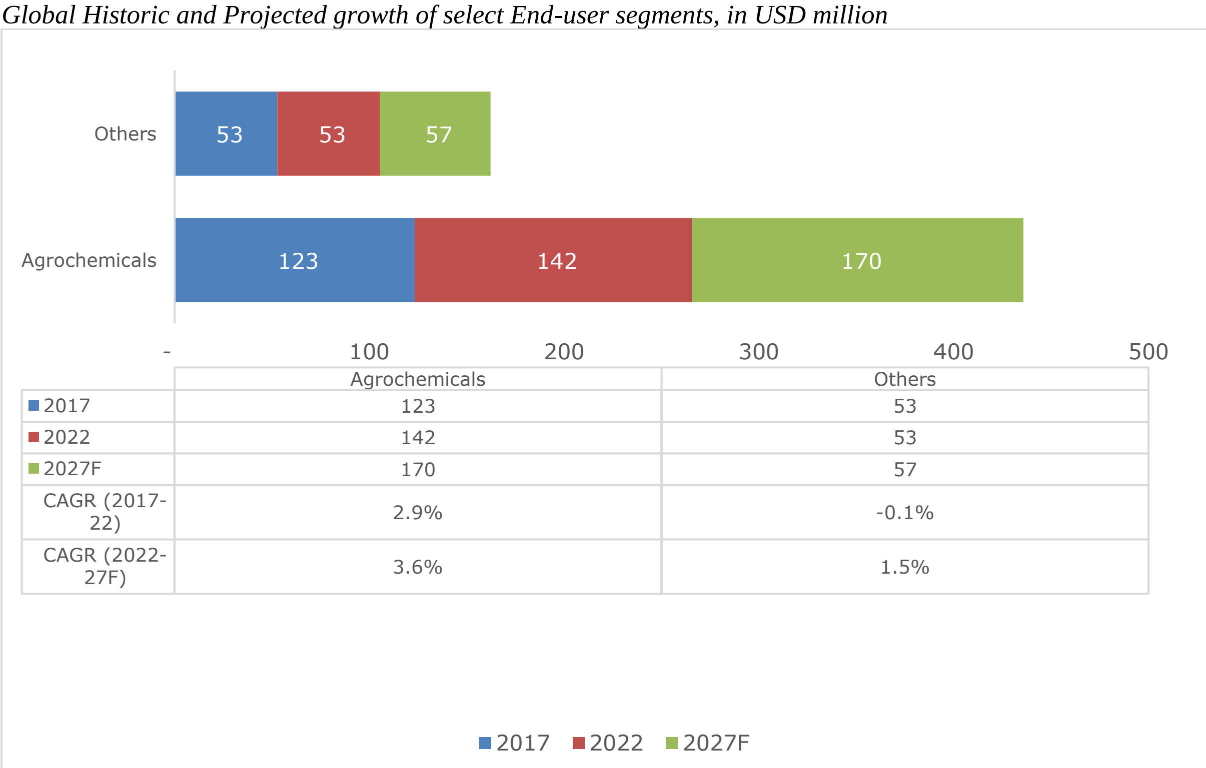


Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Market size - Global and India – Based on Application

3,4-Dichlorophenyl isocyanate is used in plastic and polyrubbers, textile dyestuff, polymer auxiliaries, manufacturing of skin cosmetic products. The diversified application of this advanced intermediate is driving the demand in the forecast period. In 2022, agrochemicals application captured a share of ~73% of the Indian 3,4-Dichlorophenyl isocyanate market. This was due to huge demand of herbicides from countries like Brazil, United States, Japan and China. The key ingredient of herbicides is 3,4-Dichlorophenyl isocyanate. This is a key reason why the agrochemicals application is expected to hold the largest share in the forecast period.

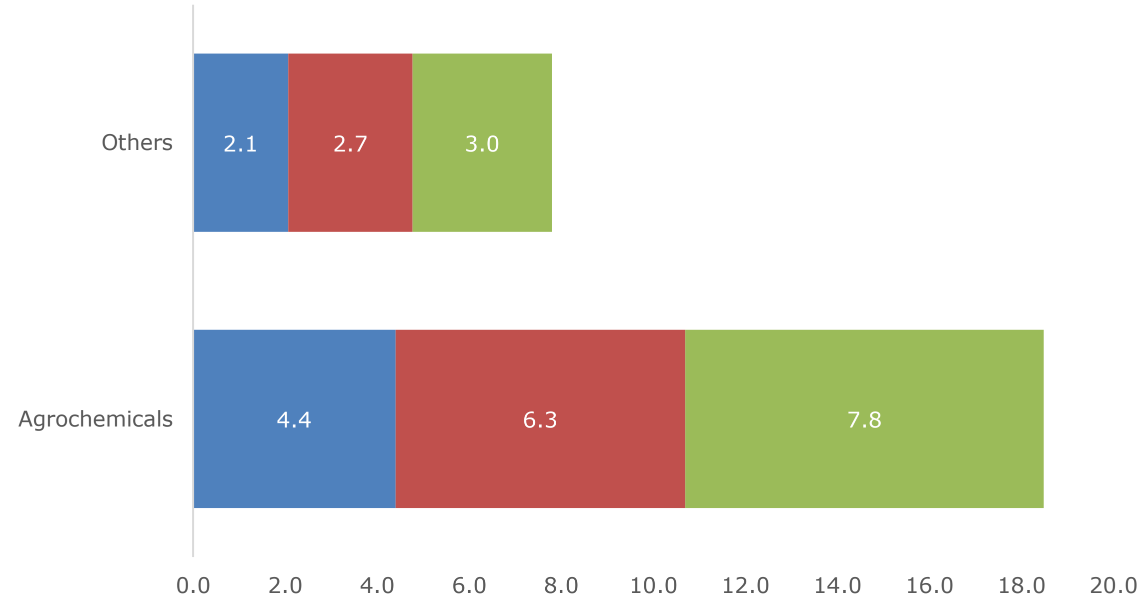
Global Historic and Projected growth of select End-user segments, in USD million



	Agrochemicals	Others
2017	123	53
2022	142	53
2027F	170	57
CAGR (2017-22)	2.9%	-0.1%
CAGR (2022-27F)	3.6%	1.5%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Historic and Projected growth of select End-user segments in India, in USD million



	Agrochemicals	Others
2017	4.4	2.1
2022	6.3	2.7
2027F	7.8	3.0
CAGR (2017-22)	7.5%	5.5%
CAGR (2022-27F)	4.3%	2.3%

2017 2022 2027F

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Para Chloro Meta Xynelol

Overview

Para Chloro Meta Xylenol (PCMX) is a bactericide and preservative with a long established and proven use in controlling mildew, bacterial and fungal growth in a wide range of applications.

Established and Emerging Applications

This chemical has a preservative property, which has further increased its usage in personal care and pharmaceutical market. It is used as an antiseptic and disinfectant agent that is used for skin treatment and surgical instruments. It is also found in antibacterial soaps, wound-cleansing applications, and household antiseptics.

Key growth drivers

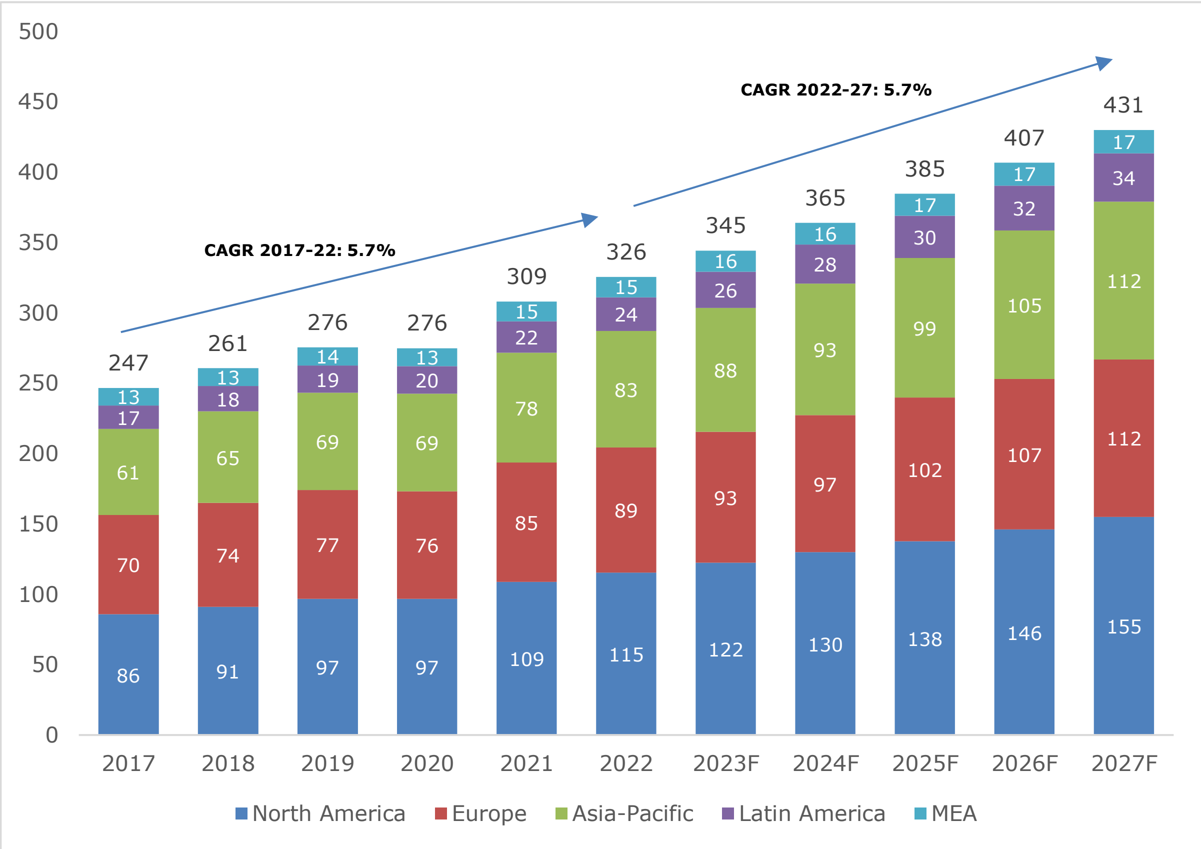
The predominant medical applications for which chloroxylenol is formally indicated for therapeutic use is as an application to the skin for use in cuts, stings, bites, abrasions, and for use as antiseptic hand cleaner. All these applications are expected to drive the Para Chloro Meta Xylenol market in the forecast period.

Market size - Global and India - Based on Region

The Global Para Chloro Meta Xylenol market is expected to grow from USD 326 Mn in 2022 to USD 431 Mn in 2027 at a CAGR of 5.7%.

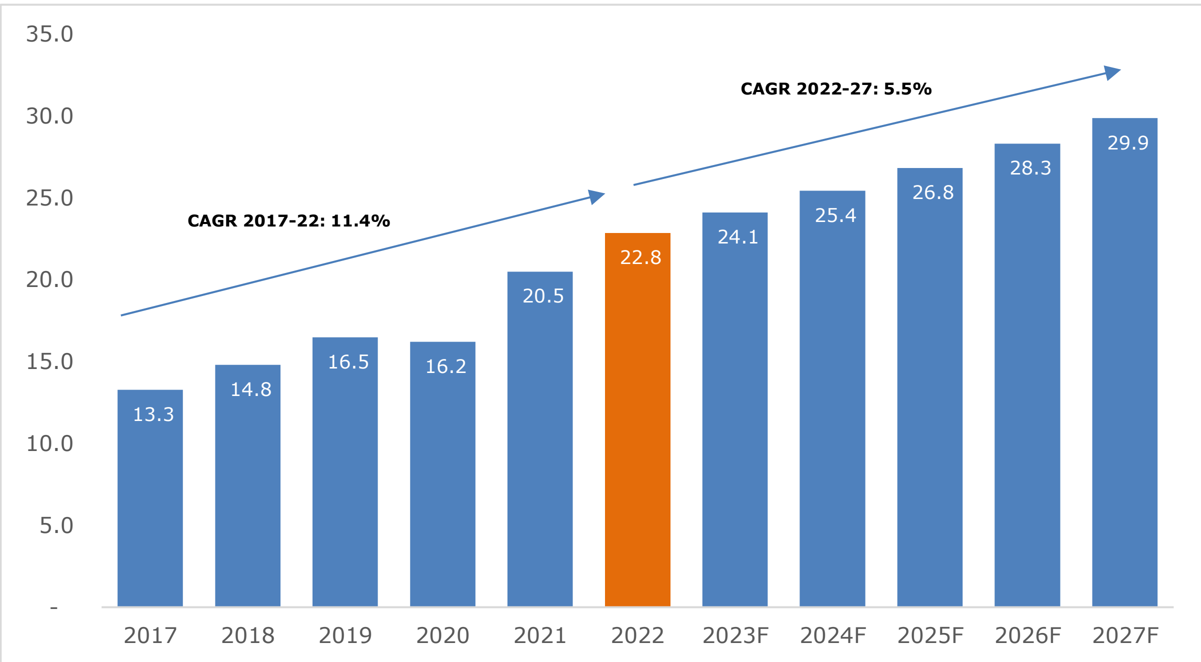
The Indian Para Chloro Meta Xylenol market is expected to grow from USD 23 Mn in 2022 to USD 30 Mn in 2027 at a CAGR of 5.5%.

Global Para Chloro Meta Xynelol Chemicals Market (USD Million) CY 2017-2027F



Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Indian Para Chloro Meta Xynelol Chemicals Market (USD Million) CY 2017-2027F

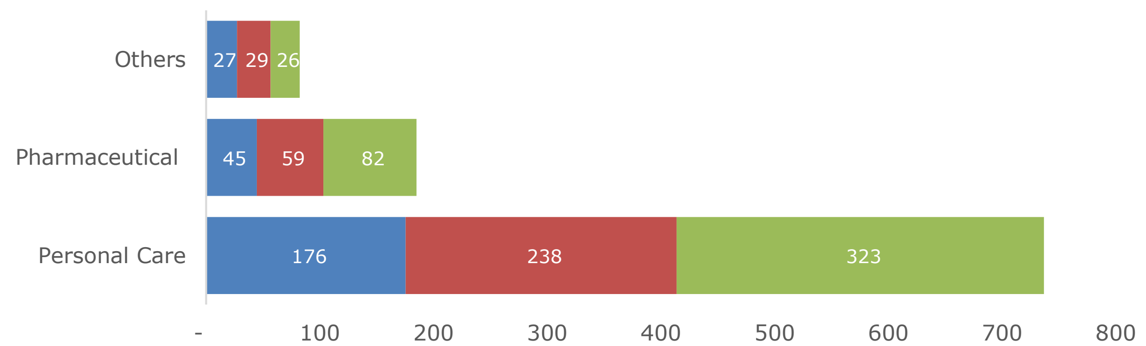


Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Market size - Global and India – Based on Application

Para Chloro Meta Xylenol is used in many applications such as personal care and pharmaceutical for skin disinfection and surgical instruments. These applications are driving the demand of para chloro meta xylenol's demand in the forecast period. Amongst applications, personal care application captured the largest share of ~73% for the year 2022 in India as there is a growing awareness of skin care, changing lifestyle and easier access to personal care products. Many of these personal care products have para chloro meta xynelol as their ingredient. Pharmaceuticals supplication is expected to grow at the highest CAGR of 7-8% in the forecast period in India and this is primarily because of increasing usage of disinfectants and cleaners that require para chloro meta xynelol.

Global Historic and Projected growth of select End-user segments, in USD million

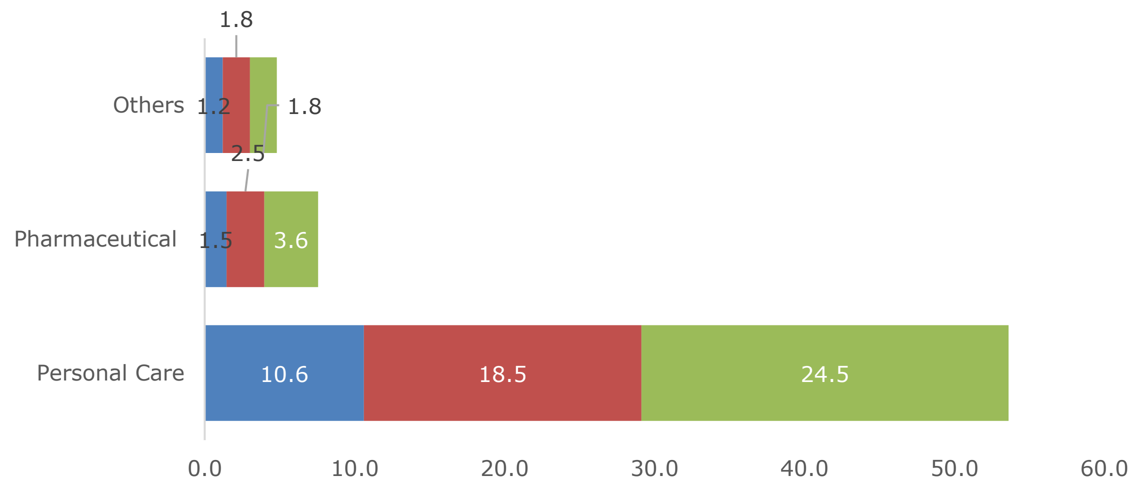


	Personal Care	Pharmaceutical	Others
2017	176	45	27
2022	238	59	29
2027F	323	82	26
CAGR (2017-22)	6.3%	5.7%	1.5%
CAGR (2022-27F)	6.3%	6.8%	-2.5%

2017 2022 2027F

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

India Historic and Projected growth of select End-user segments in India, in USD million



	Personal Care	Pharmaceutical	Others
2017	10.6	1.5	1.2
2022	18.5	2.5	1.8
2027F	24.5	3.6	1.8
CAGR (2017-22)	11.8%	11.5%	8.9%
CAGR (2022-27F)	5.8%	7.4%	-0.4%

2017 2022 2027F

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Diuron

Overview

Diuron, also known as DCMU (3-(3,4-dichlorophenyl)-1,1-dimethylurea), is a herbicide in the urea chemical family that inhibits photosynthesis.

Established and Emerging Applications

Diuron is the trade name for DCMU, an algaecide and herbicide active ingredient used for controlling annual and perennial broadleaf and grassy weeds in agricultural settings as well as for industrial and commercial areas. It is a white crystalline odorless solid, and it exhibits slow acute toxicity. It is also used as a preservative in paper products, such as cardboard, paper towels, and napkins. It helps to prevent the growth of mold and mildew, which can make the paper products otherwise unsightly and unusable. It is also used to control weeds and algae in and around water bodies and is a component of marine antifouling paints.

Key growth drivers

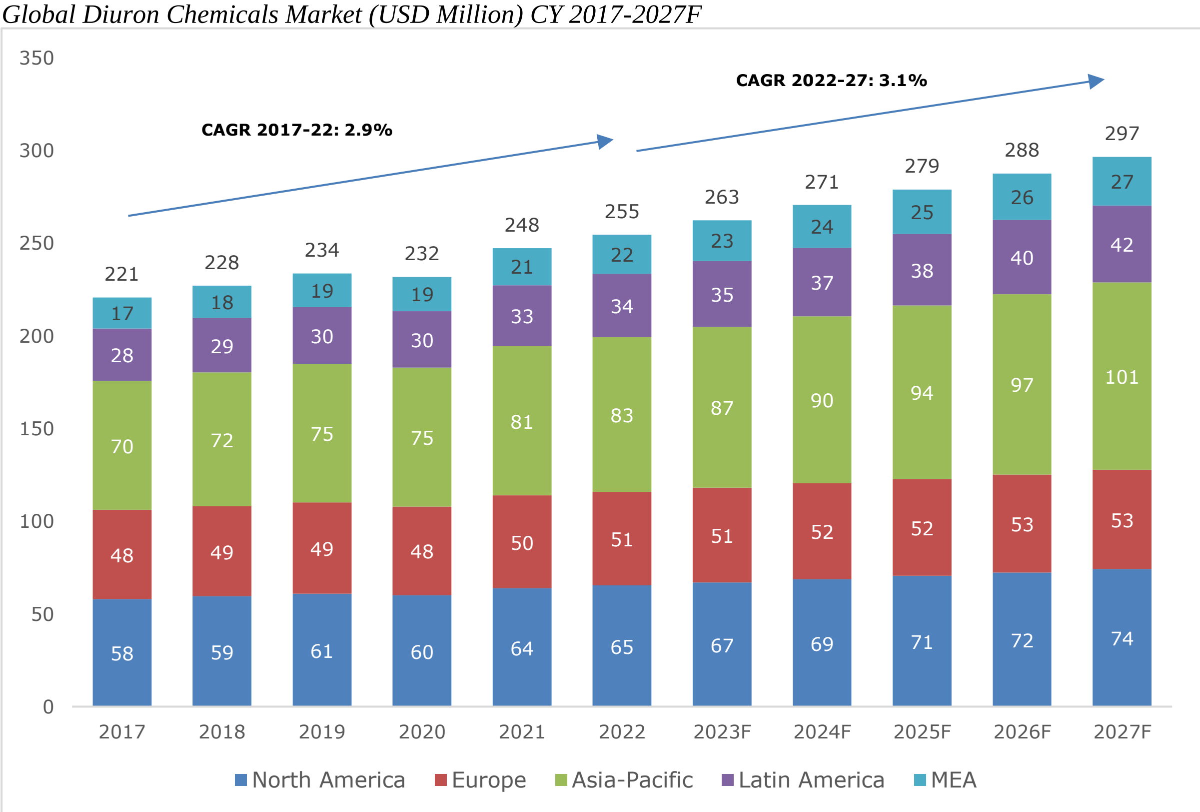
Diuron is a widely used herbicide in agriculture, and the increasing demand for agricultural products is expected to drive the growth of the diuron market. It is used in agricultural settings to control invasive weeds around forage crops, field crops, fruits, vegetables, nuts, and ornamental crops. They are ongoing developments in diuron formulations, which are expected to improve the efficacy and safety of diuron. This is expected to drive the demand for diuron in the coming years. Based on type, the Diuron market is segmented into crystals and liquids. The crystal segment dominates the global Diuron market, being widely used in farming.

Market size - Global and India – Based on Region

The Global Diuron market is expected to grow from USD 255 Mn in 2022 to USD 297 Mn in 2027 at a CAGR of 3.1%.

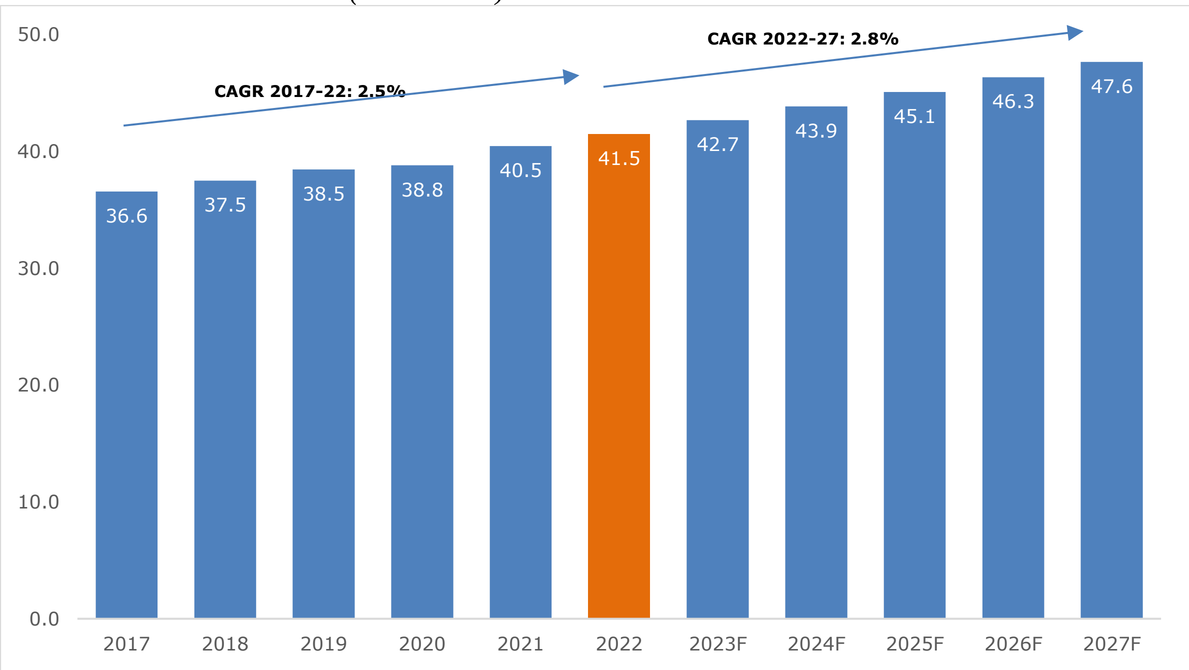
The Indian Diuron market is expected to grow from USD ~42 Mn in 2022 to USD ~48 Mn in 2027 at a CAGR of 2.8%.

Global Diuron Chemicals Market (USD Million) CY 2017-2027F



Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

India Diuron Chemicals Market (USD Million) CY 2017-2027F

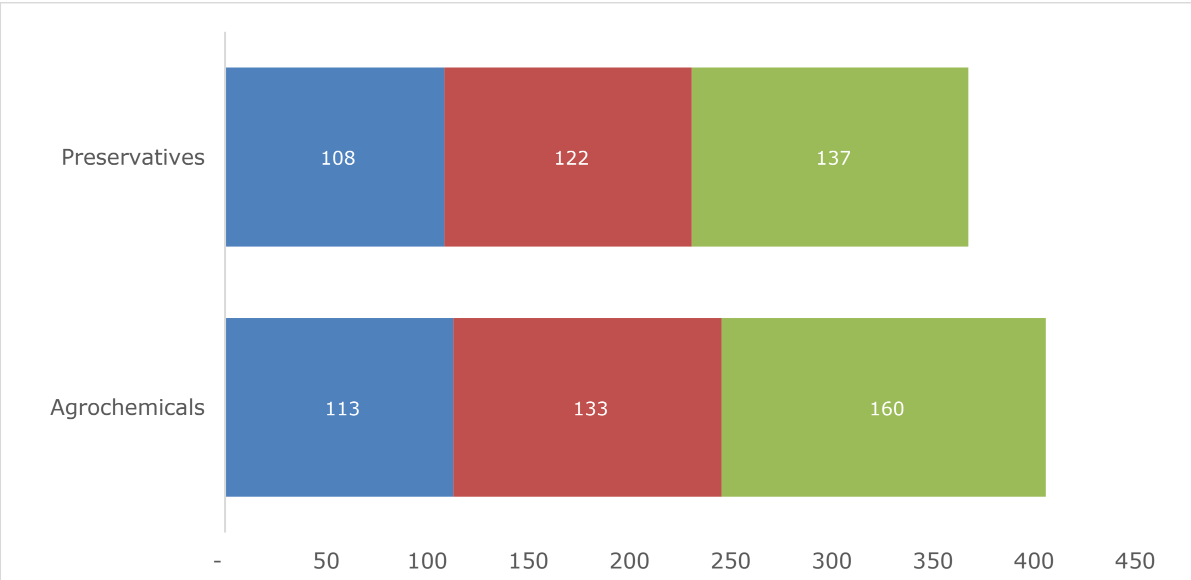


Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Market size - Global and India – Based on Application

It is used in the production of herbicides, which protects crops from pests. This is the primary reason that drives Diuron's increasing usage in the agrochemicals market for the forecast period.

Global Historic and Projected growth of select End-user segments in USD million

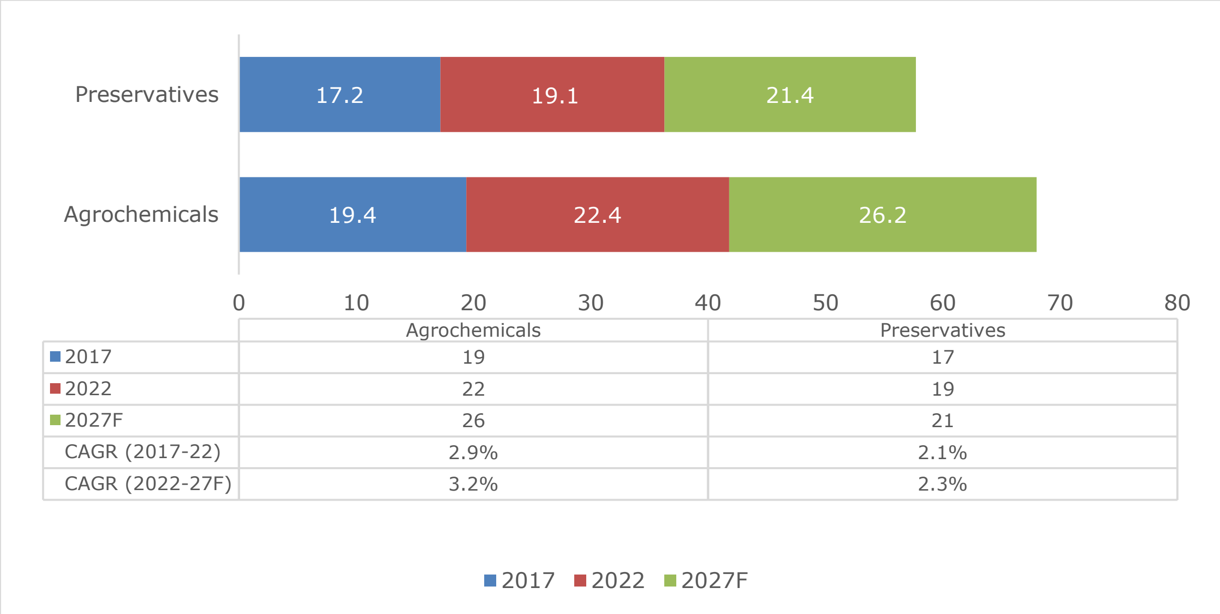


	Agrochemicals	Preservatives
2017	113	108
2022	133	122
2027F	160	137
CAGR (2017-22)	3.3%	2.5%
CAGR (2022-27F)	3.9%	2.2%

2017 2022 2027F

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

India Historic and Projected growth of select End-user segments in USD million



Sources: Annual reports and F&S estimation; Company Commissioned F&S Report

Key players and their capacities as of CY 2022 (Indian)

Chemicals		Key Indian Players (capacity in MT/month)						
	Bharat Rasayan	**Shiva Pharma chem Ltd./SPL Europe****	**Transpek Industries**	**Kumar Organics**	**Atul Ltd.**	**Paushak**	**FMC (Cheminova)**	**NS Chemicals**
Octanoyl Chloride	NA	210-220	220-240	NA	NA	NA	NA	NA
Cloquintocet Mexyl	50-60	80-100	NA	NA	NA	NA	20-30	NA
Isophthaloyl Chloride	NA	200-300	950-1,000	NA	NA	NA	NA	NA
Pivaloyl Chloride	NA	160-200	NA	NA	NA	NA	NA	NA
DCPI (3,4 and 3,5)	NA	240-250**	NA	NA	NA	750-800	NA	NA
Para Chloro Meta Xynelol	NA	180-200	NA	2-5	NA	NA	NA	10-20
Terephthaloyl Chloride	NA	400-500	2,200-2,300	NA	NA	NA	NA	NA
2-Cyano-phenol	NA	200-220**	NA	NA	NA	NA	90-100	NA
Diuron	NA	150-200	NA	NA	300-320	NA	NA	NA

Source: Company websites, Annual reports, F&S; Company Commissioned F&S Report
*** Capacities of SPL Europe (European subsidiary of Shiva Pharmachem Ltd. India)*

Global Prices of advanced intermediate chemicals

Advanced Intermediate	Price in USD/kg (2021)	Price in USD/kg (2022)
Terephthaloyl Chloride	~3.2	~3.4
Isophtheloyl Chloride	~3.4	~4.1
Pivaloyl Chloride	~4.5	~5.1
Octanoyl Chloride	~7.6	~8.2
Cloquintocet Mexyl	~21.7	~22.4
2 Cyano Phenol	~13.3	~13.2
DCPI (3,4 and 3,5)	~5.2	~5.8

Advanced Intermediate	Price in USD/kg (2021)	Price in USD/kg (2022)
Para Chloro Meta Xynelol	~9.5	~9.7
Diuron	~6.3	~6.9

Source: Company websites, Annual reports, F&S; Company Commissioned F&S Report

Pricing Outlook in the Forecast period

India's advanced intermediate chemicals market is playing a vital role in the development of its chemical market and GDP growth. These advanced intermediates are used in various applications such as polymer, agrochemicals, personal care, adhesives and other applications. There is a rise of at least 3-11% between the prices in 2021 as compared to the prices in 2022. This is due to two important reasons that are mentioned below:

Volatile Input Prices*:* The raw materials prices have been volatile in the past few years. The major raw material required in advanced chemicals is crude oil, as the price of crude oil is highly volatile, it affects a large range of advanced intermediate products. The demand of advanced intermediate chemicals has been rising rapidly due to their increased applications in industries such as polymer, personal care, and adhesives. The rising demand coupled with supply shortage are further increasing the prices of the raw materials that are required to manufacture these intermediate chemicals.

Logistics Challenges*:* Apart from the rising input cost, domestic players are also plagued by the resurging issue of container shortage. Shipping rates across routes have increased by 3-5x over the past year. It is further indicated by Baltic Dry Index, which surged up to 1,949 in March 2023 from 1,500 in March 2021. These challenges along with rising input costs have added short-term margin pressure on advanced intermediate players. The market expects these issues to persist over the next 4-6 quarters.

Established and emerging applications for advanced intermediates

Agrochemical: Agrochemical intermediates are extensively used to produce pesticides such as fungicides, herbicides, and insecticides. The rise in need for agricultural products and food requirements due to increasing population globally is the primary factor impacting the upsurge in agricultural activities. Agrochemicals sector is witnessing a massive uptick in the demand due to augmented factors like rising demand for innovative but organic compost, upsurge in commercial value of agrochemical advance intermediates, increasing favourable government policies and rising technological advancements.

Personal Care: The personal care market includes cosmetics, fashion, and FMCG that are growing rapidly as people are getting more aware about personal care. Consumers are increasingly preferring anti-microbial and anti-aging, moisturizers, skin protection, UV filters and other cosmetic products for use in daily life. The increase in consumption of advanced intermediate chemicals in personal care market will further boost demand.

Adhesives: The market is witnessing increasing demand for various types of adhesives that are required in automotive, polymer and packaging market. Stringent regulations and a monumental shift towards sustainable products has provided significant opportunities for the adhesives and sealants segment. Such stringent regulations are leading manufacturers to opt for eco-friendly adhesives that would further require advanced intermediate chemicals which will further drive the market.

STRATEGIC POSITIONING

Strategic Positioning of Shiva Pharmachem Ltd.

Shiva Pharmachem Ltd is the largest manufacturer by volume of acid and alkyl chlorides in CY 2022 in India and a key player globally. The R&D efforts of Shiva Pharmachem Ltd have been important to its success and a differentiating factor enabling it to attain leading market positions for certain products. In FY 2023, over 80% of Shiva Pharmachem's revenue from operations has been generated from Fortune 500 companies globally. Shiva Pharmachem's Indian facilities are located strategically in India's Chlor Alkali Belt in Gujarat which helps it secure an economic supply of chlorine from domestic suppliers. The lengthy qualification for products, particularly in the agrochemicals, performance chemicals and pharmaceutical industries acts as an entry barrier.

The complexity of the products manufactured by Shiva Pharmachem Ltd. relative to commodity chemicals and regular specialty chemicals is illustrated in the table below.

Parameter	Commodity Chemicals	Regular Speciality Chemicals	Shiva Pharmachem Speciality Chemicals
Blended Price	₹200-300 per kg	₹400-700 per kg	₹600 – 3,000 per kg
Steps in the manufacturing process	1-2	2-3	4-5
Number of stages remaining until active ingredients are produced	n-10 and upwards	n-6 till n-9	Active Ingredients till n-4

Note: n is the number of steps involved in the final formulation of the active ingredient or intermediate from the raw material.

Following are some of the strong and sustainable entry barriers for Company's specialty chemical products:

- **Technology**: The development of in-house technology for all of their products including bulk acid chlorides and specialty chemicals enables it to enjoy strong strategic positioning amongst reputed customers. It has both dedicated as well as multi-purpose, state-of-the-art plants involving multi step synthesis for various chemistries. In FY 2023, the company offered 100+ specialized products and advanced intermediates, all of which have been developed using their own in-house technology.

- **Complex Chemistry**: Shiva Pharmachem Ltd has established operations and has a rich experience in handling hazardous chemistries like chlorination and vapour phase reactions at high temperatures of 400 ºC and above. The company has over 15 complex chemistry capabilities for manufacturing different types of product groups.

- **Integration**: Shiva Pharmachem Ltd. enjoys the distinct advantage of being backward integrated for most of their products owing to their strategic location in the Chlor-alkali belt of Gujarat. They have own thionyl chloride plant with a by-product reuse facility to ensure sustainability. The company uses chlorine gas as a raw material and receives it via a pipeline for supply to its operations, a highly safe process.

- **Transportation and Storage** They have dedicated storage tank farms for bulk storage of raw materials and finished goods, which helps them to provide a competitive offering. Shiva Pharmachem Ltd owns a fleet of 189 ISO tanks, which are dedicated to individual products to ensure that quality product is delivered to customers.

- **Client Base**: They have a diverse worldwide customer base with reputed clients based in North America and Europe. Their customer base included more than 181 multinational, regional and local companies in FY 2023.

- **Scale of Operations**: The large scale of their operations enable them with economies and poses a commercial and operation barrier to new entrants.

- **Seasonality of products/Industry:** The industry exhibits a certain degree of seasonality. However, Shiva Pharmachem Ltd. has a diversified product portfolio and caters to different end segments. Additionally, with multi product plant capability, seasonality impact on revenue for Shiva Pharmachem Ltd. and SPL Europe is minimised.

Shiva Pharmachem Ltd.'s international operations: Shiva Pharmachem Ltd. has two integrated manufacturing facilities in India (Luna, Vadodara and Dahej SEZ, Bharuch) and another facility in Hungary, which together have a manufacturing capacity of ~60,000 MT/Annum. The company has been successful in increasing its penetration in the European market by setting this third production facility in Hungary. Shiva Pharmachem Ltd. has multiproduct facility and is aiming to mitigate its geographical risk of operations by expanding into other regions of the world. Shiva Pharmachem is backward integrated for Nitres, Amides & Amines from basic raw material thus offering cost effective and sustainable products to customers.

Shiva Pharmachem Ltd's facility in Hungary is spread over 2,00,000 sq. mt with state-of-the-art phosgenation capabilities. The Hungary plant with 10 KTPA phosgene capacity specializes in manufacturing of phosgene-based intermediates. The plant is well equipped in handling complex and hazardous phosgenation chemistries which itself poses a huge entry barrier to new players and existing competition. The R&D centre in Hungary is intensively engaged in product innovation and optimisation of various process techniques.

Apart from phosgene-based intermediates, the Hungary plant also has an additional capacity of 8 KTPA for agrochemicals for producing agrochemical technical/formulations.

Shiva Pharmachem Ltda has created storage and distribution hubs in Europe and USA to strengthen their relationship and serve their customers better. This has helped them to reduce lead time substantially from six weeks to two weeks. The company aims to further strengthen their export performance by enhancing the customer base worldwide and also by continuously increasing their product basket. Their warehouses have a storage capacity of more than 1,000 MT for raw materials and finished goods each.

Shiva Pharmachem's manufacturing in India and Hungary coupled with its international storage network offers cost and speed of delivery benefits to its customers.

Shiva Pharmachem currently holds international registrations in REACH (registration, evaluation, authorisation and restriction of chemicals) for countries including highly regulated regions like North America and Europe with stringent requirements on safety, security and quality on chemical products and processes.

Market share / position of key players

Terephthaloyl Chlorides (TPCL)

Terephthaloyl Chloride is an acid chloride of terephthalic acid that is primarily used in the manufacturing of synthetic fibers, one of which is Kevlar. Terephthaloyl Chloride is a key raw material of aramid fibers.

The terephthaloyl chloride market in India is consolidated. There are two major players in this market, namely Shiva Pharmachem Ltd., Transpek Industry and some other smaller players. Shiva Pharmachem Ltd. has a capacity of manufacturing 500 MT/month terephthaloyl chloride while Transpek has a capacity of around 2,200 – 2,300 MT/month. Together, Shiva Pharmachem and Transpek Industry hold nearly ~20% share for the year CY 2022 of the terephthaloyl chloride global market. Shiva Pharmachem Ltd. is both backward and forward integrated for Terephthaloyl Chloride. The company has its own Thionyl Chloride plant with by-product reuse facility ensuring sustainability.

Terephthaloyl Chloride is a highly regulated chemical. There are strict rules to be followed w.r.t. clear declaration of the hazardous nature of this chemical on the label along with manufacturing details, storage and disposal instructions and environmental impact (e.g., import of hazardous chemical (Amendment) Rules, 1989, 1994, and 2000).

Global Market Share of key companies - Terephthaloyl Chloride

Key Companies	Global Market Share (CY 2022)
Shiva Pharmachem Ltd.	2 - 4%
Transpek Industry	15 - 17%
Chinese players	52 - 54%
Others	29 - 32%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report
Note: Market share estimation has been done based on annual reports and primary validations. Market share is in volume terms

Isophthaloyl Chloride

Isophthaloyl Chloride is an advanced intermediate chemical that is primarily used in a wide variety of polymers. This chemical is also widely used a water scavenger.

The market in India for Isophthaloyl Chloride is consolidated. There are majorly two players in the isophthaloyl chloride market, namely Shiva Pharmachem Ltd. and Transpek Industry, along with some other smaller players in India. Shiva Pharmachem and Transpek Industry collectively hold around 12-15% share for the year CY 2022 of the global Isophthaloyl chloride market.

Shiva Pharmachem has a combined capacity of 18,000 MT for Acid Chlorides where they manufacture around 75 different types of products. In CY 2022, Shiva Pharmachem exported nearly ~520 MT of Isophthaloyl chloride.

Isophthaloyl Chlorides is a regulated chemical. It is a highly toxic and corrosive chemical and poisonous when ingested. It is unstable when it comes in contact with water, strong bases and alcohols (liberate toxic gases when comes in contact). It falls under the category of hazardous chemicals while transporting and handling.

Global Market Share of key companies – Isophthaloyl Chloride

Key Companies	Global Market Share (CY 2022)
Shiva Pharmachem Ltd.	3 - 5%
Du Pont	14 - 16%
Transpek Industry	11 - 13%
Chinese Players	62 - 65%
Others	6 - 9%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report
Note: Market share estimation has been done based on annual reports and primary validations. Market share is in volume terms.

Pivaloyl Chloride

Pivaloyl chloride is used as an input for manufacturing some pharmaceuticals, insecticides, and herbicides. The market in India for Pivaloyl Chloride is reasonably consolidated. There is only one major player in the Indian market - Shiva Pharmachem Ltd. Globally, it holds around 3% share for the year CY 2022 of the Pivaloyl chloride market. Shiva Pharmachem Ltd. manufactures around 1,000-1,500 MT of pivaloyl chloride in a year. The company has various quality certificates and wider client base that helps them in distributing their chemicals in India as well as export them.

Shiva Pharmachem has developed in-house technologies to produce all the chemicals including specialties. Shiva pharmachem Ltd. operates dedicated as well as multipurpose plants with multi step synthesis. In FY 2023, over 80% of Shiva Pharmachem’s revenue from operations has been generated from Fortune 500 companies globally. These capabilities give it an edge over other peers.

Global Market Share of key companies - Pivaloyl Chloride

Key Companies	Global Market Share (CY 2022)
Shiva Pharmachem Ltd.	2 - 4%
BASF	23 - 26%
CABB Chemicals	13 - 16%
VWR International	11 - 15%
Chinese players	49 - 53%
Others	2 - 4%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report
Note: Market share estimation has been done based on annual reports and primary validations. Market share is in volume terms.

Octanoyl Chloride

Octanoyl Chloride is used in polymer/adhesives, pharmaceuticals, and agrochemicals applications. The market in India for Octanoyl Chloride is reasonably consolidated. Shiva Pharmachem holds ~4% share for the year CY 2022 of the Octanoyl chloride global market and is the second largest player in India. The other prominent players are BASF, CABB Group, Altivia, Transpek, and others. Shiva Pharmachem Pvt Ltd. has a manufacturing capacity of around 210 MT/month. It has a strong client base and their products cater to a wider range of applications across industries.

Global Market Share of key companies - Octanoyl Chlorides

Key Companies	Global Market Share (CY 2022)
Shiva Pharmachem Ltd.	3 - 5%
BASF	14 - 17%
CABB Group	13 - 16%
Altivia	11 - 14%
Transpek Industry	3 - 5%
Chinese Players	42 - 45%
Others	2 - 5%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report
Note: Market share estimation has been done based on annual reports and primary validations. Market share is in volume terms.

Cloquintocet Mexyl

Cloquintocet Mexyl is widely used in agrochemicals pharmaceuticals.

The market in India is fragmented with many large and small players such as Shiva Pharmachem Ltd., Bharat Rasayan and others. Shiva Pharmachem Ltd. is the largest player in the world with almost 25% to 28% of the global market share of Cloquintocet Mexyl. Shiva Pharmachem Ltd. has a manufacturing capacity of 100 MT of Cloquintocet Mexyl per month, while Bharat Rasayan can manufacture around 50 MT of Cloquintocet Mexyl per month. Shiva Pharmachem Ltd. enjoys a strong customer base in agrochemicals sector and has grabbed organic and inorganic growth opportunities to enter new markets.

Global Market Share of key companies - Cloquintocet-mexyl

Companies	Global Market Share (CY 2022)
Shiva Pharmachem Ltd.	25 - 28%
Dow Chemicals	10 - 12%
Syngenta	9 - 11%
Bharat Rasayan	2 – 4%
Bhagiradha Chemicals & Industries Limited	1 - 3%
FMC/ Cheminova	2 - 4%
Chinese Players	44 - 47%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report
Note: Market share estimation has been done based on annual reports and primary validations. Market share is in volume terms

2-Cyano Phenol

The 2-Cyanophenol market in India is fragmented and majority of the demand is being serviced by Chinese imports. SPL Europe is the largest player in India and globally with 24% global market share and monthly capacity of 220 MT for 2-Cyanophenol. After SPL, several Chinese players collectively hold 70%-73% share in the global market.

Global Market Share of 2-Cyano Phenol

Key Companies	Global Market Share (CY 2022)
SPL Europe LLC	24-27%
Cheminova India Limited	2-3%
Chinese players	69-72%
Other	5-7%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report
Note: Market share estimation has been done based on annual reports and primary validations. Market share is in volume terms
**SPL Europe LLC (currently European subsidiary of Shiva Pharma chem Ltd.)*

DCPI (3,4 and 3,5)

3,4-Dichlorophenyl isocyanate is used in the synthesis of 1,5-disubstituted-2-thiobiuret derivatives via reaction with thioureido-containing aromatic/heterocyclic sulfonamides.

3,4-Dichlorophenyl isocyanate market in India is consolidated with the only major manufacturer being Paushak Limited. Paushak holds around 7% of the global 3,4-Dichlorophenyl isocyanate market for the year CY 2022.

SPL Europe (Hungary)) has a capacity of around 250 MT per month for manufacturing aromatic isocyantes and enjoys 8-10% market share (third largest player) globally.

Global Market Share of key companies - DCPI (3,4 and 3,5)

Key Companies	Global Market Share (CY 2022)
SPL Europe LLC*	8 -10%
Lanxess (Germany)	54-58%

Key Companies	Global Market Share (CY 2022)
UP Chem China Co Ltd. (China)	15-19%
Anhui Guangxin Agrochemical (China)	5-8%
Paushak	5 - 9%
Others	2-5%

Sources: Annual reports and F&S estimation
*Note: Market share estimation has been done based on annual reports and primary validations. Market share is in volume terms *SPL Europe LLC (currently European subsidiary of Shiva Pharma chem Ltd.)*

Para Chloro Meta Xynelol

Para Chloro Meta Xylenol (PCMX) is a bactericide and preservative with a long established and proven use in controlling mildew, bacterial and fungal growth in a wide range of applications.

The Para Chloro Meta Xylenol market is dominated by Shiva pharmachem who caters to a leading FMCG global giant for use in disinfectants. However, there are many medium and small-scale local manufacturers who sell a lower grade quality to farmers in the Indian market.

Global Market Share of key companies - Para Chloro Meta Xynelol

Key Companies	Global Market Share (CY 2022)
Shiva Pharma chem Ltd.	40 - 42%
NS Chemicals	3 - 6%
Kumar Organics	13 - 16%
Chinese players	38 - 42%
Other	2 - 5%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report
Note: Market share estimation has been done based on annual reports and primary validations. Market share is in volume terms

Diuron

Diuron is the trade name for DCMU, an algaecide and herbicide active ingredient used for controlling annual and perennial broadleaf and grassy weeds in agricultural settings as well as for industrial and commercial areas.

The Diuron market in India is fragmented. Many local manufacturers sell these to farmers at a cheaper rate and hence this market is fragmented. The large players in this market include Atul, Bharat Rasayan and others.

Global Market Share of key companies – Diuron

Key Companies	Global Market Share (CY 2022)
SPL Europe LLC*	4 - 7%
Adama Agan Ltd.	11-15%
Atul Ltd.	8-10%
Bharat Rasayan	8-10%
Chinese players	39-44%
Others	25-28%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report
*Note: Market share estimation has been done based on annual reports and primary validations. Market share is in volume terms *SPL Europe LLC (currently European subsidiary of Shiva Pharma chem Ltd.)*

Acid Chlorides

Acid Chloride products find use in various end-use industries, such as pharmaceuticals, polymers, agrochemicals, and others. The market in India for Acid Chlorides is reasonably consolidated. Some of the players are Shiva Pharmachem Ltd., Transpek Industry, Shree Sulphurics Pvt. Ltd. and Bromchem Laboratories Private Limited.

Shiva Pharmachem Ltd. has a manufacturing capacity of around 18,000 MT of acid chlorides per annum. They have a wide range of acid chlorides that cater to various industrial needs. Shivapharma chem Ltd. has a large clientele all around the world and is among the top 3 players globally.

Market Share of key companies (India) - Acid Chlorides

Key Companies	India Market Share (CY 2022)
Shiva Pharmachem Ltd.	49-52%
Transpek	24 - 26%
Shree Sulphurics Pvt. Ltd.	17-20%
Others	4-6%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report
Note: Market share estimation has been done based on annual reports and primary validations. Market share is in volume terms

Aromatic Carbonyl Chloride

Aromatic carbonyl chloride is used in making organic chemicals, polycarbonate resins, dyestuffs, and isocyanates for making polyurethane resins. The market in India for aromatic carbonyl chloride is consolidated. Some major players are Shiva Pharmachem Ltd., Transpek Industry, Shree Sulphurics Pvt. Ltd. and others. Shiva Pharmachem and Transpek Industry collectively hold around 47% for CY 2022 of the Indian aromatic carbonyl chloride market with Shiva being one of the top 3 players globally.

Shiva Pharmachem manufactures a wide range of aromatic carbonyl chlorides that have wide applications across industries. The company is extensively using strategies such as mergers & acquisitions and product portfolio expansion (wider array of downstream derivatives) to further penetrate in the market.

Market Share of key companies (India) - Aromatic Carbonyl Chloride

Key Companies	India Market Share (CY 2022)
Shiva Pharmachem Ltd.	32-34%
Transpek	14-17%
Shree Sulphurics Pvt. Ltd.	3-5%
Others	47-50%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report
Note: Market share estimation has been done based on annual reports and primary validations. Market share is in volume terms

Aliphatic Carbonyl Chloride

Aliphatic carbonyl chloride compounds are extensively used in household cosmetics and chemicals, pesticides, fuels, and essential oils.

Indian aliphatic carbonyl chloride market is fragmented. Some of the major players include Transpek Industry, Shiva Pharmachem Ltd., Shree Sulphurics Pvt. Ltd., and others. Shivapharma chem Ltd. is one of top 3 players in the world. Transpek Industry and Shiva Pharmachem Ltd., collectively hold around 50% for CY 2022 of the Indian aliphatic carbonyl chloride market. They have large capacities that can manufacture a wide range of aliphatic carbonyl chlorides across different applications.

Aliphatic carbonyl chloride is a regulated chemical. It is a highly toxic and corrosive chemical and poisonous when ingested. It reacts with water, strong bases and alcohols to liberate toxic gases. It falls under the category of hazardous chemicals while transporting and handling.

Market Share of key companies (India) - Aliphatic Carbonyl Chloride

Key Companies	India Market Share (CY 2022)
Shiva Pharmachem Ltd.	32-34%
Transpek	17-21%
Shree Sulphurics Pvt. Ltd.	1-2%
Others	47-50%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report
Note: Market share estimation has been done based on annual reports and primary validations. Market share is in volume terms

Aromatic and Fluoro Nitriles

India aromatic and fluoro aromatic nitriles market is fragmented with the presence of many large and small players. Some of the key players are Alkyl Amines, Balaji Amines, Otto Chemi, Shiva Pharmachem Ltd., among others. Balaji Amines, Alkyl Amines, Otto Chemi and Shiva Pharmachem Ltd. collectively hold around 75% for CY 2022 of the Indian aromatic and fluoro aromatic nitriles market. Aromatic and fluoro aromatic nitriles are regulated chemicals.

Market Share of key companies (India) - Aromatic and Fluoro Nitriles

Key Companies	India Market Share (CY 2022)
Shiva Pharmachem Ltd.	7-9%
Balaji Amines	34-36%
Alkyl Amines	13-17%
Otto Chemi	14-16%
Others	27-30%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report
Note: Market share estimation has been done based on annual reports and primary validations. Market share is in volume terms

Fluoro Aromatic Amines

Fluoro aromatic amines find their use in various industries such as pharmaceuticals, polymers, and agrochemicals.

India fluoro aromatic amines market is fragmented with the presence of many large and small players. Some of the key players are Aarti Industries, Balaji Amines Shiva Pharmachem Ltd., Alkyl Amines, and others. Aarti Industries, Shiv Pharmachem Ltd. and Balaji Amines collectively hold around 65% for CY 2022 of the Indian fluoro aromatic amines market. Fluoro aromatic amines is a regulated chemical.

These companies including Shiva Pharmachem Ltd. have an extensive experience in manufacturing fluoro aromatic amines over the years. Their expertise in fluoro aromatic amines and wider product portfolio are the key reasons of them being market leaders.

Market Share of key companies (India) - Fluoro Aromatic Amines

Key Companies	India Market Share (CY 2022)
Shiva Pharmachem Ltd.	7-10%
Aarti Industries	34-36%
Balaji Amines	18-22%
Alkyl Amines	3-5%
Others	32-25%

Sources: Annual reports and F&S estimation; Company Commissioned F&S Report
Note: Market share estimation has been done based on annual reports and primary validations. Market share is in volume terms

Strategic positioning of Shiva Pharmachem Ltd. w.r.t. **competitors**

Strategic positioning of Shiva Pharmachem Ltd. w.r.t competitors (Product categories) CY 2022

Product category	Launch Year	Industry application	Global Market Size (Bn USD)	Quantity manufactured/ exported by the company (KTPA)	Company's India Market position	Market positioning (India)
Acid Chlorides	2001	Pharmaceuticals, polymers, agrochemicals	28	25 KTPA	Largest player in India	Shiva Pharmachem Ltd. :49-52% Transpek :24 - 26% Shree Sulphurics Pvt. Ltd.:17-20% Others :4-6%
Aromatic Carbonyl Chlorides	2008	Organic chemicals, polycarbonate resins, dyestuffs, and isocyanates PU resins	1.7	2-5 KTPA	Largest player in India	Shiva Pharmachem Ltd.:32-34% Transpek :14-17% Shree Sulphurics Pvt. Ltd.:3-5% Others :47-50%
Aliphatic Carbonyl	2001	Household cosmetics and	26	2-5 KTPA	Largest player in India	Shiva Pharmachem Ltd. :32-34%

Product category	Launch Year	Industry application	Global Market Size (Bn USD)	Quantity manufactured/ exported by the company (KTPA)	Company's India Market position	Market positioning (India)
Chloride		chemicals, pesticides, fuels, and essential oils				Transpek :17-21% Shree Sulphurics Pvt. Ltd.:1-2% Others: 47-50%
Aromatic and Fluoro Nitriles	2021	Polymers, Pharmaceuticals, Agrochemicals, Personal care, Adhesives and Sealants	4.7	1-3 KTPA	-	Shiva Pharmachem Ltd. :7-9% Balaji Amines :34-36% Alkyl Amines: 13-17% Otto Chemi:14-16% Others:27-30%
Fluoro aromatic amines	2022	Polymers, Pharmaceuticals, Agrochemicals, Personal care	17.7	1-3 KTPA	-	Shiva Pharmachem Ltd. :7-10% Aarti Industries :34-36% Balaji Amines:18-22% Alkyl Amines: 3-5% Others:32-35%

Source: Company Commissioned F&S Report

Shiva Pharmachem Ltd. has developed in-house technology for all of its products including bulk acid chlorides and specialty chemicals. Shiva Pharmachem Ltd. has dedicated as well as multi-purpose plants with multi step synthesis.

Shiva Pharmachem Ltd. is experienced handling hazardous chemistries like chlorination and vapour phase reactions at high temperatures of 400 ºC and above.

Strategic positioning of Shiva Pharmachem Ltd. w.r.t competitors (Products) CY 2022

Product	Launch Year	Industry application	Global Market Size (KTPA)	Quantity manufactured/ exported by the company (KTPA)	Company's Global market position	Company's India Market position	Competitor's market positioning
2-Cyano Phenol	2008	Pesticide and disinfectant used in pharmaceuticals and agrochemicals	10	2.2	Overseas operations (MS:24-27%)	Not Present in India	Cheminova India: 2-3%; Chinese players: 69-72%; Other : 5-7%
DCPI (3,4 and 3,5)	2017	Advanced intermediate used in pharmaceuticals, cosmetics and agrochemicals	52	2.3	Overseas operations (MS- 8-10%)	Not present in India	Paushak : 5-9%; Lanxess: 54-58%; UP Chem China :15-19%; Anhui Guangxin : 5-8%; Others :2-5%
Para Chloro Meta Xynelol	2017	Healthcare, Personal Care & Cosmetics, Antiseptic and disinfectant	32	0.3	Largest manufacturer (MS – 40-42%)	Largest player in India	NS Chemicals: 3-6% Kumar Organics: 13-16% Chinese Players: 38-42%; Others: 2-5%
Terephthaloyl Chloride	2017	Synthetic fibers such as Kevlar. Also has automotive, aerospace and defense use.	102.5	2.2	2-4% market share globally	Second largest player in India	Transpek : 15 - 17% Chinese Players : 52-54% Others: 29-32%
Octanoyl Chloride	2015	Polymer, adhesives, pharmaceuticals,	42.0	1.685	3-5% market share globally	Market Leadership	Transpek : 3-5% BASF : 14-17% CABB Group : 13-16%

Product	Launch Year	Industry application	Global Market Size (KTPA)	Quantity manufactured/ exported by the company (KTPA)	Company's Global market position	Company's India Market position	Competitor's market positioning
		and agrochemicals					Altivia : 11-14% Chinese Players: 42-45% Others: 2 - 5%
Pivaloyl Chloride	2001	Pharmaceuticals, and agrochemicals	35.0	1.2	2-4% market share globally	Only manufacturer in India	BASF : 23 - 26% CABB Chemicals: 13-16% VWR Intl: 11-15% Chinese Players: 49-53%; Others: 2-4%
Cloquintocet Mexyl	2018	Herbicide safener used in agrochemicals and pharmaceuticals	2.3	0.6	Largest manufacturer (MS – 25-28%)	Largest player in India	Dow Chemicals: 10-12% Syngenta: 9-11% Bharat Rasayan: 2–4% Bhagiradha Chem: 1-3% FMC/Cheminova: 2-4% Chinese Players: 44-47%
Isophthaloyl Chloride	2010	Wide variety of polymers. pharmaceuticals and agrochemicals	63.75	0.2	3-5% market share globally	Second largest player in India	Du Pont - 14 - 16% Transpek -11-13% Chinese Players: 62-65% Others - 6-9%
Diuron	2010	Algaecide and herbicide	36.5	1.1	4-7% market share globally	-	Adama Agan Ltd.:11-15% Atul Ltd.: 8-10% Bharat Rasayan: 8-10% Chinese Players: 39-44% Others: 25-28%

Source: Company Commissioned F&S Report

COMPETITIVE LANDSCAPE

Overview

Key financial parameters of relevant market participants in India have been considered herewith. Below are the key companies which hold prominence in one or multiple sub-segments of specialty chemicals. For instance, Navin Fluorine generates most of its revenue from fluorination (attributed to high demand in clinical pipeline molecules).

Benchmarking with Indian Specialty Chemical Peers – Financial

Competition Landscape – Revenue from operations (INR million)

Companies	FY 2022-23	FY 2021-22	FY 2020-21
Shiva Pharmachem Ltd.	10,794.66	10,159.90	7,601.17
Navin Fluorine International Ltd.	20,774.00	14,533.60	11,793.90
Aether Industries Ltd.	6,510.74	5,900.47	4,498.16
Clean Science	9,357.99	6,848.86	5,124.28

Source: Annual reports; Company Commissioned F&S Report

The illustration above presents a promising scenario for the specialty chemicals market in India. Most of the companies experienced significant growth in the last 3 years.

Competition Landscape – Revenue Growth (%)

Companies	FY 2022-23	FY 2021-22	FY 2020-21
Shiva Pharmachem Ltd.	6.25%	33.66%	NA
Navin Fluorine International Ltd.	42.94%	23.23%	11.10%
Aether Industries Ltd.	10.34%	31.18%	49.01%
Clean Science	36.64%	33.66%	22.21%

Source: Annual reports; Company Commissioned F&S Report
Revenue Growth (%) is calculated as a percentage of Revenue from Operations of the relevant year minus Revenue from Operations of the preceding year, divided by Revenue from Operations of the preceding year

Competition Landscape –EBITDA (INR Million)

Companies	FY 2022-23	FY 2021-22	FY 2020-21
Shiva Pharmachem Ltd.	2,041.87	1,597.52	1,408.97
Navin Fluorine International Ltd.	5,503.10	3,548.10	3,092.90
Aether Industries Ltd.	1,862.49	1,681.07	1,121.59
Clean Science	4,020.95	2,998.88	2,589.54

Source: Annual reports; Company Commissioned F&S Report
EBITDA is calculated as Profit before tax for the year, plus Finance Costs and Depreciation and Amortisation expenses less Other Income

Competition Landscape – EBITDA Margin (%)

Companies	FY 2022-23	FY 2021-22	FY 2020-21
Shiva Pharmachem Ltd.	18.92%	15.72%	18.54%
Navin Fluorine International Ltd.	26.49%	24.41%	26.22%
Aether Industries Ltd.	28.61%	28.49%	24.93%
Clean Science	42.97%	43.79%	50.53%

EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations
Source: Annual reports; Company Commissioned F&S Report

However, if we look at the financials of the peers for Q1 FY 2024, there is a slowdown in the demand which is impacting the demand-supply trends in the entire sector. The key notable points are:

- Weaker demand registered in certain key international markets like Europe, North America; this demand impact has accelerated over the Q1 of FY 2024;

- Temporary over supply scenario has been caused due to inventory liquidation by China. China had a substantial build-up of inventory due to the extended COVID lockdowns and is currently dumping to liquidate their stock; and

- The impact of this market scenario has been widespread as witnessed by the deterioration in the performance of key industry players like Aether Industries, Clean Science and Navin Fluorine, which have seen their quarter-on-quarter revenue reduce by 15-18% on an average in Q1 FY 2024.

However, we understand the current situation is temporary and is likely to improve towards H2 FY 2024 with demand being driven by end use industries.

Established technical expertise of players

Company Technical expertise and reach

Company Name	Technical Expertise	Customer Base
Shiva Pharmachem Ltd.	The company provides large scale manufacturing and custom synthesis that helps their clients in developing and manufacturing of different APIs and agrochemical technicals by providing them with advanced intermediates, specialty chemicals and fine chemicals as per various customised requirement. The company offers services such as full time equivalent, fee for services, fixed quotation, synthesis from gram to	Shiva Pharmachem has diverse customer base which includes more than 181 multinational, regional and local companies. In its business, long lead times are required for building customer confidence and relationships due in part to customers' product approval systems with stringent specifications

Company Name	Technical Expertise	Customer Base
	kilogram quantities, process development for existing molecules, contract manufacturing and pilot scale manufacturing.	
Navin Fluorine	They provide custom chemical syntheses of fluorinated compounds for agro chemicals, pharmaceuticals, and speciality chemicals industries. They leverage their fluorine expertise to provide library syntheses, basic research, process development, scale up and small and large batch manufacturing. They offer contract research services through both Full Time Equivalent (FTE) and Fee For Service (FFS) arrangements.	They produce over 60 fluorinated products for domestic and international customers. More than 40% of their products are exported to North America, Europe, Middle East and Asia Pacific regions
Aether Industries	The company offers large scale manufacturing and custom synthesis. Some of their installed equipment include fume hoods, lab scale, flow reactors and advanced separation equipment.	North America, LATAM, Middle East, Europe and APAC Export % - 50-60%
Clean science	The company has an in-house R&D and continuous innovation centre which enables them to offer a diversified product portfolio serving multiple end user industries. The company produces a wide variety of FMCG chemicals, performance chemicals and pharma & agro intermediates. They are among the leading companies in India to have commercialized use of environment-friendly processes to manufacture certain specialty chemicals.	They are currently present in 30 locations across the world with major presence in North America, LATAM, Europe, Middle East, Southeast Asia Export % - 40-50%

Sources: Annual reports; Company Commissioned F&S Report

Comparison of Degree of backward and forward integration

Comparison of players/peers based on "Degree of backward and forward integration"

Companies	High	Medium	Low
Shiva Pharmachem Ltd.	✓		
Navin Fluorine International	✓		
Aether Industries			✓
Clean Science		✓	

Source: Annual reports, Frost & Sullivan analysis; Company Commissioned F&S Report

Shiva Pharmachem Ltd. is both forward and backward integrated company for almost all of its products. For instance, the company prefers to recover or reuse the by-products as an example of forward integration of the advanced chemistry. The company has its own Thionyl Chloride plant which allows them to reuse or recover their by-product which ensures sustainability of the environment. They also produce nitriles, amides and amines from basic raw materials that reduces the overall cost of the production. The company has planned their forward and backward integration keeping environment sustainability in mind.

Established competency and EHS standards (Company Standards and Certifications) of players (as of CY 2022)

Company Name	Responsible Care	Ecovadis Audit	ISO 14001:2015	ISO 45001:2018
Shiva Pharmachem Ltd.	✓	✓	✓	✓
Aether Industries	X	✓	✓	✓
Clean Science	X	X	✓	✓
Navin Fluorine	✓	X	✓	✓

Sources: Annual reports; Company Commissioned F&S Report

OUR BUSINESS

Some of the information contained in this section, including information with respect to our plan and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward-Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 28 and 349, respectively, for a discussion of certain factors that may affect our business, results of operations and financial condition. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless the context otherwise requires, references in this section to "we", "us", or "our" are to our Company (Shiva Pharmachem Limited) and Subsidiaries on a consolidated basis. References in this section to our sales of products/ goods and services within India are to sales by our Company within India and all the remaining/balance sales of our products/ goods and services are categorised as "outside India".

Our financial or fiscal year ends on March 31 of each calendar year. Accordingly, references to a "Fiscal" or "fiscal year" are to the 12-month period ended March 31 of the relevant year. Unless otherwise stated or the context otherwise requires, the financial information included in this section as of and for Fiscal 2023 Fiscal 2022 and Fiscal 2021 included in this Draft Red Herring Prospectus has been derived from the Restated Consolidated Financial Information on page 253. We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from our Restated Consolidated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.

Unless otherwise indicated, the industry and market related information contained in this section has been extracted or derived from a report titled "Independent Market Report-India Chemical & Specialty Chemical Market Overview" dated August 2023, prepared by F&S, which has been prepared exclusively for the purpose confirming our understanding of the industry in connection with the Offer and commissioned and paid for by our Company in connection with the Offer (the "F&S Report"), pursuant to a letter of agreement dated July 29, 2022. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year, refers to such information for the relevant calendar year . See "Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data", "Risk Factors- Certain sections of this Draft Red Herring Prospectus contain information from the F&S Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." and "Industry Overview" on pages 15, 60 and 119, respectively. A copy of the F&S Report is available on the website of our Company at the following web-link: https://www.shivapharmachem.com/industry-report.aspx

Overview

We are the largest manufacturer of acid and alkyl chlorides, by volume, in CY 2022 in India and a key player globally. *(Source: F&S Report, August 2023)*. We have over 20 years of experience in the Indian specialty chemicals business. Initially, we started our operations with chlorine chemistry as our core competency with a focus on chlorination of acid and alcohols by thionyl chloride. We subsequently developed competencies in advanced intermediates involving complex chemistry and multi-step processes (typically 4 to 5 steps). We manufacture our products at our facilities in Luna (Gujarat), Dahej SEZ (Gujarat) and Sajóbábony (Hungary), and we are backward integrated for most of our key products. We are experienced in handling hazardous chemistries (like chlorination and vapour phase reactions at high temperatures of 400 ºC and above) and, through our R&D team we have developed in-house technology for all of our products including bulk acid chlorides and specialty chemicals that has enabled us to enjoy strategic positioning amongst our reputed customers. *(Source: F&S Report, August 2023)*. Our customer base is diverse, and we served 181 multinational and domestic companies in Fiscal 2023. In Fiscal 2023, we sold our products to 22 countries outside India. Some of the key geographies in which we sell our products include Germany, the United States, Switzerland, Italy and Mexico.

In Fiscal 2023, we offered over 100 specialized products. Our product lines include aliphatic and aromatic chlorides, aliphatic and aromatic nitriles, alkoxy ketones, herbicide safeners, thiocarbamates, chloroformates and isocyanates. Our products have diversified applications across a number of industry sectors including agrochemicals, performance materials, disinfectants, pharmaceuticals, polymers, cosmetics and others, which helps protect our business against downturns in a particular industry. We have also entered into a confidential disclosure agreement with a flavours and fragrance company in Europe relating to the custom synthesis business. In addition, we are in the process of entering into a confidential disclosure agreement with a global agrochemical company relating to the custom synthesis of two products, and we aim to commence production of these products in Fiscal 2024. There are strong and sustainable entry barriers in manufacturing our chemical products which include our technology, our complex chemistries, our backward integration of most of our products, our transportation and storage capabilities in India and Europe, our diverse customer base and our large scale operations. *(Source: F&S Report, August 2023).*

Research and Development ("**R&D**") has been critical to our success by allowing us to develop complex chemistries, cost effective and eco-friendly processes, advanced and complex intermediates and new products to fulfil our customers' requirements. We have adopted a philosophy of in-house and indigenous product and process development with the help of our design and process development protocols. Initially, we started our operations with chlorine chemistry as our core competency with a focus on chlorination of acid and alcohols by thionyl chloride. We subsequently developed competencies in alkylation, acylation, hydrogenation, esterification, oxidation, cyclisation, chlorination by phosgene and molecular chlorine, sulphonation, condensation, Hoffmann reaction and rearrangement, amidation, acid and alkaline hydrolysis, aliphatic and aromatic nitrile formation and vapor phase catalytic reactions. Our chemistry and technology core competencies and all of our products have been developed by our own R&D team, scaled up in our pilot plant, and launched into production employing in-house design and engineering. Our R&D efforts have been important to our success and a differentiating factor enabling us to attain leading market positions for certain products. (*Source: F&S Report, August 2023).* We have launched 20 new products since April 1, 2019 including 3-Chloro Pivaloyl Chloride, 2,6-Difluoroaniline and 2,6-Difluorobenzamide. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our revenue from these 20 new products was ₹451.50 million, ₹423.41 million and ₹373.32 million, respectively constituting 4.18%, 4.17% and 4.91% of our revenue from operations for the respective fiscals. We have an R&D centre at our Luna facility in Gujarat, and an R&D centre at our Sajóbábony facility in Hungary. In addition, we have a pilot plant at our Dahej SEZ facility, which acts as a bridge between R&D trials and commercial production, allowing us to deliver quality products. As of March 31, 2023, we had a team of 54 R&D staff including six PhDs.

We added 31 new customers and served 181 total customers during Fiscal 2023. In Fiscal 2023, over 80% of our revenue from operations has been generated from Fortune 500 companies globally. (*Source: F&S Report, August 2023).* Selected examples of our clientele include DuPont Specialty Products USA LLC, Godrej Agrovet Limited, Nouryon Functional Chemicals B.V., Reckitt Benckiser (India) Private Limited, SRF Limited and Syngenta Crop Protection AG. As of March 31, 2023, we enjoyed relationships in excess of 5 years with 15 of our top 20 customers (of these 15 customers, we enjoyed relationships with 10 of such customers in excess of 10 years and relationships with 5 of such customers in excess of 15 years). In our business, long lead times are required for building customer confidence and relationships, which is due in part to customers' product approval systems with their stringent specifications. *(Source: F&S Report, August 2023).* Our long-term relationships and ongoing active engagements with customers allow us to plan our capital expenditure and enhance our ability to benefit from increasing economies of scale.

Our international customers are an important part of our business. In Fiscal 2023, Fiscal 2022 and Fiscal 2021 we sold our products to 22, 20 and 22 countries, respectively, outside India. Some of the key geographies in which we sell our products and services include Germany, the United States, Switzerland, Italy and Mexico. The table below sets forth our revenue from operations from our sales outside of India and such revenue as a percentage of our revenue from operations for the fiscal years indicated.

Revenue	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	₹ million	**% of revenue from operations**	**₹ million**	**% of revenue from operations**	**₹ million**	**% of revenue from operations**
Sales outside of India	8,774.87	81.29%	7,365.02	72.49%	5,794.94	76.24%

We have three manufacturing facilities, which are located at Luna (Gujarat), Dahej SEZ (Gujarat) and Sajóbábony (Hungary). Our Indian facilities are located strategically in India's chlor-alkali belt in Gujarat, which helps us secure an economic supply of chlorine from domestic suppliers. *(Source: F&S Report, August 2023*). Our manufacturing facilities operate both dedicated and multi-purpose plants. In addition, our manufacturing facilities utilize supervisory control and data acquisition, distributed control systems and basic process control system for process automation. Our plant in Hungary has state-of-the-art phosgenation capabilities and specializes in manufacturing of phosgene-based intermediates. *(Source: F&S Report, August 2023*). The plant is well equipped in handling complex and hazardous phosgenation chemistries which pose a huge entry barrier to new players and existing competition. *(Source: F&S Report, August 2023*).

We emphasize on sustainability by focusing on environment, health and safety considerations as part of our operations in India and Hungary. Our products adhere to the quality and safety standards as set forth below.

- In Fiscal 2023, our Luna (Gujarat) and Dahej SEZ (Gujarat) facilities were each awarded bronze medals and our Sajóbábony (Hungary) facility was awarded a silver medal, by Ecovadis pursuant to its sustainability assessment.
- Our Luna and Dahej facilities in India were awarded with score of 76 and 80, respectively, by TFS (Together for Sustainability) in Fiscal 2022.
- We have been awarded the right to use of "Responsible Care" logo by the Indian Chemical Council and the Hungarian Chemical Industry Association for both our Indian and Hungarian facilities, ensuring safety, pollution free process and employee health.
- Our Luna, Dahej SEZ and Sajóbábony facilities each have been certified ISO 9001: 2015 (management systems), ISO 14001: 2015 (environmental management system) and ISO 45001-2018 (occupational health and safety).

- Our major products of both our Indian and Hungarian facilities are also compliant with the 'Registration, Evaluation, Authorization, and Restriction of Chemicals ("**REACH**") which is required for sales of products in the European Union ("**EU**") in accordance with applicable EU regulation.

Certain of our customers have audited our facilities and manufacturing processes in the past, which enables the continuance of quality of products at our facilities and processes. In addition, in Fiscal 2023, Ecovadis conducted a sustainability assessment and the Hungarian Chemical Industry Association and certain multi-national customers undertook audits of our facilities relating to good manufacturing practices.

We are led by our Promoters, Mr. Rakesh Agrawal, (Non-Executive Chairman), Mr. Vishal Agrawal (Managing Director) and Mr. Rahul Agrawal (Non-Executive Director) who established the business in 1999 and have more than two decades of experience in the chemical industry. Our Board of Directors includes a combination of management executives and independent directors who bring in diverse expertise. We believe that the combination of our experienced Board of Directors and our Promoters positions us well to capitalize on future growth opportunities.

For further information, see "*-Experienced Promoters and strong Board and management team*", "*Our Management*" and "*Our Promoters and Promoter Group*" on pages 193, 223, 243 respectively.

Key financial information

Set forth below is certain key financial information for the periods indicated.

Particulars	As at, or for the fiscal year ended March 31		
	2023	2022	2021
Revenue from Operations *(₹ in million*)	10,794.66	10,159.90	7,601.17
Revenue Growth (%)	6.25	33.66	N.A.
Gross Profit *(₹ in million*)	5,274.42	4,558.31	3,885.99
Gross Margin (%)	48.86	44.87	51.12
EBITDA*(₹ in million*)	2,041.87	1,597.52	1,408.97
EBITDA Margin (%)	18.92	15.72	18.54
Profit after tax (PAT) *(₹ in million*)	1,166.46	833.20	862.57
PAT Margin (%)	10.66	8.07	11.03
Return on Average Equity (RoAE) (%)	22.88	20.24	22.36
Return on Average Capital Employed (RoACE) (%)	20.34	17.22	18.73
Net Fixed Asset Turnover	1.99	2.26	1.88
Net Working Capital Days	6	14	47
Operating Cash Flows *(₹ in million*)	1,412.53	778.25	1,866.64
Revenue from sale of products within India *(₹ in million*)	2,019.80	2,794.88	1,806.24
Revenue from sale of products outside India *(₹ in million*)	8,774.87	7,365.02	5,794.94

Particulars	As at, or for the fiscal year ended March 31		
	2023	2022	2021
Revenue from sale of products within India (%)	18.71	27.51	23.76
Revenue from sale of products outside India (%)	81.29	72.49	76.24

Notes:

a) NA – Not available since past comparative period is not disclosed in this Draft Red Herring Prospectus.

b) The above financial information has been extracted or derived from the Restated Consolidated Financial Information.

c) The method of computation of the above KPIs is set out below:

1. *Revenue from Operations means the Revenue from Operations as appearing in the Restated Consolidated Financial Information*
2. *Revenue Growth (%) is calculated as Revenue from operations for the current year minus Revenue from operations for the previous year as a % of Revenue from operations for the previous year.*
3. *Gross Profit is calculated as Revenue from Operations less Cost of Materials consumed, Purchase of Traded Goods, Changes in Inventories of finished goods and work-in-progress*
4. *Gross Margin (%) is calculated as Gross Profit divided by Revenue from Operations*
5. *EBITDA is calculated as Profit before tax for the year, plus finance costs and depreciation and amortisation expenses, less other income*
6. *EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations*
7. *Profit after tax (PAT) refers to Restated Profit/(Loss) for the year from Continuing Operations as appearing in the Restated Consolidated Financial Information*
8. *PAT Margin (%) is calculated as Profit for the year as a percentage of Total Income*
9. *RoAE is calculated as Restated Profit attributable to owners of the Company divided by Average Equity for the year.*
   Average Equity is calculated as average of the total equity (excluding NCI) at the beginning of the year and at the end of the year.
   Note: For calculation of average equity employed for Fiscal 2021, equity at the beginning of the year has not been considered since it does not form part of Restated Consolidated Financial Information.
10. *RoACE is calculated as Earnings before interest and taxes (EBIT) divided by Average Capital Employed. EBIT is calculated as Profit before tax plus finance costs.*
    Average Capital Employed is calculated as average of the capital employed at the beginning of the year and at the end of the year. Capital Employed is sum total of Tangible Net Worth and Total Debt.
    Note: For calculation of average capital employed for Fiscal 2021, capital employed at the beginning of the year has not been considered since it does not form part of Restated Consolidated Financial Information.
11. *Net Fixed Asset Turnover is calculated as Revenue from Operations divided by Net Fixed Assets which consists of Property, Plant and Equipment and Capital Work-In Progress*
12. *Net Working Capital Days is calculated as Working Capital (Current Assets minus Current Liabilities) as at the end of the year divided by Revenue from Operations multiplied by no. of days in the year*
13. *Operating Cash flows means Net cash generated from Operations as mentioned in the Restated Consolidated Financial Information*
14. *Revenue from sale of products within India and outside India refers to corresponding disclosures in the Restated Consolidated Financial Information*

For any further details of our KPIs, see "*Management's Discussion and Analysis of Financial Position and Results of Operations – Key Performance Indicators and Non-GAAP Financial Measures*" on page 373.

Market Opportunity

Growth in Speciality Chemical Market

The global chemicals industry is expected to grow from US$5,348 billion in CY2022 to US$7,445 billion in CY2027 at a CAGR of 6.8%, according to Frost & Sullivan. China held a substantial market share by value (39%) in CY2022, followed by the United States (13%). *(Source: F&S Report, August 2023).* The Indian chemicals industry has emerged as a key player with a global market share of approximately 4% by value in CY2022. India's chemicals industry is de-licensed, except for few hazardous chemicals. India holds a strong position in exports of chemicals at a global level and ranks 14th in exports by value in CY2022. India is a key importer of chemicals and ranks 8th at a global level by value in CY 2022. *(Source: F&S Report, August 2023).*

The table below sets forth the size by value in CY2022 of the global chemical market, Indian chemical market, global speciality chemical market and the Indian speciality chemical market and the expected growth in these markets forecast for CY 2027.

Market	CY2022	CY2027	CAGR (2022-27)
Global chemicals market	US$5,348 billion	US$7,445 billion	6.8%
Global speciality chemicals market	US$863 billion	US$1,178 billion	6.4%
India chemicals market	US$198 billion	US$334 billion	11.0%
India speciality chemicals market	US$80 billion	US$134 billion	10.9%

(Source: F&S Report, August 2023).

Factors driving the growth in India speciality chemicals markets

The following factors are driving growth in the India speciality chemicals markets.

1. *Promising macroeconomic scenario:*

   The growth of the specialty chemical segment is anticipated to be primarily driven by two major factors: tailwinds from shift in global supply and recovery in demand from the end-user industry. This is attributed to the growing end-use markets such as construction, textile, automotive and consumer durables, and increased raw material availability amongst others. India is expected to grow at the second highest rate after China and is placed better in terms of labour cost, global trade dynamics and uncertainties, relatively lenient environmental norms, and regulatory policies to name a few. *(Source: F&S Report, August 2023).*

   In addition, India is expected to benefit from many companies China + 1 strategy. As multinationals are looking for an alternative to China to avoid further disruptions in supply, India's chemical industry stands in a favourable spot to profit from this shift and take a sizable share of the market. *(Source: F&S Report, August 2023).*

2. *R&D by Indian manufacturers*

   The product portfolios of most of the Indian manufacturers has grown rapidly based on their R&D expertise. This insulates Indian companies from any slowdown in a particular product or category and de-risks their business model. Such products, being of higher value and of strategic importance to customers, cater to multiple end-user industries, such as, agrochemicals and pharmaceuticals. More importantly, an extensive product portfolio helps the organizations to win more customers across the globe as it meets multiple requirements and functionalities. *(Source: F&S Report, August 2023).*

3. *GoI support and "Make in India" campaign*

   The GoI has been rigorously implementing different initiatives and schemes to add impetus to the emergence of India as a manufacturing hub for the chemicals industry in the medium term. The GoI is providing incentives, subsidies and grants under this campaign, from which Indian companies could benefit and could further reduce Indian companies' dependencies on imports. *(Source: F&S Report, August 2023).*

Our Competitive Strengths

We believe that we have the following competitive strengths:

Leading player across several specialty chemical products with significant industry barriers

We are the largest manufacturer by volume of acid and alkyl chlorides in CY 2022 in India and a key player globally. *(Source: F&S Report, August 2023).* We have over 20 years of experience in the Indian specialty chemicals business and are focused on large scale manufacturing of acid and alkyl chlorides and advanced intermediates involving complex chemistry and multi-step processes (typically 4 to 5 steps).

The table below sets forth the complexity of our products relative to commodity chemicals and regular specialty chemicals.

Parameter	Commodity Chemicals	Regular Speciality Chemicals	Shiva Pharmachem Speciality Chemicals
Blended Price	₹200-300 per kg	₹400-700 per kg	₹600 to ₹3,000 per kg
Steps in the manufacturing process	1-2	2-3	4-5
Number of stages remaining until active ingredients are produced	n-10 and upwards	n-6 till n-9	Active ingredients till n-4

Note: "n" is the number of steps involved in the final formulation of the active ingredient or intermediate from the raw material. (Source: F&S Report, August 2023).

Our product lines include aliphatic and aromatic chlorides, aliphatic and aromatic nitriles, aloxy ketones, herbicide safeners, thiocarbamates, chloroformates and isocyanates. Our products have diversified applications in agrochemicals, performance materials, disinfectants, pharmaceuticals, polymers, cosmetics and others. In Fiscal 2023, we offered over 100 specialized products, all of which have been developed using our own inhouse technology.

The table below sets forth our major product categories, their application and our market position in India.

Products	Industry Applications	Company India Market Position (Share) in CY 2022 [(1)]
Acid chlorides	Pharmaceuticals, polymers, agrochemicals	Largest player 49%-52%
Aromatic carbonyl chloride	Organic chemicals, polycarbonate resins, dyestuffs, and isocyanates polyurethane resins	Largest player 32%-34%
Aliphatic carbonyl chloride	Household cosmetics, chemicals, pesticides, fuels, essential oils	Largest player 32%-34%
Aromatic and Fluoro Nitriles	Polymers, pharmaceuticals, agrochemicals, personal care, adhesives and sealants	- 7%-9%
Fluoro Aromatic Amines	Polymers, pharmaceuticals, agrochemicals, personal care	- 7%-10%

[(1)] Source: F&S Report, August 2023. Market shares are by volume, and Frost & Sullivan market share estimation has been done based on annual reports and primary validations.

The table below sets forth our major products, their application, our market position globally and our market position in India.

Products	Industry Applications	Company Global Market Position (Share) in CY 2022 (1)	Company India Market Position (Share) in CY 2022 [(1)]
2-Cyano Phenol	Pesticide and disinfectant used in pharmaceuticals and agrochemicals	24%-27%	Not present
Cloquintocet Mexyl (“CQML”)	Herbicide safener used in agrochemicals and pharmaceuticals	Largest manufacturer 25%-28%	Largest player
Dichlorophenyl isocyanate (“DCPI”)	Advanced intermediate used in pharmaceuticals, cosmetics and agrochemicals	8%-10%	Not present
Diuron (“DCMU”)	Algaecide and herbicide	4%-7%	-
Isophthaloyl Chloride (“ICL”)	Wide variety of polymers, pharmaceuticals and agrochemicals	3%-5%	Second largest player
Octanoyl Chloride (“OCC”)	Polymer, adhesives, pharmaceuticals, agrochemicals	3%-5%	Market leadership
Para Chloro Meta Xylenol (“PCMX”)	Healthcare, personal care and cosmetics, antiseptics and disinfectants	Largest manufacturer 40%-42%	Largest player
Pivaloyl Chloride (“PVCL”)	Reactive medical intermediate for polymers, insecticides, herbicides. Used in pharmaceuticals, and agrochemicals	2%-4%	Only manufacturer
Terephthaloyl Chloride (“TPCL”)	Synthetic fibers such as Kevlar. Also has automotive, aerospace and defense uses	2%-4%	Second largest player

[(1)] Source: F&S Report, August 2023. Market shares are by volume, and Frost & Sullivan market share estimation has been done based on annual reports and primary validations.

We have achieved our strong market positions through our inhouse product and process R&D with the help of robust design and process development technology.

There are strong and sustainable entry barriers in our chemical products which include:

- ***Technology***: We developed in-house technology for all of our products including bulk acid chlorides and specialty chemicals that enables us to enjoy strategic positioning amongst reputed customers. We have dedicated as well as multi-purpose state-of-the-art plants with multi step synthesis for various chemistries. In Fiscal 2023, we offered over 100 specialized products, all of which have been developed using their own in-house technology.

- ***Complex Chemistry***: We have established operations and have experience in handling hazardous chemistries like chlorination and vapour phase reactions at high temperatures of 400 ºC and above. We have over 15 complex chemistry capabilities for manufacturing different type of product groups.

- ***Integration:*** We enjoy the distinct advantage of being backward integrated for most of our products owing to our strategic location in the chlor-alkali belt of Gujarat. We have our own thionyl chloride plant with a byproduct reuse facility to ensure sustainability. We use chlorine gas as a raw material and receives it via a pipeline for supply to its operations, a highly safe process.

- ***Transportation and Storage - Price Competitiveness***: We have dedicated storage tank farms for bulk storage of raw materials and finished goods, which helps us provide a competitive offering. Further, we own a fleet of 189 ISO containers that are dedicated to individual products to ensure that quality product is delivered to customers.

- ***Client Base***: We have a diverse customer base with reputed clients based in North America and Europe. Our customer base included 181 multinational and domestic companies in Fiscal 2023.

- ***Scale***: The sale of our operations enables us with economies and pose a commercial and operational barrier to new entrants.

- ***Seasonality of products/Industry***: The industry exhibits a certain degree of seasonality. However, we have a diversified product portfolio and cater to different end-segments. Additionally, with a multi-product plant capability, seasonality impact on our revenue is minimised.
  (Source: F&S Report, August 2023).

Focus on R&D and technology, automation and innovation

R&D has been critical to our success by allowing us to develop complex chemistries, cost effective and ecofriendly processes, advanced and complex intermediates and new products to fulfill our customers' requirements. We have developed in-house technology for all our products including bulk acid chlorides and specialty chemicals that has enabled us to enjoy strategic positioning amongst our reputed customers. *(Source: F&S Report, August 2023).* Our R&D caters to research-oriented projects which aim to bring out new and better products as per the market requirements. Our R&D also drives our portfolio expansion with a time-bound product development and scale-up process.

We have a R&D centre at our Luna (Gujarat) facility. We also have a R&D centre at our Sajóbábony facility in Hungary. Our R&D centres are equipped with advanced instrumentation like high-performance liquid chromatography, gas chromatography, ultraviolet–visible absorption spectroscopy, Karl Fischer titration, tintometers and infrared spectroscopy.

As of March 31, 2023, we had a team of 54 R&D staff including six PhDs. With a view to further strengthen our R&D capabilities, we continuously look to recruit and appoint scientists of varied experience and expertise at our R&D laboratory with an objective to successfully implement our strategy of early identification of development and manufacturing opportunities.

We adopted philosophy of in-house and indigenous product and process development with the help of robust design and process development protocols. Initially, we focused on chlorination of acid and alcohols by thionyl chloride and subsequently developed competencies in alkylation, acylation, hydrogenation, esterification, oxidation, cyclisation, chlorination by phosgene and molecular chlorine, sulphonation, condensation, Hoffmann reaction / rearrangement, amidation, acid / alkaline hydrolysis, aliphatic / aromatic nitrile formation and vapor phase catalytic reactions.

We have a pilot plant at our Dahej SEZ facility which acts as a bridge between R&D trials and commercial production, allowing us to deliver quality product. Our pilot plant encompasses multiple reactors and related critical equipment.
R&D has played a key role in the expansion of our product portfolio. We have launched 20 new products since April 1, 2019 and set forth below, among others, are some of such products.

New Product	Application	Launch Year
3-Chloro Pivaloyl Chloride	Agrochemicals, oil additives, polymers	2020
2,6-Difluoroaniline	Agrochemicals; pharmaceuticals	2022
2,6-Difluorobenzamide	Agrochemicals	2022

For information about new products that we are developing, see below "*Our Strategies - Expand our existing product portfolio*" on page 193.

We also have a dedicated project department, which has an in-depth understanding of the process and design of our plants according to the process and product requirements and in terms of quality, quantity, environment, health and safety. Our project team carries out front end engineering design followed by conceptual design and feasibility studies focusing on both technical and environmental and safety aspects within approved budget and timelines. For example, our project team has successfully commissioned our mechanical vapor recompression (MVR) plant, retrofitted older plants like P3, debottlenecked various processes and establish new processes like our continuous distillation process. The expertise of this department has contributed to the success of our operations and sustainability.

Additionally, our manufacturing facilities utilize supervisory control and data acquisition, distributed control systems and basic process control system for process automation. Our automation brings reliability, reproducibility of product quality, reduces overhead costs, and brings inherent safety by mitigating exposure to human error and industrial accidents. Our plants and manufacturing operations are facilitated with the required safety equipment.

Diversified, global customer base with longstanding relationships

In Fiscal 2023, our customer base included 181 multinational and domestic companies. In Fiscal 2023, over 80% of our revenue from operations has been generated from Fortune 500 companies globally. *(Source: F&S Report, August 2023).* Selected examples of our clientele include DuPont Specialty Products USA LLC, Godrej Agrovet Limited, Nouryon Functional Chemicals B.V., Reckitt Benckiser (India) Private Limited, SRF Limited and Syngenta Crop Protection AG. We currently have supply contracts with four customers of two to three years duration (some of which have continuous renewal provisions). For our other customers where we do not have such long-term supply contracts, we rely on purchase orders to govern the volume and other terms of our sales of products.

The table below sets forth certain key information about our customers and products for the fiscal years indicated.

Period	Number of new customers in the period	Number of customers served in the period	Number of Countries to which our products are sold outside of India
Fiscal 2021	73	193	22
Fiscal 2022	76	209	20
Fiscal 2023	31	181	22

As of March 31, 2023, we enjoyed relationships in excess of 5 years with 15 of our top 20 customers (of these 15 customers, we enjoyed relationships with 10 of such customers in excess of 10 years and relationships with 5 of such customers in excess of 15 years). Our long-term relationships and ongoing active engagements with customers also allow us to plan our capital expenditure and enhance our ability to benefit from increasing economies of scale.

Select Case Studies of Enhancing Customer Relationships

- We started our customer relationship with an agricultural science company approximately 15 years ago by supplying one product. We started supplying one more product after one year and for last 14 years we were the primary supplier of that product with an evergreen contract for its supply. We have grown this supply from approximately 800 MT/year in Fiscal 2010 to approximately 2,400 MT/year in Fiscal 2023. Our relationship has continued to grow with this customer across other products, and, by Fiscal 2023, we supplied to them with 6 products. We are currently discussing supplying 5 additional products under development.

- We have a large U.S. agrochemical company customer, with which we began an association by supplying a single product. We have grown our product supply from approximately 50 MT/year in Fiscal 2019 to approximately 500 MT/year in Fiscal 2023. We also started supplying another product and have grown our supply of that product to approximately 500 MT/year in Fiscal 2023. We are currently developing certain other products to supply to this customer.

- We have had an 8-year association with an U.S. chemicals customer. We supply products to this customer that are used in niche applications for the automotive industry. We have grown our supply from approximately 100 MT/year in Fiscal 2016 to approximately 1,500 MT/year in Fiscal 2023.

- We have a 6-year relationship with a multi-national corporation. We supply chemicals to this customer that are used for speciality fiber. We have grown our supply from approximately 500 MT/year in Fiscal 2018 to approximately 2,500 MT/year in Fiscal 2023.

Our customers are across a number of industry sectors which helps protect our business against downturns in a particular industry. The table below sets forth the split of our revenue based on the industry in which our customers operate for the fiscal years indicated.

Customer Industry	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Agrochemicals	4,755.53	44.05%	4,468.79	43.98%	3,512.84	46.21%
Organic Peroxides	1,745.67	16.17%	1,264.23	12.44%	803.26	10.57%
Pharmaceuticals	1,420.26	13.16%	746.60	7.35%	736.98	9.70%
Polymers	622.49	5.77%	841.24	8.28%	174.19	2.29%
Disinfectants	603.64	5.59%	743.94	7.32%	581.15	7.65%
Performance Materials	404.77	3.75%	876.90	8.63%	463.02	6.09%
Cosmetics	134.41	1.25%	358.26	3.53%	599.30	7.88%
Others	1,107.91	10.26%	859.93	8.46%	730.43	9.61%
Total	**10,794.66**	**100.00%**	**10,159.90**	**100.00%**	**7,601.17**	**100.00%**

We have a diverse customer base of 181 customers. The table below sets forth the revenue from our largest customer, top 10 customers and top 20 customers and their contribution to our revenue from operations for the fiscal years indicated.

(in ₹ millions, except percentages)

Period	Revenue from largest customer	Percentage contributio n of largest customer to revenue from operations	Revenue from top 10 customers	Percentage contribution of top 10 customers to revenue from operations	Revenue from top 20 customers	Percentage contribution of top 20 customers to revenue from operations
Fiscal 2023	1,991.56	18.45%	7,424.20	68.78%	8,688.88	80.49%
Fiscal 2022	1,515.33	14.91%	6,602.21	64.98%	7,897.04	77.73%
Fiscal 2021	1356.09	17.84%	4,634.47	60.97%	5,574.26	73.33%

Our diversified global customer base assists us in reducing our geographic dependence, which helps in mitigating the effects of economic and industry-specific cycles. In Fiscal 2023, we sold our products outside India to 22 countries. Some of the key geographies for our products and services include Germany, the United States, Switzerland, Italy and Mexico. Our major products are registered under REACH, an European Union regulation adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals.

The table below sets forth our revenue from sales in India and outside India by region for the fiscal years indicated.

Country	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
India	2,019.80	18.71%	2,794.88	27.51%	1,806.24	23.76%
Outside India						

Country	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Europe	4,150.98	38.45%	2,870.35	28.25%	2,439.71	32.10%
North America	2,769.96	25.66%	2,478.30	24.39%	1,173.96	15.44%
Asia	551.69	5.11%	766.94	7.55%	965.67	12.70%
Middle East	398.23	3.69%	384.67	3.79%	404.99	5.33%
South America	102.97	0.96%	210.71	2.07%	96.29	1.27%
Others	801.04	7.42%	654.04	6.44%	714.32	9.40%
Total Outside India	**8,774.87**	**81.29%**	**7,365.02**	**72.49%**	**5,794.94**	**76.24%**
Revenue from Operations	**10,794.66**	**100.00%**	**10,159.90**	**100.00%**	**7,601.17**	**100.00%**

Our customer engagements are dependent on us delivering quality products consistently. Our potential customers may require considerable time to approve us as suppliers to ensure that all their quality controls are met and that we meet all their requirements across a variety of jurisdictions and multiple regulators. The lengthy qualification for products, particularly in the agrochemicals, performance chemicals and pharmaceutical industries acts as an entry barrier. *(Source: F&S Report, August 2023).*

Certain of our customers have audited our facilities and manufacturing processes in the past, which enables the continuance of quality of products at our facilities and processes. In addition, in Fiscal 2023, Ecovadis conducted a sustainability assessment and the Hungarian Chemical Industry Association and certain multi-national customers undertook audits of our facilities relating to good manufacturing practices. Due to the resources involved in engaging with new suppliers, customers are less inclined to pursue alternate supply sources. This provides us with an advantage over new entrants that would need to make significant investments and endure a long gestation period with potential customers to effectively compete.

Strategically located manufacturing facilities and well-connected logistics infrastructure

Our manufacturing infrastructure, advanced technologies, logistics and inventory management are key growth drivers for business. Our manufacturing in India and Hungary coupled with our international storage network offer cost and speed of delivery benefits to our customers. *(Source: F&S Report, August 2023).* Our storage network in Europe and USA have helped to reduce lead time substantially. *(Source: F&S Report, August 2023).*

We have three manufacturing facilities, which are located at (i) Luna, Vadodara, Gujarat; (ii) Dahej SEZ, Bharuch, Gujarat; and (iii) Sajóbábony, Hungary. The table below sets forth a description of our manufacturing facilities.

Location	Commissioning Year[(1)]	Plot Area (hectares)	Headcount[(2)]	Proximities	Capacity as of, and for the year ended March 31, 2023[(3)]
Luna, Vadodara	2001	4.03	297	Rail: Vadodara (17kms) Airport: Vadodara (22kms) Port: Hazira (200kms)	• 10,440 MT Acid & Alkyl chlorides
Dahej SEZ	2014	11.05	389	Rail: Bharuch (50kms) Airport: Vadodara (125kms) Port: Hazira (130kms)	• 9,600 MT Acid & Alkyl chlorides • 5,040 MT specialty chemicals and advanced intermediates • 30,000 MT Thionyl chloride
Sajóbábony, Hungary	2008[(4)]	17.4	178	Rail: Onsite Airport: Debrecen (100 kms); Budapest (175km) Port: (Koper, Slovenia/800 kms)	• 2,880 MT Diuron • 2,560 MT 2CP • 1,760MT 3,4DCPI, 3,5DCPI • 2,400MT ECTF

(1) Calendar year of commissioning of the facility.
(2) Permanent employees as of March 31, 2023.
(3) As certified by N.G. Vithalani, Chartered Engineer, by certificate dated August 16, 2023 for the manufacturing facilities located in India and Miklós Trézsi, Chartered Engineer, by certificate dated August 17, 2023 for the manufacturing facility located in Hungary. See "-Manufacturing" on page 198 for further details.
(4) Acquired as part of Scheme III in 2022.

Our Indian facilities are located strategically in India's chlor-alkali belt in Gujarat, which helps us secure an economic supply of chlorine from domestic suppliers. *(Source: F&S Report, August 2023*). Our Indian facilities are also located approximately 200 kms from the Port of Hazira and have access to rail and airport facilities. Our Sajóbábony (Hungary) facility has its own rail station onsite.

Our manufacturing facilities operate both dedicated and multi-purpose plants. Our multipurpose plants have multiple streams catering to a wide range of products where the same stream can be utilized for multiple products providing the flexibility to adjust the production mix as demand changes. Each product is a result of various chemistries and processes applied as per the desired results. Further, our facilities are equipped to handle various batch sizes from sample to commercial quantities.

Our facilities employ advanced technologies and systems, and our reaction capabilities include:

Chlorination	Hydrogenation	Friedel-Crafts
Grignard	Esterification	Cyclization
Hydrolysis	Hoffmann reactions	Condensation
Amidation	Oxidation	Fluorination
Ammoxidation	Vapour phase chlorination	Bromination

Our Luna, Dahej SEZ and Sajóbábony facilities each have been certified ISO 9001: 2015 (management systems), ISO 14001: 2015 (environmental management system) and ISO 45001-2018 (occupational health and safety).

Logistics and inventory control are both important to our margins and to customer satisfaction. We have dedicated storage tank farms for bulk storage of raw materials and finished goods at each of our facilities in India and Hungary. Each of our facilities is also equipped with a warehouse, enabling smooth functioning of our operations. The scale of our facilities allows us to meet large customer orders and produce in bulk to improve our production cost efficiency.

Our backward integration reduces our dependency on external vendors for critical inputs, increasing the viability of our supply chain.

Examples of backward integration of our products include:

- 3,5- Dimethylbenzylcarbinyl acetate– backward integrated from Mesitylene (4 steps);
- Cyclopropane Carbonyl Chloride – backward integrated from Gamma Butyrolactone (7 steps);
- Pentanoyl Chloride – backward integrated from Allyl Alcohol (5 steps);
- 2,6-Dichlorobenzonitrile – backward integrated from 2,6-Dichlorotoluene (4 steps) and forward integrated to 2,6-Difluoroaniline (5 steps);
- Thionyl Chlorides – backward integrated from Sulphur dioxide (1step); and
- Para Chloro Meta Xylenol (White) – Backward integrated from Isophorone (4 steps).

Acid and alkyl chlorides and certain raw materials that we use in production are volatile, hazardous and toxic chemicals. Therefore, handling these chemicals requires a high degree of technical skill and specialized expertise, and operations involving such hazardous chemicals must 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 significant period, which creates entry barriers for new market entrants. In addition, the transportation of acid and alkyl chlorides is also hazardous and requires ISO containers, and we had 189 such containers as of March 31, 2023. Our ISO containers enable efficient freight shipping, provide an advantage of scale at ports, are safer and more reliable in transport, and provide flexibility for exporting our products.

Emphasis on sustainability through company-wide focus on environment, health and safety

We emphasize on sustainability by focusing on environment, health and safety considerations as part of our operations in India and Hungary. Across our manufacturing facilities, we have put in place quality, environment and safety systems for our R&D, manufacturing and logistics to ensure consistent quality, efficacy and safety of our products.

Our products adhere to the quality and safety standards of our international customers. In Fiscal 2023, our Luna (Gujarat) and Dahej SEZ (Gujarat) were each awarded bronze medals and our Sajóbábony (Hungary) facility was awarded a silver medal, by Ecovadis pursuant to its sustainability assessment. Our facilities in India were awarded with a score of 76 and 80, respectively by TFS (Together for Sustainability). We also have been awarded the right to use of “Responsible Care” logo by the Indian Chemical Council and Hungarian Chemical Association for our Indian and Hungarian facilities. In addition, our Luna, Dahej SEZ and Sajóbábony facilities each have been certified ISO 9001: 2015 (management systems), ISO 14001: 2015 (environmental management system) and ISO 45001-2018 (occupational health and safety). Our major products are registered under REACH, which is an European Union regulation adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals. Further, SPL Europe LLC has been awarded for its commitment to health, safety, environment and quality by one of our key customers.

As part of environment and sustainability efforts, we have designed our manufacturing facilities in India to include:

- fully automated sulfur dioxide (SO2) and hydrochloric acid (HCl) recovery processes for our acid chlorides, alkyl chlorides and fatty acid chlorides;
- closed loop technology to recycle SO2 to produce thionyl chloride; and
- backward integration of nitriles, amides and amines so our inhouse raw materials are used to produce products for our customers.

At our Luna and Dahej SEZ facilities, we have effluent treatment plants (“**ETPs**”) with reverse osmosis wastewater recycling and multiple effect evaporators and aerators. Our Luna ETP and our Dahej SEZ ETP are able to treat 6,000 parts per million (“**PPM**”) and 7,000 PPM, respectively of chemical oxygen demand (“**COD**”) influent and deliver less than 2,000 PPM and 250 PPM of COD, respectively, at the outlet. We have also installed efficient scrubbing systems to prevent emission of gaseous waste, rainwater conservation through harvesting and reuse, green areas surrounding the entire plant and stringent efforts on energy conversation.

We prioritize the health and safety of our employees and undertake several initiatives to promote employee health and quality of life. We work to ensure a safe and healthy workplace and provide our employees with the benefits, resources and flexibility to maintain and improve their wellness. As of March 31, 2023 , we had a health, safety and environment team of 72 employees with the responsibility of round-the-clock monitoring of our operations. We train our team to handle any potential incidents with onsite emergency response plans and mock drills.

Strong and consistent financial performance

We have enjoyed steady growth in our revenue from operations, EBITDA and profit after tax in the past three fiscal years.

The table below sets forth some of key financial information and ratios as at, for the years ended, March 31, 2023, March 31, 2022 and March 31, 2021.

(₹ in million, unless mentioned otherwise)

Particulars	As at, or for the fiscal year ended March 31		
	2023	2022	2021
Revenue from Operations	10,794.66	10,159.90	7,601.17
Revenue Growth (%)	6.25	33.66	N.A.
EBITDA	2,041.87	1,597.52	1,408.97
EBITDA Margin (%)	18.92	15.72	18.54
Profit after tax (PAT)	1,166.46	833.20	862.57
PAT Margin (%)	10.66	8.07	11.03
Return on Average Equity (RoAE) (%)	22.88	20.24	22.36
Return on Average Capital Employed (RoACE) (%)	20.34	17.22	18.73

Notes:

(a) NA – Not available since past comparative period is not disclosed in this Draft Red Herring Prospectus.

(b) The above financial information has been extracted or derived from the Restated Consolidated Financial Information.

(c) The method of computation of the above KPIs is set out below:

1. *Revenue from Operations means the Revenue from Operations as appearing in the Restated Consolidated Financial Information*
2. *Revenue Growth (%) is calculated as Revenue from operations for the current year minus Revenue from operations for the previous year as a % of Revenue from operations for the previous year.*
3. *EBITDA is calculated as Profit before tax for the year, plus finance costs and depreciation and amortisation expenses, less other income*
4. *EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations*

5. *Profit after tax (PAT) refers to Restated Profit/(Loss) for the year from Continuing Operations as appearing in the Restated Consolidated Financial Information*
6. *PAT Margin (%) is calculated as Profit for the year as a percentage of Total Income*
7. *RoAE is calculated as Restated Profit attributable to owners of the Company divided by Average Equity for the year. Average Equity is calculated as average of the total equity (excluding NCI) at the beginning of the year and at the end of the year*
   Note: For calculation of average equity employed for Fiscal 2021, equity at the beginning of the year has not been considered since it does not form part of Restated Consolidated Financial Information.
8. *RoACE is calculated as Earnings before interest and taxes (EBIT) divided by Average Capital Employed. EBIT is calculated as Profit before tax plus finance costs.*

Experienced Promoters and strong Board and management team

We are led by our Promoters, Mr. Rakesh Shiwebhagwan Agrawal (Non-Executive Chairman), Mr. Vishal Rakesh Agrawal (Managing Director) and Mr. Rahul Rakesh Agrawal (Non-Executive Director) who established the business in 1999 and have more than two decades of experience in the chemical industry.

Our Board of Directors includes a combination of management executives and independent directors who bring in diverse expertise. We believe that the combination of our experienced Board of Directors and our Promoters positions us well to capitalize on future growth opportunities.

Our Promoters and certain of our Key Managerial Personnel and Senior Management have been with us for several years, demonstrating continuity and commitment in our leadership. Our senior management team has played an instrumental role in solidifying customer relationships. We rely on our leadership and management team's guidance to provide us with a competitive advantage as we seek to grow our business.

In addition, we have a dedicated team of scientists and engineers along with technically qualified workforce. We continuously strengthen our technical expertise by providing in-house training to our workforce to diversify their skillsets and keep them updated with the latest changes in manufacturing technologies and processes.

Our Strategies

We have adopted the following key business strategies:

Expand our existing product portfolio

We have consistently sought to diversify our portfolio of products which could cater to our customers across various segments and geographies, and we are well positioned to capitalize on industry opportunities. We intend to continue to strengthen our existing product portfolio in line with our chemical and technology capabilities and further diversify into products with prospects for increased growth and profitability. In addition, we are working towards new products involving complex chemistries like ammoxidation, vapour phase chlorination and oxidation. These are environment friendly and sustainable chemistries that do not generate hazardous waste like spent acids and solid waste.

Our pipeline includes seven new intermediates and specialty chemical products which we plan to commercialize over the next three fiscal years. We believe that these new products will help us improve our wallet share with existing customers and attract new customers as well.

Set forth below, among others, are some of the new products that we expect to launch in the next two to three years.

New Product	Application
Decanenitrile	Agrochemicals
3,5-Dichlorobenzoyl Chloride	Agrochemicals
Cyclopropyl Methyl Ketone	Agrochemicals
2-Fluoro aniline	Agrochemicals
4-Fluoro aniline	Agrochemicals
2-Fluoro phenol	Agrochemicals
4-Fluoro phenol	Agrochemicals; pharmaceuticals
3-Fluoro phenol	Agrochemicals
Cyclohexyl Phenyl Ketone	Polymers
Acid Chlorides product category (for Hungary)	Polymers; pharmaceuticals
Chloroformates product category	Polymers; pharmaceuticals

In addition, as discussed below, we intend to continue to grow our chemistry and technology competencies, which will lead to additional product line developments.

Expand our markets and increase our wallet share with existing customers

In Fiscal 2023, we sold our products to 22 countries outside of India. Some of the key geographies for our products and services include Germany, the United States, Switzerland, Italy and Mexico. We have an international sales and marketing team that is dedicated to generating business orders and understanding the requirements of our customers. We intend to expand our sales network internationally and in India by adding sales teams and sales offices in the Middle East, Africa and the Asia Pacific. We may setup new international subsidiaries as required to support our business outside India as required.

Our future growth depends on expanding our supply chain capabilities. We will continuously seek to increase the penetration of our products by direct marketing targeted at different customer groups and geographies. Our key target geographies are Africa, Middle East, Southeast Asia and Brazil. Further, our focus will be to improve our distribution in India and globally to ensure that we are able to deliver our products to customers in a timely and desired manner.

We also aim to expand our business with our existing customers. In Fiscal 2023, the revenue contribution from our top 10 customers was ₹7,424.20 million (68.78% of our revenue from operations). For more information on the revenue contribution of our top customers, see "*Our Competitive Strengths - Diversified, global customer base with longstanding relationships*" on page 187.

We believe that the long-standing relationships that we have enjoyed with our customers over the years, including repeated and increasing orders from these customers, are an indication of our position as a preferred partner and supplier. We believe that our continuing R&D endeavours and our reputation for quality and timely delivery aided by our international manufacturing and warehousing facilities will help us to increase our wallet share and product portfolio with existing customers. We have built up long-standing relationships with many customers, which we intend to leverage by capitalizing on the cross-selling opportunities that our diversified product portfolio offers.

Expand our existing manufacturing capacities

To cater to the growing demand from our existing customers and to meet requirements of new customers, we intend to expand our manufacturing capacities for existing products. We also intend to add manufacturing capacities for our new products that we are in the process of developing and commercializing.

We intend to expand our capacities in India and Hungary as set forth below:

Products	Capacity as at March 31, 2023 (in MT)	Expansion plan (in MT)	Fiscal Year
India			
Dahej (Acid & Alkyl Chlorides)	9,600.00	5,000	2024
Dahej (Speciality chemicals & advanced intermediates)	5,040.00	5,000	2025-2026
Hungary			
Aliphatic and aromatic carbonyl chlorides	0	4000	2024-2025
Chloroformates	0		
Advanced Intermediates	0	500	2026

Further develop our R&D capabilities

We aim to invest further in our R&D capabilities and to expand our product portfolio, enrich our chemical and technology capabilities and to improve our scalable processes. We intend to develop in-house innovative processes to enhance our diversified product portfolio and reduce production cost. We are developing advanced intermediates (up to n-2 & n-3) for agrochemical and pharmaceutical applications. In addition, we are planning to cater to new applications including polymers, flavors and fragrances. In addition, we are expanding our pilot plant at our Dahej SEZ facility by adding reactors and critical equipment to develop new chemistries like nitration and sulphonation. We are looking to add 12 new scientists and chemical engineers to our R&D team in Luna and Sajóbábony, and recruiting is underway. We are looking to add high pressure reactors, dryers, centrifuges, autoclaves and analytical instruments to our R&D centers. We expect an increased expenditure for R&D in Fiscal

2024 and Fiscal 2025.

Continue to focus on reduction of our operating expenses through asset upgrades

We aim to continue to focus on reduction of our expenses. Our utility costs have risen to ₹1,089.34 million (11.59% of total expenses) in Fiscal 2023 from ₹932.61 million (10.14% of total expenses) in Fiscal 2022 and from ₹449.51 million (6.71% of total expenses) in Fiscal 2021. To reduce our utility expenses going forward, we have installed generators in our manufacturing facilities with operation on diesel in the Luna and Dahej SEZ facilities, and LPG in Sajóbábony facility, which can be sourced at lower costs in Hungary. In addition to electricity, we use biocoal in our Luna and Dahej SEZ facilities to reduce costs. Further, in our Sajóbábony facility, we are installing a new steam boiler system and a hot water center, in both cases to reduce the cost of steam used to run our generators. We are also installing our own transformers in our Sajóbábony facility, which is expected to reduce our electricity consumption. In addition, in our Sajóbábony facility we are replacing our current chilling system, which is expected to improve our efficiency and productivity.

Description of our Business

Our Products and Services

We have over 20 years' experience in the Indian specialty chemicals business and are focused on large scale manufacturing of acid and alkyl chlorides and advanced intermediates involving complex chemistry and multi-step processes (typically 4 to 5 steps). Our business comprises large scale manufacturing of our own specialty chemicals and intermediates that we market domestically and internationally. We have also entered into a confidential disclosure agreement with a flavours and fragrance company in Europe relating to the custom synthesis business. In addition, we are in the process of entering into a confidential disclosure agreement with a global agrochemical company relating to the custom synthesis of two products, and we aim to commence production of these products in Fiscal 2024.

Acid, alkyl chlorides and advanced intermediates

Our product lines include aliphatic and aromatic chlorides, aliphatic and aromatic nitriles, aloxy ketones, herbicide safeners, thiocarbamates, chloroformates and isocyanates. In Fiscal 2023, we offered over 100 specialized products, all of which have been developed using our own in-house technology. Our products have diversified applications in agrochemicals, performance materials, disinfectants, pharmaceuticals, polymers, cosmetics and others.

We adopted philosophy of in-house and indigenous product and process development with the help of robust design and process development protocols. Initially, we focused on chlorination of acid and alcohols by thionyl chloride and subsequently developed competencies in alkylation, acylation, hydrogenation, esterification, oxidation, cyclisation, chlorination by phosgene and molecular chlorine, sulphonation, condensation, Hoffmann reaction / rearrangement, amidation, acid / alkaline hydrolysis, aliphatic / aromatic nitrile formation and vapor phase catalytic reactions.

Product Categories and Products

The table below sets forth our major product categories and products, their launch year, their industry applications and a brief description.

Product	Launch Year	Industry Applications	Description
Product Categories			
Acid chlorides	2001	Pharmaceuticals, polymers, agrochemicals	Compounds that are produced by reacting carboxylic acids with chlorosulfuric, phosphorus trichloride or thiyonyl chloride. Used for anti-fungal and weed-killing pesticides
Aromatic carbonyl chloride	2008	Organic chemicals, polycarbonate resins, dyestuffs, and isocyanates for making polyurethane resins	Type of acid chloride
Aliphatic carbonyl chloride	2001	Household cosmetics,	Type of acid chloride

Product	Launch Year	Industry Applications	Description
		chemicals, pesticides, fuels, essential oils	
Aromatic and Fluoro Nitriles	2021	Polymers, pharmaceuticals, agrochemicals, personal care, adhesives and sealants	Advanced intermediate
Fluoro Aromatic Amines	2022	Polymers, pharmaceuticals, agrochemicals, personal care	Advanced intermediate
Products			
Pivaloyl chloride	2001	Reactive medical intermediate for polymers, insecticides, herbicides. Used in pharmaceuticals, and agrochemicals.	Raw material for preparation of many amides and phenolics.
Diuron (DCMU)	2010	Algaecide and herbicide active ingredient	Herbicide in the urea chemical family that inhibits photosynthesis
2-Cyano Phenol	2008	Pesticide and disinfectant used in pharmaceuticals and agrochemicals	Intermediate to produce some pharmaceuticals (antianginal compounds, anti-malarial agents, antiseptics, disinfectants, etc.), also used as an intermediate to produce some fungicides.
Isophthaloyl Chloride	2010	Wide variety of polymers. pharmaceuticals and agrochemicals use.	Acid chloride and is utilized in a variety of fibres and performance polymers. Due to its capacity to pass through water, it acts as an efficient stabilizer for urethane prepolymers.
Octanoyl Chloride	2015	Polymer/adhesives, used in pharmaceuticals, and agrochemicals.	Colorless and odorless advanced intermediate that reacts with water to form hydrochloric acid and caprylic acid. It reacts with bases, alcohols, water, and oxidizing agents and is also combustible in nature.
Para Chloro Meta Xylenol ("PCMX")	2017	Therapeutic use to the skin for cuts, stings, bites, abrasions, and for use as antiseptic hand cleaner. Used in healthcare, personal care and cosmetics, antiseptics and disinfectants.	Bactericide and preservative with a long established and proven use in controlling mildew, bacterial and fungal growth in a wide range of applications
Terephthaloyl Chloride (TPCL)	2017	Synthetic fibers such as Kevlar. Also has automotive, aerospace and defense use	Used in the preparing liquid crystalline thermosets by thermal cyclotrimerization of di-cyanate compounds of ring substituted bis(4-hydroxyphenyl) terepthalates.
Dichlorophenyl isocyanate (DCPI)	2017	Plastic and polyrubbers, textile dyestuff, polymer auxiliaries, manufacturing of skin cosmetic products. Used in pharmaceuticals, cosmetics, agrochemicals.	Advanced intermediate used in synthesizing herbicides such as diuron, and propanil. Other major applications of this chemical are chemical synthesis, manufacturing of dyestuffs, cosmetics, and polymer auxiliaries.
Cloquintocet Mexyl	2018	Herbicide safener used in agrochemicals and pharmaceuticals.	Herbicide safener to improve crop tolerance and crop immunity. It specifically protects cereals against the harmful effects of herbicides that combat grass insects

Source: F&S Report, August 2023.

Our Customers

We served 181 customers during Fiscal 2023. In Fiscal 2023, over 80% of our revenue from operations has been generated from Fortune 500 companies globally. (*Source: F&S Report, August 2023).* Selected examples of our clientele include DuPont Specialty Products USA LLC, Godrej Agrovet Limited, Nouryon Functional Chemicals B.V., Reckitt Benckiser (India) Private Limited, SRF Limited and Syngenta Crop Protection AG. For further information, see *"Competitive strengths -Diversified, global customer base with longstanding relationships"* beginning on page 187.

The table set forth below provides our revenue from sales in India and outside India by region for the fiscal years indicated.

Country	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
India	2,019.80	18.71%	2,794.88	27.51%	1,806.24	23.76%
Outside India						
Europe	4,150.98	38.45%	2,870.35	28.25%	2,439.71	32.10%
North America	2,769.96	25.66%	2,478.30	24.39%	1,173.96	15.44%
Asia	551.69	5.11%	766.94	7.55%	965.67	12.70%
Middle East	398.23	3.69%	384.67	3.79%	404.99	5.33%
South America	102.97	0.96%	210.71	2.07%	96.29	1.27%
Others	801.04	7.42%	654.04	6.44%	714.32	9.40%
Total Outside India	**8,774.87**	**81.29%**	**7,365.02**	**72.49%**	**5,794.94**	**76.24%**
Revenue from Operations	**10,794.66**	**100.00%**	**10,159.90**	**100.00%**	**7,601.17**	**100.00%**

The table below sets forth the revenue from our largest customer, top 10 customers and top 20 customers and their contribution to our revenue from operations for the fiscal years indicated.

(in ₹ millions, except percentages)

Period	Revenue from largest customer	Percentage contribution of largest customer to revenue from operations	Revenue from top 10 customers	Percentage contribution of top 10 customers to revenue from operations	Revenue from top 20 customers	Percentage contribution of top 20 customers to revenue from operations
Fiscal 2023	1,991.56	18.45%	7,424.20	68.78%	8,688.88	80.49%
Fiscal 2022	1,515.33	14.91%	6,602.21	64.98%	7,897.04	77.73%
Fiscal 2021	1356.09	17.84%	4,634.47	60.97%	5,574.26	73.33%

Customer Agreements

We currently have supply contracts with four customers of two-three years duration (some of which have continuous renewal provisions), which set out the terms in relation to tenure, product specifications, quantities to be supplied in percentage terms of the customers' annual requirement, delivery, payment terms and price, which is typically linked to a formula-based pricing structure. In certain cases, if the pricing requires adjustments due to factors beyond our control, the parties can renegotiate the temporary pricing solution. Further, if the escalation is on account of increasing cost of raw materials up to a certain threshold, the increased amount can be passed on to the customer. However, any unanticipated increase in cost of raw materials beyond certain thresholds would require renegotiation of the terms with respect to pricing and volume. The anticipated total requirements of customers are reviewed annually and most of our customers provide us with non-binding annual forecasts of order volumes basis which we procure raw materials. Within such timelines as prescribed under these agreements, the parties negotiate the final annual commitment and price for the year. The supply contracts are supplemented by purchase orders which set out the quantities, delivery dates and shipping guidelines. Our supply contracts entered may be terminated at the end of their terms or on the basis of the notice provided by the customer to us. Certain supply contracts also specify a lock-in period (up to 12 months), post which the right of termination is effectual. Such terminations, however, is done on mutual discussion between our Company and our customers.

For our other customers where we do not have such long-term supply contracts, we rely on purchase orders to govern the volume and other terms of our sales of products. Many of the purchase orders we receive from our customers specify a price per unit, delivery schedule and incoterms. The purchase orders are typically subject to delivery packaging, quality conditions including, right of buyer to conduct inspection of the delivered products to ensure conformity with the specifications, compliance with international standards such as REACH, or restrictions on sub-contracting any part of the process. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, we are usually able to shift the volume produced to other customers. While some of the customers also have the right to inspect/audit the manufacturing and testing facility and manufacturing processes, we provide warranties to some customers, to the effect that the products will conform to the specifications and standards and in case of a breach, the non-conforming products will be required to be replaced by us, at our cost.

Sales and Marketing

Our business is predominantly conducted on a business-to-business basis and our focus is on maintaining constant contact with customers and to ensure timely delivery. We have a sales and marketing team that is dedicated to taking new orders, quoting rates and aids in understanding the requirements of the customers.

We also regularly take part in trade shows and exhibitions.

Research and Development

R&D is critical to our success. Our R&D caters to research-oriented projects which aim to bring out new and better products as per the market requirements. Our R&D also drives our portfolio expansion with a time-bound product development and scale-up process.

We have a R&D centre at our Luna facility. We also have a R&D centre at our Sajóbábony facility in Hungary. Our R&D centres are equipped with advanced instrumentation like high-performance liquid chromatography, gas chromatography, ultraviolet–visible absorption spectroscopy, Karl Fischer titration, tintometers and infrared spectroscopy.

We have a pilot plant facility at our Dahej SEZ facility which acts as a bridge between R&D trials and commercial production, allowing us to deliver quality product. Our pilot plant encompasses multiple reactors and related critical equipment.

As of March 31, 2023, we had a team of 54 R&D staff including six PhDs. With a view to further strengthen our R&D capabilities, we continuously look to recruit and appoint scientists of varied experience and expertise at our R&D laboratory with an objective to successfully implement our strategy of early identification of development and manufacturing opportunities.

As per our strategy, we intend to continue to strengthen our existing product portfolio in line with our chemical and technology capabilities and further diversify into products with prospects for increased growth and profitability. In addition, we are working towards new products involving complex chemistries like ammoxidation, vapour phase chlorination and oxidation. These are environment friendly and sustainable chemistries that do not generate hazardous waste like spent acids and solid waste.

For more information, see "*Our Strategies - Expand our existing product portfolio*" on page 193. In addition, see "*Our Competitive Strengths – Focus on R&D and technology, automation and innovation*" on page 186.

Manufacturing

We have three manufacturing facilities, which are located at (i) Luna, Vadodara, Gujarat; (ii) Dahej SEZ, Bharuch, Gujarat; and (iii) Sajóbábony, Hungary. The table below sets forth a description of our manufacturing facilities.

Location	Commissioning Year [(1)]	Plot area (hectares)	Headcount of Facility[(2)]	Proximities	Product Lines
Luna, Vadodara (Gujarat)	2001	4.03	297	Rail: Vadodara (17kms) Airport: Vadodara (22kms) Port: Hazira (200kms)	• Acid & alkyl chlorides • Chlorinated acid chlorides • Sulphur dioxide
Dahej SEZ (Gujarat)	2014	11.05	389	Rail: Bharuch (50kms) Airport: Vadodara (125kms) Port: Hazira (130kms)	• Acid & alkyl chlorides • Speciality chemicals & advanced intermediates • Thionyl chloride • Sulphur dioxide
Sajóbábony, (Hungary)	2008(4)	17.4	178	Rail: Onsite Airport: Debrecen (100 kms); Budapest (175km) Port: (Koper, Slovenia/800 kms)	• Phosgene • Aromatic isocyanates and thiochloroformates • Active ingredients • Other chemicals

(1) Calendar year of commissioning of the facility
(2) Permanent employees as of March 31, 2023
(3) Acquired as part of Scheme III in 2022

Our Indian facilities are located strategically in India's chlor-alkali belt in Gujarat, which helps us secure an economic supply of chlorine from domestic suppliers. *(Source: F&S Report, August 2023*). Our Indian facilities are also located near the port of Hazira and have access to rail and airport. Our Sajóbábony (Hungary) facility has its own rail station onsite.

Capacity, Production and Capacity Utilization

The table below sets forth our installed capacity, actual production and utilization for our manufacturing facilities as of, and for the years ended, March 31, 2023, March 31, 2022 and March 31, 2021.

Plant/Product	As of, and for year ended March 31,								
	2023			2022			2021		
	Annual Installed Capacity (in MT)	Annual Actual Production (in MT)	Capacity Utilization (%)	Annual Installed Capacity (in MT)	Annual Actual Production (in MT)	Capacity Utilization (%)	Annual Installed Capacity (in MT)	Annual Actual Production (in MT)	Capacity Utilization (%)
Dahej SEZ									
Acid & alkyl chlorides	9,600.00	6,998.00	72.90%	9,600.00	7,312.84	76.18%	9,600.00	5,349.80	55.73%
Speciality chemicals & advanced intermediates	5,040.00	1,856.00	36.83%	3,360.00	1,642.07	48.87%	3,360.00	798.26	23.76%
Thionyl chloride	30,000.00	18,008.00	60.03%	-	-	-	-	-	-
Sulphur dioxide	5,000.00	2,282.24	45.64%	5,000.00	4,055.82	81.12%	5,000.00	3,814.65	76.29%
Luna									
Acid & alkyl chlorides	10,440.00	7,827.59	74.98%	10,440.00	7,698.21	73.74%	10,440.00	7,108.65	68.09%
Chlorinated acid chlorides	540.00	161.00	29.81%	540.00	458.06	84.83%	540.00	324.83	60.15%
Sulphur dioxide	5,000.00	3,893.30	77.87%	5,000.00	4,134.00	82.68%	5,000.00	3,413.10	68.26%
Sajóbábony									
Diuron	2,880.00	762.00	26.46%	2,880.00	682.00	23.68%	2,880.00	793.00	27.53%
2-Cyano Phenol	2,560.00	2,063.00	80.58%	2,560.00	2,163.00	84.49%	2,560.00	2,442.00	95.39%
3,4 Dichlorophenyl isocyanate 3,5 Dichlorophenyl isocyanate	1,760.00	1,158.12	65.80%	1,760.00	1,171.24	66.55%	1,760.00	1,040.26	59.11%
Ethyl Chlorothioformate	2,400.00	668.00	27.83%	2,400.00	517.00	21.54%	2,400.00	625.00	26.04%
Ethyl ChloroThiocarbamate Molinate, Cycloate	2,240.00	817.00	36.47%	2,240.00	746.00	33.30%	2,240.00	918.00	40.98%
Tert Butyl Isocyanate	384.00	84.50	22.00%	384.00	125.00	32.55%	384.00	58.50	15.23%
Trifloxy Sulfuron	41.60	16.00	38.46%	41.60	6.30	15.14%	41.60	4.50	10.82%

*As certified by N.G. Vithalani, Chartered Engineer, by certificate, dated August 16, 2023, for the manufacturing facilities located in India and Miklós Trézsi, Chartered Engineer, by certificate, dated August 17, 2023, for the manufacturing facility located in Hungary.

Notes:

1. *The information relating to the installed capacity of the manufacturing facility as of the dates included above is based on various assumptions and estimates that include the standard capacity calculation practice of specialty chemicals industry and equipment installed at the facilities. The assumptions and estimates include the number of working days in a year as 365 days.*
2. *The information relating to the actual production at the manufacturing facility as of the dates included above are based on the examination of internal production records, the period during which the manufacturing facility operates in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies.*
3. *See "Risk Factors - Information relating to the installed manufacturing capacity of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary" on page 60.*

Manufacturing Process

Our manufacturing facilities operate both dedicated and multi-purpose plants. Our multipurpose plants have multiple streams catering to a wide range of products, where the same stream can be utilised for multiple products providing the flexibility to adjust the production mix quickly as demand changes. Each product is a result of various chemistries and processes applied as per the desired results.

Our reaction capabilities include:

Chlorination	Hydrogenation	Friedel-Crafts
Grignard	Esterification	Cyclization
Hydrolysis	Hoffmann reactions	Condensation
Amidation	Oxidation	Fluorination
Ammoxidation	Vapour phase chlorination	Bromination

Raw materials are charged continuously/ batch-wise in reactors of suitable capacity and design based on the type of reaction. Other technical parameters such as temperature, pressure and reaction time are maintained based on the type of reaction to be carried out.

When the reaction is complete, the product is analyzed and subjected to further processing, which includes filtration, continuous/ batch distillations, purification processes to get the required quality product. The product is ultimately tested to ensure it meets the applicable specifications before it is supplied to the customer.

Raw Materials

Our major raw materials for the manufacturing processes involve manufacturing, storage and transportation of various hazardous substances such as 3, 3,5 xylenol (for Para Chloro Meta Xylenol); Pivalic acid (for Pivaloyl Chloride); Neodecanoic acid (for Neo Decanoyl Chloride); Caprylic acid (for Octanoyl Chloride); 5-chloro 8-hydroxy quinoline (for Cloquintocet Mexyl); 3,4 / 3,5 Dichloroaniline (for Diuron / 3,5 Dichlorophenyl isocyanate); Dimethylformamide (for 2 Cyano Phenol), Di n Propyl Amine (for Thiocarbamates); Tert butyl amine (for Tert butyl Isocyanate); and Ethylmercaptan, amongst others.

The table below sets forth our cost of raw materials consumed for the fiscal years indicated.

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	₹ million	**% of revenue from operations**	**₹ million**	**% of revenue from operations**	**₹ million**	**% of revenue from operations**
Costs of materials consumed	5,763.54	53.39%	5,358.59	52.74%	4,058.11	53.39%

We are dependent on suppliers outside India for procuring raw materials, in particular on suppliers from Hungary and China. In Fiscal 2023, we had more than 146 suppliers.

The table below sets forth our cost of raw materials purchased from various countries outside India for the fiscal years indicated.

Country	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	₹ million	**% of raw material purchase costs**	**₹ million**	**% of raw material purchase costs**	**₹ million**	**% of raw material purchase costs**
Raw materials purchased from outside India (1)						
Hungary	1,263.59	21.94%	498.29	8.91%	504.55	12.85%
China	942.63	16.36%	772.66	13.82%	919.51	23.43%
Netherlands	387.81	6.73%	626.23	11.20%	470.85	12.00%
Saudi Arabia	208.25	3.62%	239.23	4.28%	0.00	0.00%
Belgium	124.48	2.16%	45.94	0.82%	56.44	1.44%
United States	106.61	1.85%	57.98	1.04%	91.36	2.33%
Japan	91.50	1.59%	149.78	2.68%	53.88	1.37%
Others	434.13	7.54%	920.88	16.47%	658.42	16.78%
Total	3,559.00	61.78%	3,311.00	59.23%	2,755.00	70.19%

(1) Raw materials purchased from outside India have been consumed for manufacturing operations in India and Hungry.

Our raw materials expenditures are denominated in foreign currencies, primarily U.S. Dollar, Euro and Hungarian Forint. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees, particularly the U.S. Dollar, Euro and Hungarian Forint. For further information, see "*Risk Factors- Internal Risks – Financial Risks - Exchange rate fluctuations may adversely affect our results of operations as our sales outside India and a portion of our expenditures are denominated in foreign currencies*" on page 42.

We usually do not enter into long-term supply contracts with our raw material suppliers, and typically source raw materials on a purchase order basis. The terms and conditions of these purchase orders contain provisions related to the supplier's product quantity, pricing, payment and delivery terms. We typically purchase raw materials based on the projected levels of sales, actual sales orders on hand, and the anticipated production requirements, taking into consideration any expected fluctuation in raw material prices and lead time.

The prices of our raw materials are based on, or linked to, the international prices of such raw material and the variations are typically passed on to the customer. Our primary raw materials include derivatives of crude oil. Crude prices globally have been volatile, in particular, due to COVID-19 and the outbreak of hostilities between the Ukraine and Russia. The prices of our key raw materials globally have been volatile since the COVID-19 pandemic and increases in the prices of these materials have an impact on our cost of production.

Logistics

We transport our finished equipment primarily by road and sea. We sell our products on a cost, insurance and freight basis, on a consignee basis and on a door delivery or delivery duty paid basis. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our manufacturing facilities. We do not own any vehicles for the transportation of our products and/or raw materials; we therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. However, we do not have any long-term contractual arrangements with such third-party transportation and logistics providers. Disruptions of logistics could impair our ability to procure raw materials and/or deliver our products on time.
Where we are responsible for shipping the products to the customer, our freight forwarders arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our custom house agents handle the requisite clearance procedures. For exports, our freight forwarders co-ordinate with the shipping line to file and release the necessary bills of lading.

In addition, the transportation of acid and alkyl chlorides is also hazardous and requires ISO containers, and we had 189 such containers as of March 31, 2023. Our ISO containers enable more efficient freight shipping, provide an advantage of scale at ports, are safer and reliable in transport, and provide flexibility for exporting our products.

The table below sets forth our expenses for freight (inward and outward) and such expenses as a percentage of revenue from operations for the fiscal years indicated.

Expenses	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Freight (inward and outward)	165.35	1.53%	248.81	2.45%	217.41	2.86%

We have dedicated storage tank farms for bulk storage of raw materials and finished goods at each of our facilities. Each of our facilities is also equipped with a warehouse, enabling smooth functioning of our operations. Our inventory levels are planned based on existing and expected orders, which are confirmed due to our long-standing relationships with customers. We maintain a lead-time material requirement planning system and utilize our enterprise resource planning software to manage our levels of inventory on a real-time basis.

Inventory Management

We maintain high inventory levels of raw material requirements for the manufacture of the products. We use our enterprise resource planning software to evaluate our inventory balances of materials based on shelf life, expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix. The inventory of finished products is typically based on a combination of confirmed and expected orders, as well as a projected annual forecast from customers. Our inventory for finished goods is only available from 25 to 33 days as the products are manufactured based on the orders received. Our working capital management is done considering all these factors.

The table below sets forth our inventory turnover ratio and our net working capital as at the periods indicated.

Particulars	As at March 31,		
	2023	2022	2021
Inventory Turnover Ratio	3.23	3.88	3.10
Net Working Capital (in ₹ millions)	170.75	386.25	969.35

Utilities

We consume a substantial amount of water and power for our operations at our Luna and Dahej SEZ facilities, which is sourced through the local state power grid.

To reduce our utility expenses going forward, we have installed generators in our Sajóbábony manufacturing facilities with operation on LPG, which can be sourced at lower costs in Hungary. In addition to electricity, we use bio coal in our Luna and Dahej SEZ facilities to reduce costs. Further, in our Sajóbábony operation, we are installing a new steam boiler system and a hot water center, in both cases to reduce the cost of steam used to run our generators. We are also installing our own transformers in our Sajóbábony operation, which is expected to reduce our electricity consumption.

The table below sets forth our utilities expenses and such utilities expenses as percentage of revenue from operations for the fiscal years indicated.

Expenses	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Utilities	1,089.34	10.09%	932.61	9.18%	449.51	5.91%

Quality Control and Quality Assurance

Across our manufacturing facilities, we have established a quality management system that cover all areas of our business processes from manufacturing, supply chain to product delivery to ensure consistent quality, efficacy and safety of products. Through our internal audits, we ensure that our manufacturing facilities comply with regulatory requirements. Our manufacturing facilities are equipped with testing facilities such as high-performance liquid chromatography, gas chromatogram with packed capillary columns, fourier-transform infrared (FTIR) spectrometers and ultraviolet–visible spectrophotometers.

Our products adhere to customer quality requirements. Our products go through various quality checks at various stages including random sampling check and quality check internally. Certain of our key customers have audited our facilities and manufacturing processes in the past, which enables the continuance of quality of our facility and processes. Our Luna, Dahej SEZ and Sajóbábony facilities each have been certified ISO 9001:2015 for our quality management system and GMP in India.

We perform quality check to monitor product quality during manufacturing process. Final finished products are tested as per the predetermined quality specifications before release in the market. The manufactured product is subject to our quality control and testing functions, comprising different levels of testing to test the physical properties, purity and quality of the end products to ensure traceability and repeatability. Our employees are required to undergo training programs designed to update them on the latest quality norms and standards periodically.

The table below sets forth our cost of the products returned and rejected for the fiscal years indicated.

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Returns and rejections	52.23	0.48%	50.13	0.49%	55.28	0.73%

Health, Safety and Environment

We are subject to national, regional and state laws and government regulations in India and to EU and Hungarian laws relating to safety, health and environmental protection. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We 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.

As part of environment and sustainability efforts, we have designed our Luna and Dahej SEZ facilities to include:

- fully automated sulfur dioxide (SO2) and hydrochloric acid (HCl) recovery processes for our acid chlorides, alkyl chlorides and fatty acid chlorides;

- closed loop technology to recycle SO2 to produce thionyl chloride; and

- backward integration of nitriles, amides and amines so our inhouse raw materials are used to produce products for our customers.

At our Luna facility and Dahej SEZ facility, we have ETPs with reverse osmosis (RO) wastewater recycling and multiple effect evaporators (MEE) and aerators. Our Luna ETP and our Dahej SEZ ETP are able to treat 6,000 PPM and 7,000 PPM, respectively of COD influent and deliver less than 2,000 PPM and 250 PPM of COD, respectively at the outlet. We have also installed efficient scrubbing systems to prevent emission of gaseous waste, rainwater conservation through harvesting and reuse, green areas surrounding the entire plant and stringent efforts on energy conversation.

We prioritize the health and safety of our employees and undertake several initiatives to promote employee health and quality of life. We work to ensure a safe and healthy workplace and provide our employees with the benefits, resources and flexibility to maintain and improve their wellness.

As of March 31, 2023 , we had a health, safety and environment team of 72 employees with the responsibility of round-the-clock monitoring of our operations. We train our team to handle any potential incidents with onsite emergency response plans and mock drills.

For further information, see *"Competitive strengths - Emphasis on sustainability through company-wide focus on environment, health and safety "* beginning on page 191.

Information Technology

Our IT systems are vital to our business, and we have adopted IT policies to assist us in our operations. The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements, maintaining secure enterprise operations. We utilize an enterprise resource planning solution, SAP, which assists us with various business functions including materials management, inventory management, production planning, quality management, plant maintenance, finance and controlling, environment health and safety, and human resources.

In our Indian facilities, we utilise a standalone laboratory software.

Information security and disaster recovery

Information security is one of the key focus areas. We aim to protect data through:

- Antivirus software for protection against malicious threats and leakage of confidential data
- Sophos firewall for protection of our internal network; and
- Anti-virus policy to develop and implement systems and procedures for the protection of our IT system .

For disaster recovery and backup, we have an on-premises DR server of our cloud base enterprise resource planning software system. We also have local server backup on a daily basis.

For information on the risk to our IT systems, see "*Risk Factors – Internal Risks – Other Risks - Failure or disruption of our IT, manufacturing automation systems and/or enterprise resource planning systems may adversely affect our business, financial condition and results of operations*" on page 58.

Insurance

Our operations are subject to risks inherent as a specialty chemicals manufacturer, which include liability for product and/or property damage, malfunctions and failures of manufacturing equipment, fire, explosions, loss-in-transit for our products, accidents, personal injury or death, environmental pollution and natural disasters. We maintain insurance coverage that we consider necessary for our business. We maintain an insurance policy that insures against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown. We also maintain a marine cargo insurance policy that insures consignments of goods by sea and by courier until delivery to the customer's warehouse and inland movement of bulk cargo in road tankers. In addition, we maintain commercial general liability insurance that covers liability in claims for bodily injury (and medical payments), property damage, and personal and accidental injury. We, however, have not taken insurance to protect against all risk and liabilities. For example, we do not have key man insurance, and we do not take insurance for potential product liability claims.

The table below sets forth particulars of our insurance coverage on a consolidated basis as at the dates indicated.

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Insured Assets (₹ million)	6,762.55	6,415.05	5,697.32
Insured Assets as % of fixed assets (gross block less land cost) and inventory	72.53%	74.55%	72.75%

Competition

The speciality chemicals industry presents significant entry barriers, including customer validation and approvals, expectation from customers for process innovation and cost reduction, high quality standards and stringent specifications. Our competition varies by market, geographic areas and type of product. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. We face competition from domestic as well as international manufacturers, principally in China, Europe and North America. We compete primarily on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of our customer relationships. For more information about our industry, see "*Industry Overview*" on page 119.

Human Resources/Employees

We place importance on developing our human resources. As of March 31, 2023, our workforce comprised 864 employees, and we utilised the services of 439 contract labourers. Combinations of full-time employees and contract personnel gives us flexibility to run our business efficiently.

The table below sets forth the number of our employees and contract labourers as of March 31, 2023:

Departments / Teams	Number of employees and contract labourers March 31, 2023(1)
Management and administration	121
Services (2)	254
Production/manufacturing	611
Research & development (R&D)	54
Sales and marketing	5
Quality Control	78
Finance and accounts	23
Environmental, health and safety	72
IT	2
Others	83
Total	**1,303**

(1) *Includes 439 who are employed on a contract basis.*

(2) Maintenance, automation and energy supply.

Our work force is a critical factor in maintaining quality, productivity and safety, which strengthens our competitive position. We are committed to provide safe and healthy working conditions. We currently do not have any registered trade unions at any of our facilities.

We offer formal and informal training as well as on-the-job learning. Our responsible care system has three levels of training.

In addition to compensation that includes salary and allowances, our employees receive statutory benefits (including employees provident fund, employees state insurance, pension, retirement and gratuity benefits, workman's compensation, maternity and other benefits, as applicable) and are covered by group personnel accident.

Intellectual Property

We rely on a combination of trade secret and contractual restrictions to protect our intellectual property. We do not own any patents, nor do we have any registered trademarks.

We have acquired and developed and continue to acquire and develop knowledge and expertise, or know-how, and trade secrets in our businesses, including know-how and trade secrets related to proprietary technologies. Our know-how and trade secrets in our businesses have not been patented and may not be patentable, however, they are valuable in that they enhance our ability to provide high-quality products to our customers. See "*Risk Factors – Internal Risks - Legal and Regulatory Risks - We do not own any patents, nor do we have any registered trademarks. We instead rely on a combination of trade secret and contractual restrictions to protect our intellectual property. If we are unable to protect our intellectual property rights, our business, results of operations and financial condition may be adversely affected*" on page 51.

Properties

Offices

Our Registered and Corporate Office is located at 12th Floor, SHIVA, Sarabhai Complex, Dr. Vikram Sarabhai Marg, Vadiwadi, Vadodara – 390 023, Gujarat, India and is leased for a term of 11 months with effect from January 1, 2023 to November 30, 2023, from Geetganga Investment Private Limited, a related party, at a lease rental of ₹375,000 per month. For further information on related party transactions, see "*Internal Risks – Financial Risks - We have in the past entered into related party transactions and may continue to do so in the future*" on page 39.

Other Principal Properties

The table below sets forth details of our material properties as on the date of this Draft Red Herring Prospectus.

Location	Primary Purpose	Owned/ Leased (Expiration)	Lease rental
Dahej SEZ, Bharuch, Gujarat, India	Manufacturing facility	Subleased (expiration October 14, 2040)	₹109.39 million was paid at time of allotment of land. The annual rental is ₹1 per square metre for 110,491.26 sq. metres
Luna EPC Canal Road, plot no 588, Luna, Taluka Padra, Vadodara, Gujarat India	Manufacturing facility	Owned freehold	Not applicable
Sajóbábony, Gyártelep, Hungary	Manufacturing facility and office	Owned freehold	Not applicable

Corporate Social Responsibilities

As per provision of Section 135 of the Companies Act, 2013, we are required to spend at least 2% of the average profits of the preceding three fiscal years towards Corporate Social Responsibility ("**CSR**"). Accordingly, our Board of Directors has constituted a CSR Committee for carrying out the CSR activities.

We have in the past supported CSR implementing agencies who are engaged in the protection of works of arts and promotion and development of traditional art. Additionally, we have contributed for promotion of health care and education, and eradication of hunger.

The table below sets forth the amounts required to be spent on CSR, our actual CSR expenses and our shortfalls for the fiscal years indicated.

CSR Expenses	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	₹ million	**% of revenue from operations**	**₹ million**	**% of revenue from operations**	**₹ million**	**% of revenue from operations**
Amount required to be spent during the year	23.48	0.22	21.49	0.21	15.43	0.20
Actual expenditure related to CSR spent during the year	3.13	0.03	4.51	0.04	7.00	0.09
Shortfall in spending related to CSR activities during the year	20.36	-	1.70	-	0.84	-
Total of previous years shortfalls	10.98	-	2.54	-	1.44	-

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain key statutes, rules and regulations, which are applicable to our Company and our business operations in India.

The information in this section 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 professional legal advice. The indicative summary is based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Taxation statutes such as the Income-tax Act, 1961, the Customs Act 1962, the relevant goods and services tax legislation and relevant state legislations on professional tax apply to us as it does to any other Indian company. For details of government approvals obtained by our Company, see "Government and Other Approvals" on page 407.

Business related legislations

The Explosives Act, 1884 (the "Explosives Act")

The Explosives Act is a comprehensive law which regulates by licensing for the manufacturing, use, possession, sale, transport, export and import of explosives. 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 falls within the purview of the definition of "explosive" 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. Penalty provisions including imprisonment, have been prescribed for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the rules made under the Explosives Act or the conditions of a license granted under the said rules.

The Petroleum Act, 1934 and Petroleum Rules, 2002 ("Petroleum Rules")

The Petroleum Act, 1934 consolidates and amends the laws relating to the import, transport, storage, production, refining and blending of petroleum. The Central Government has prescribed the Petroleum Rules under the Petroleum Act, 1934. Under the Petroleum Rules, any person intending to store furnace oil/petroleum, of such class and in such quantities, otherwise than under a license shall take the approval of the Chief Controller before commencing storage.

Indian Boilers Act, 1923 (the "Boilers Act") and Indian Boiler Regulations, 1950 (the "Boilers Regulations")

The Boilers Act intends to regulate, *inter alia*, the manufacture, possession and use of steam boilers. Under the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use, by the Inspector so appointed by the relevant State Government. In the event of the use of boilers in non-compliance with the Boilers Act, a fine may be imposed on the owner of such boiler and in certain cases, imprisonment as well. The Boilers Regulations provide for, *inter alia*, requirements with respect to materials, construction, safety and testing of boilers.

The Drugs and Cosmetics Act, 1940 ("Drugs and Cosmetics Act"), Drugs and Cosmetics Rules, 1945 ("Drugs and Cosmetics Rules")

Drugs and Cosmetics Act regulates the import, manufacture, distribution and sale of drugs and cosmetics in India including labelling, packing, and testing as well as matters pertaining to drug formulations and its active ingredients. It prohibits the manufacture and sale of certain drugs and cosmetics which are misbranded, adulterated or spurious.

Drugs and Cosmetics Act empowers the Central government to prescribe rules for testing and licensing new drugs. The procedures under the Drugs and Cosmetics Act and the Drugs and Cosmetics Rules provide for obtaining a series of approvals at different stages of testing drugs before the Drugs Controller, India and/or respective state licensing authority which grants the final license to allow the drug to be manufactured and marketed. The Drugs

Control Administration also provides the approval for technical staff, as per the Drugs and Cosmetics Act and Drugs and Cosmetics Rules, for abiding the Good Manufacturing Practices inspection norms as per Schedule M. The Drugs and Cosmetics Rules mandate that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authority.

Gas Cylinder Rules, 2016

The Department of Labour, Government of India has declared compressed gas filled in metallic containers as explosives under Section 17 of the Explosives Act, 1884 within its meaning. The Central Government in exercise of powers under Section 5 and Section 7 of the Explosives Act, 1884 promulgated the Gas Cylinder Rules, 2016 to regulate filling, possession, transport and import of such gases. A person can fill or possess cylinders filled with compressed gas only when they have duly obtained the license from Chief Controller certifying the compliance with the construction standards along with availability of necessary test and inspection certificates. It is further stated that if a compressed gas filling station acts in a manner dangerous and defective to endanger public safety or bodily safety of any person in opinion of Controller, then the Controller can order for such act to be remedied within the period so specified in the order. The licenses can be transferred or amended by Chief Controller on application with fee submitted by the licensee. The license shall be suspended or cancelled if there is any non-compliance with the provisions of Explosives Act, 1884, the Gas Cylinder Rules, 2016 and other rules framed under the said act or the conditions of the license or any order by Central Government.

The Static and Mobile Pressure Vessels (Unfired) Rules 2016 ("SMPV Rules")

The Central Government in exercise of powers under Section 5 and Section 7 of the Explosives Act, 1884 promulgated the SMPV Rules, which regulate the manufacture, filling, delivery, import, modification and repair of pressure vessels. Under the SMPV Rules, licenses are required to be obtained for storage and transportation of compressed gas. The SMPV Rules also prescribe conditions under which the licenses can be amended, renewed, suspended or cancelled

The Legal Metrology Act, 2009 (the "Legal Metrology Act") and Legal Metrology (Packaged Commodities) Rules, 2011 (the "Packaged Commodities Rules")

The Legal Metrology Act replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standard weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) allowing the companies to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act. Any non-compliance or violation of the provisions of the Legal Metrology Act may result in, among others, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Packaged Commodities Rules were framed under section 52(2) (j) and (q) of the Legal Metrology Act which lays down specific provisions applicable to packages intended for retail sale, wholesale and for export and import and also regulate pre-packaged commodities in India, *inter alia*, mandating certain labelling requirements prior to sale of such commodities. Legal Metrology (Packaged Commodities) Amendment Rules, 2017 ("**Amendment Rules**") notified on June 23, 2017 have introduced important amendments to the Packaged Commodity Rules. The key provisions of the Amendment Rules are regarding the size of declarations on the label, declaration on e-commerce platforms, declaration of name and address of the manufacturer and fine for contravention.

Solvent, Raffinate and Slop (Acquisition, Sale, Storage and Prevention of use in Automobile) Order, 2000 ("SRS Order")

The SRS Order has been notified by the Central Government under the Essential Commodities Act, 1955. "Solvent" is defined as volatile fractions derived directly or indirectly from petroleum or coal, such as single hydrocarbon components like propane, benzene, toluene, xylene etc, or narrow or wide boiling ranges of hydrocarbon. Section 3 of the SRS Order restricts the acquisition, storage and sale of such solvents, unless a license is obtained from State Government or the district magistrate.

The Gujarat Prohibition Act, 1949 ("Gujarat Prohibition Act")

The Gujarat Prohibition Act which applies to the entire State of Gujarat, aims to prohibit the sale of alcohol without obtaining a license in terms of its provisions. The licenses provided under the Gujarat Prohibition Act can be suspended or cancelled in terms of Section 54 or 56 of the Gujarat Prohibition Act. The Gujarat Prohibition Act prohibits any person to keep in his possession denatured spirit in excess of prescribed limit except pursuant to obtaining a permit granted by an officer empowered by the Government of Gujarat. Any possession, transportation, sale or purchase of an intoxicant in contravention of the Gujarat Prohibition Act is punishable with imprisonment up to ten years and fine up to five lakh rupees.

Foreign Trade (Development and Regulation) Act, 1992 (the "Foreign Trade Act")

The foreign policy of India is governed and regulated by the Foreign Trade Act. The Foreign Trade Act, read with the applicable provisions of the Indian Foreign Trade Policy 2023, has empowered the Central Government to make provisions for the development as well as regulation of foreign trade by way of facilitating imports into as well as augmenting exports from the country and in all the other matters related to foreign trade. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The principal objectives include the facilitation of sustain growth as to the exports of the country, the distribution of quality goods and services to the domestic consumer at internationally competitive prices, stimulation of sustained economic growth by providing access to essential raw materials as well as enhancement of technological strength, industry as well as services and improvement of their competitiveness to meet all kinds of requirement of the global markets. The Foreign Trade Act requires every importer as well as exporter to obtain the Importer Exporter Code Number ("**IEC**") from the Director-General or the authorized officer. The Director General is authorised to suspend or cancel IEC in case of (i) contravention by any person any of the provisions of the Foreign Trade Act or any rules or orders made thereunder or the foreign trade policy or any other law for the time being in force relating to Central excise or customs or foreign exchange or person has committed any other economic offence under any other law for the time being in force as may be specified by the Central Government or (ii) making an export or import in a manner prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or has brought disrepute to the credit or the goods of, or services or technology provided from, the country; or (iii) importing or exporting specified goods or services or technology, in contravention of any provision of the Foreign Trade Act or any rules or orders made thereunder or the foreign trade policy. Where any IEC number granted to a person has been suspended or cancelled, the person shall not be entitled to import or export any goods or services or technology except under a special licence, granted by the Director General to that person in a manner and subject to conditions as may be prescribed.

Special Economic Zones Act, 2005 (the "SEZ Act")

The SEZ Act has been enacted for establishment, development, and management of special economic zones for the promotion of exports. A special economic zone may be established under the SEZ Act, either jointly or severally by the Central Government, State Governments or any person for manufacture of goods or rendering services or for both or as a free trade and warehousing zone. Per the provisions of the SEZ Act, any goods or services exported out or imported into or procured from the whole of India (excluding the special economic zones) by a unit in a special economic zone or a developer shall be exempt from payment of taxes, duties and cesses under various enactments prescribed under the SEZ Act. Central Government is also vested with the power to establish a Board of Approval ("**BOA**"). The BOA is responsible to promote and ensure orderly development of the special economic zones. The BOA has the authority to suspend the letter of approval granted to the developer by the Central government in case the developer is, *inter alia*, unable to discharge its functions or has persistently defaulted with the directions of the BOA or has violated the terms and conditions of the letter of approval. The units in the special economic zones are subject to inspections that can be conducted by agency or officers as appointed by the Central Government.

Environmental legislations

Environment (Protection) Act, 1986 (the "EP Act"), Environment (Protection) Rules, 1986 (the "EP Rules") and Environmental Impact Assessment Notification, 2006 ("EIA Notification")

The EP Act has been enacted for the protection and improvement of the environment. EP Act empowers the government to take all measures to protect and improve the quality of environment, such as by laying down standards for emission and discharge of pollutants, providing for restrictions regarding areas where industries may operate and laying down safeguards for handling hazardous substances, amongst others. It is in the form of an umbrella legislation designed to provide a framework for Central Government to coordinate the activities of various central and state authorities established under previous laws. It is also in the form of an enabling law, which delegates wide powers to the executive to enable bureaucrats to frame necessary rules and regulations. Further, the EP Rules specify, *inter alia*, the standards for emission or discharge of environmental pollutants, restrictions on the location of industries and restrictions on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. It is a specialised piece of legislation which was enacted to take appropriate steps for the preservation of natural resources of the earth, which among other things include the preservation of the quality of air and control of air pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board. Further, such an industrial plant shall not be permitted to emit air pollutants in excess of the standards laid down by the state pollution control board.

Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act was enacted to control and prevent water pollution and for maintaining or restoring of wholesomeness of water in the country. The Water Act provides for the establishment of Pollution Control Boards ("**PCBs**") at Central and State levels to establish and enforce standards for discharging pollutants into water bodies. Further, any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state PCB.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term "hazardous waste" has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an "occupier". Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

The 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.

The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996 ("Chemical Accidents Rules")

The Chemical Accidents Rules, formulated pursuant to the provisions of the EPA, seek to manage the occurrence of chemical accidents, by *inter alia*, setting up a central crisis group and a crisis alert system. The functions of the central crisis group *inter alia* include, (i) conducting post-accident analysis of major chemical accidents; (ii) rendering infrastructural help in the event of a chemical accident; and (iii) review district off site emergency plans.

Labour law legislations

The Factories Act, 1948 (the "Factories Act")

The term 'factory', as defined under the Factories Act, means any premises including precincts thereof 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 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 and its renewal. The Factories Act requires the 'occupier' of a factory to ensure the health, safety and welfare of all workers while they are at work in the factory. Further, the 'occupier' of a factory is also required to ensure, *inter alia*, (i) the provision and maintenance of the plant and systems of work in the factory that are safe and without risk to health; (ii) the safe use, handling, storage and transport of articles and substances; (iii) provision of necessary instruction, training and supervision to ensure workers' health and safety; and (iv) safe working environment in the factory. 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 either imprisonment or fine or both.

The Contract Labour (Regulation and Abolition) Act, 1970 (the "CLRA Act")

The CLRA Act has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA Act applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA Act vests the responsibility on the principal employer of an establishment to which the CLRA Act applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA Act applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The principal employer is under an obligation to provide various facilities as provided under the CLRA Act, within a prescribed time period, in case the contractor does not provide such facilities. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

Shops and commercial establishment legislations

The provisions of shops and establishments legislations, as may be applicable in a state in which establishments are set up, regulate the conditions of work and employment and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. All establishments must be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

Other labour law legislations

The various labour and employment related legislations that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

- *The Child Labour (Prohibition and Regulation) Act, 1986*
- *The Employees' Compensation Act, 1923*
- *The Employees' State Insurance Act, 1948*
- *The Employee's Provident Fund and Miscellaneous Provisions Act, 1952*
- *The Equal Remuneration Act, 1976*

- *The Maternity Benefit Act, 1961*
- *The Minimum Wages Act, 1948*
- *The Payment of Gratuity Act, 1972*
- *The Payment of Bonus Act, 1965*
- *The Payment of Wages Act, 1936*
- *The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013*

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

(a) **Code on Wages, 2019***, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.

(b) **Industrial Relations Code, 2020***, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes and simplifies the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

(c) **Code on Social Security, 2020***, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, *inter alia* including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, Building and Other Construction Workers' Welfare Cess Act, 1996 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund Organisation and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.

(d) **The Occupational Safety, Health and Working Conditions Code, 2020***, consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.

**The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020 and The Occupational Safety, Health and Working Conditions Code, 2020 (enacted by the Parliament of India and assented to by the President of India) will come into force as may be notified in the Official Gazette by the Central Government of India, different dates may be appointed for different provisions of the Codes.*

Intellectual property laws

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 permits registration of trademarks for goods and services and prohibits any registration of deceptively similar trademarks or compounds, among others. It also covers infringement of trademarks and falsifying and falsely applying for trademarks.

The Patents Act 1970 ("Patents Act")

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

Other applicable laws

Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 ("CEA Rules")

The CEA Rules have been enacted by the Central Electricity Authority, constituted under Electricity Act, 2003, to provide for measures relating to safety and electric supply. The CEA Rules provide for the general safety requirements pertaining to construction, installation, protection, operation and maintenance of electric supply lines and apparatus. Further, under the CEA Rules, the term 'Installation' is defined as any composite electrical unit used for the purpose of generating, transforming, transmitting, converting, distributing, or utilizing electricity. Such installations must be periodically inspected and tested at intervals not exceeding five years, by the electrical inspector or a supplier directed by the relevant State Government. In case the owner fails to rectify the defects in the installation pointed out in the inspection report, the electrical inspector has the authority to disconnect the electric supply for such installation.

Gujarat Fire Prevention and Life Safety Measures Act, 2013 ("Fire Prevention Act")

The Fire Prevention Act has been enacted by the State of Gujarat to make effective provision for the fire prevention, safety and protection of life and property, in various types of buildings and temporary structures likely to cause a risk of fire. The State Government has the authority to appoint Regional Fire Officers, for each of the fire regions. Every factory or the owner and occupier is required to appoint a fire safety officer having such qualifications as may be prescribed by the State Government. The owners or occupiers are mandated to provide for minimum firefighting and life safety installations and furnish a compliance report, for the fire prevention and life safety measures, to the Regional Fire Officer. Contravention of the provisions of the Fire Prevention Act and rules made there under can attract imposition of fine and imprisonment in certain cases.

The Public Liability Insurance Act, 1991 (the "PLI Act") and Public Liability Insurance Rules, 1991 (the "PLI Rules")

The PLI Act imposes a duty on the 'owner' to take out insurance policies before manufacturing, processing, treating, storing, packaging or transporting hazardous substances, for any damage arising out of an accident involving such hazardous substances. Hazardous substances have been defined under the Environment (Protection) Act and the list has been further enumerated by the government by way of a notification. The penalty for contravention of the provisions of the PLI Act include imprisonment or fine or both. Further, the PLI Rules mandate that the 'owner' contribute towards the environmental relief fund, a sum equal to the premium paid on the insurance policies.

We carry on our operations and business in foreign jurisdictions such as Switzerland, Hungary, and the United States. For further details, see section titled "*Our Business*" section on page 180. Our business and operations in such foreign jurisdictions are and will be subject to applicable local laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as "*Shiva Pharmachem Private Limited*" at Ahmedabad, Gujarat as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated March 18, 1999 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Thereafter, our Company was converted into a public limited company, approved *vide* a shareholders' resolution dated February 18, 2010 pursuant to which the name of our Company was changed to "*Shiva Pharmachem Limited*" and a fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at Ahmedabad on June 30, 2010. Subsequently, the name of our Company was changed to "*SPPL India Limited*" as the Company altered its main object clause by insertion of an object in relation to providing engineering services and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at Ahmedabad on April 1, 2011, approved *vide* a shareholders' resolution dated March 14, 2011. The name of our Company was then changed to its present name "*Shiva Pharmachem Limited*" since our Company decided to discontinue its pursuit of engineering services and focus solely on pharmachem activities. The name change was effected pursuant to a fresh certificate of incorporation consequent upon change of name by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at Ahmedabad dated July 4, 2011, approved *vide* a shareholders' resolution dated June 2, 2011.

Change in the registered office

Except as stated below, there has been no change in the address of our registered office since incorporation:

Effective date of change	Details of change	Reason for change
October 1, 2022	The registered office of our Company was changed from 9th Floor, ABS Towers, Old Padra Road, Vadodara -390 007 Gujarat to 12th Floor, SHIVA, Sarabhai complex, Dr. Vikram Sarabhai Marg, Vadiwadi, Vadodara – 390 023, Gujarat	Administrative convenience

Main objects of our Company

The main objects contained in our Memorandum of Association are as mentioned below:

1. *To manufacture, produce, deal, formulate, process, refine, purify, separate, distill, extract, blend, treat, recover, buy or sell, distribute, export and import and act as consultants in all kinds of organic and inorganic chemicals, perfumery chemicals, cosmetic chemicals, paint chemicals and pigments, drugs chemicals, including intermediates their compounds, derivatives including without limiting the generality of the foregoing.*

2. *To carry on the business of manufactures, importers and exporters, processors, formulators, users, buyers, sellers, stockiest, consultants and suppliers of chemical products of any nature and kind whatsoever including heavy chemicals, petrochemicals, synthetic chemicals organic microbiological and allied chemicals, solvents, intermediate, alkalis, acids, tains, essences, photographic, sizing, chemical preparation and articles of any nature and kind pharmaceutical products.*

3. *To carry on in India or elsewhere the business to design, develop, engineer, program, research and otherwise deal in all respects for providing all kinds of advanced, technological, hi-tech multi-variable and dynamic solutions for the process industry of engineering of all the disciplines with the aid of innovative software applications ·and simulation techniques or otherwise to achieve the end result including imitation, reproduction, replication, modeling, standardization, prototyping, synchronisation, optimization, elucidation, resolution, energy conservation, resource planning, utility functions, value additions, pollution control, cost control and attainment of highest safety standards.*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out as well as business proposed to be carried out by our Company.

Amendments to our Memorandum of Association in the last 10 years

Set out below are the amendments to our Memorandum of Association in the 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution/ effective date	Particulars
July 23, 2018	Adoption of a new set of MoA in exclusion and substitution of the existing MoA by recasting, rearranging and altering the objects clause of the MoA to make it compliant with the Companies Act, 2013
October 8, 2020	Clause V of the MoA was amended to reflect the increase in the authorised share capital from ₹ 70,000,000 consisting of 7,000,000 equity shares of ₹ 10 each to ₹ 80,000,000 consisting of 8,000,000 equity shares of ₹ 10 each pursuant to the Scheme I
February 25, 2022	Clause V of the MoA was amended to reflect the increase and reorganisation of the authorised share capital of our Company, from ₹ 80,000,000 consisting of 8,000,000 equity shares of ₹ 10 each to ₹ 140,000,000 divided into 8,000,000 equity shares of ₹ 10 each and 600,000 preference shares of ₹ 100 each
September 26, 2022	Clause V of the MoA was amended to reflect the increase in the authorised share capital from ₹ 140,000,000 divided into 8,000,000 equity shares of ₹ 10 each and 600,000 preference shares of ₹ 100 each to ₹ 195,000,000 divided into 13,500,000 equity shares of ₹ 10 each and 600,000 preference shares of ₹ 100 each pursuant to Scheme III.
November 12, 2022	Clause V of the MoA was amended to reflect the increase in the authorised share capital from ₹ 195,000,000 divided into 13,500,000 equity shares of ₹ 10 each and 600,000 preference shares of ₹ 100 each to ₹ 280,000,000 divided into 22,000,000 equity shares of ₹ 10 each and 600,000 preference shares of ₹ 100 each
December 13, 2022	Clause V of the MoA was amended to reflect the sub-division in the authorised share capital of our Company, from 22,000,000 equity shares of ₹ 10 each and 600,000 preference shares of ₹ 100 each to 110,000,000 equity shares of ₹ 2 each and 600,000 preference shares of ₹ 100 each
June 29, 2023	Clause V of the MoA was amended to reflect the reclassification in the authorised share capital of our Company, from 110,000,000 equity shares of ₹ 2 each and 600,000 preference shares of ₹ 100 each to 140,000,000 equity shares of ₹ 2 each

Major events and milestones

The table below sets forth the major events and milestones in the history of our Company:

Calendar Year	Particulars
2001	Established an industrial plant at Block No. 588, Luna, Padra, Baroda with a capacity of 100 MT/ month for pivaloyl chloride and 40 MT/ month for chloro pivaloyl chloride.
2008	Capacity expansion at Luna facility in Vadodara, Gujarat by: (i) increasing the capacity of pivaloyl chloride, with the existing capacity of 100MT/ month to 300 MT/ month; and (ii) addition of ten new products
2010	Established a new manufacturing unit in Dahej Special Economic Zone, Dahej, Bharuch
2014	Migrated to SAP service marketplace, an ERP platform
2019	Strategic equity participation by our Company aggregating 1.08 million USD in SPL Europe LLC
2022	Received an amended consolidated consent and authorisation for Dahej facility, Gujarat from GPCB for a new product, Thionyl Chloride with proposed capacity of 30,000 MT/ annum

For further details in relation to launch of key products or services, capacity/facility creation, location of plants or entry in new geographies or exit from existing markets, see sections titled "*Our Business*" and *"Management's Discussion and Analysis of Financial Position and Results of Operations"* on pages 180 and 349, respectively.

Key awards, accreditations or recognitions

Our Company has received the following key awards, accreditations and recognitions:

Calendar Year / Fiscal	Particulars
FY 2007-08	Second award in the large-scale sector for outstanding export performance in inorganic and organic chemicals panel presented by Chemexcil, a basic chemicals, pharmaceuticals and cosmetics export promotion council

Calendar Year / Fiscal	Particulars
FY 2009-10	First award for outstanding export performance in basic inorganic and organic chemicals panel presented by Chemexcil, a basic chemicals, pharmaceuticals and cosmetics export promotion council
FY 2013-14	Second award for outstanding export performance in basic inorganic and organic chemicals panel presented by Chemexcil, a basic chemicals, pharmaceuticals and cosmetics export promotion council
FY 2014-15	First award for outstanding export performance in basic inorganic and organic chemicals panel presented by Chemexcil, a basic chemicals, pharmaceuticals and cosmetics export promotion council
CY 2021	Gold award to the Allied Quality Concepts Team for scoring 70% and above at the ninth Ankleshwar chapter QCFI convention on quality concepts (ACCQC - Virtual)
CY 2022	Gold award to the Allied Quality Concepts Team for scoring 70% and above at the tenth annual convention on quality concepts (ACCQC-2022) organised by Quality Circle Forum of India, Ankleshwar Chapter

Our holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries

For details with respect to our Subsidiaries, see "*Our Subsidiaries*" on page 220.

Our associates or joint ventures

Our Company has no associates or joint ventures as on the date of this Draft Red Herring Prospectus.

Time/cost overrun in setting up projects by our Company

Our Company has not experienced any time or cost overruns in relation to any projects set up by our Company.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/banks

As on the date of this Draft Red Herring Prospectus, there have been no defaults, restructuring or rescheduling of borrowings availed by our Company from financial institutions or banks.

Details of material acquisitions or divestments of business undertaking in the last 10 years

Except as disclosed below in "- *Mergers or amalgamations in the last 10 years"*, our Company has not made any material acquisition or divestments of any business/undertaking in the 10 years preceding the date of this Draft Red Herring Prospectus.

Mergers or amalgamations in the last 10 years

Except as disclosed below, our Company has not undertaken any merger or amalgamation in the 10 years preceding the date of this Draft Red Herring Prospectus:

Composite scheme of arrangement among Tash Investment Private Limited, Geetganga Investment Private Limited, Geetganga Properties Private Limited, our Company and their respective shareholders and creditors

Tash Investment Private Limited ("**TIPL**"), Geetganga Investment Private Limited ("**GIPL**"), Geetganga Properties Private Limited ("**GPPL**"), our Company and their respective shareholders and creditors entered into a scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013, which was approved by the National Company Law Tribunal, Ahmedabad Bench on September 10, 2020 ("**Scheme I**") for the demerger of TIPL by transferring and vesting its: (i) business of investing in shares and other securities of listed as well as unlisted companies (excluding strategic investment in manufacturing companies) ("**Investment Business**") to GIPL; (ii) business of investing in real estate ("**Real Estate Business**") to GPPL; and (iii) amalgamating the business of direct and indirect investment by way of strategic investments in shares and loans or advances to manufacturing companies and connected rights or securities ("**Remaining Business**") to our Company, on a going concern basis and the consequent issue of shares by GIPL, GPPL and our Company towards consideration as set out below:

For every one equity share of ₹10 each of TIPL held by such shareholders whose names were recorded in the register of members of TIPL on the record date:

1. GIPL issued and allotted one fully paid-up equity share of ₹10 each at a premium of ₹700;
2. GPPL issued and allotted one fully paid-up equity share of ₹10 each at a premium of ₹104; and
3. Our Company issued and allotted six fully paid-up equity share of ₹10 each.

The rationale for demergers of the Investment Business and Real Estate Business to GIPL and GPPL, respectively was primarily to separate the strategic investments from investments and further bifurcate the investment activities into real estate and other liquid investments to ensure that each of the legal entities have the risk and return profiles and investment policy which is homogenous. Further, the rationale for the merger of the Remaining Business with our Company was to allow concentrated efforts and focus by senior management towards growing the business by eliminating duplicative communication and burdensome coordination efforts and to achieve synergistic integration and also help in removing the cross holding of shares. Further, in terms of Scheme I, the demergers and amalgamation would enable the respective companies involved to focus on respective specific businesses and shall be beneficial to the members, creditors and employees of each of these companies and in public interest. Moreover, it shall enhance operational flexibility and will enable all companies to have sharp focus, retain and attract best talent and bring better value to stakeholders, thereby accelerating profitable growth and industry recognition in respective areas.

The salient features of Scheme I are:

1. All investments, undertakings, assets and properties, receivables, loans and advances, books, records, files, papers, debts, liabilities, permits, licences, legal proceedings, employees of TIPL engaged in Investment Business, contracts, agreements, amongst others, in relation to the Investment Business of TIPL were transferred and vested in GIPL;

2. All investments, undertakings, assets and properties, receivables, loans and advances, books, records, files, papers, debts, liabilities, permits, licences, legal proceedings, employees of TIPL engaged in Real Estate Business, contracts, agreements, amongst others, in relation to the Real Estate Business of TIPL were transferred and vested in GPPL;

3. All investments, undertakings, assets and properties, receivables, loans and advances, books, records, files, papers, debts, liabilities, permits, licences, legal proceedings, employees of TIPL engaged in Remaining Business, contracts, agreements, amongst others, in relation to the Remaining Business of TIPL were transferred and vested in our Company;

4. Upon Scheme I being effective, TIPL stood dissolved without winding up;

5. Equity shares held by TIPL in GIPL, GPPL and our Company respectively were cancelled; and

6. The authorised share capital of TIPL amounting to ₹ 10,000,000 comprising of 1,000,000 equity shares of ₹ 10 each was consolidated into the authorised capital of our Company.

Scheme I was approved by our Board *vide* its resolution dated November 26, 2019. The appointed date is April 1, 2019. Scheme I was effective from October 8, 2020.

Scheme of arrangement among our Company, Shiva Performance Materials Private Limited and their respective shareholders and creditors

Our Company ("**Demerged Company**"), Shiva Performance Materials Private Limited ("**SPMPL or Resulting Company**") and their respective shareholders and creditors entered into a scheme of arrangement, under Sections 230 to 232 of the Companies Act, 2013, which was approved by the National Company Law Tribunal, Ahmedabad Bench on December 18, 2020 ("**Scheme II**") for the demerger of our Company by transferring and vesting our business of manufacturing polymers and polymer compounds being performance chemicals ("**Performance Business**"), to SPMPL, on a going concern basis and the consequent issue of shares on a proportionate basis. The remaining business, i.e., manufacturing of intermediates for the pharmaceutical and agrochemical industry

("**Pharma and Specialty Chemical Business**") and all the related assets, liabilities and obligations continued to belong to and be vested and managed by our Company.

The objective of the demerger of the Pharma and Specialty Chemical Business and the Performance Business was primarily to separate the two businesses and to enhance operational flexibility as both the businesses address completely different market segments and have very different risk profiles and variables affecting them. Further, in terms of Scheme II, the demerger would enable the respective companies involved to focus on respective specific businesses and shall be beneficial to the members, creditors and employees of each of these companies and in public interest. Moreover, the demerger shall enhance operational flexibility and will enable all companies to have sharp focus, retain and attract best talent and bring better value to stakeholders, thereby accelerating profitable growth and industry recognition in respective areas.

In consideration for the demerger, each shareholder of our Company who was recorded on the register of members of our Company on the record date was allotted one fully paid-up share of ₹10 each of SPMPL, at a premium of ₹47, for every one equity share of face value ₹10 of our Company.

The salient features of Scheme II are:

1. Upon Scheme II being effective, the Performance Business and ancillary and support services together with all the undertakings, assets, properties, investments (direct and indirect) and liabilities of whatsoever nature and kind, and wheresoever situated, of the Demerged Company were transferred to the Resulting Company; and

2. Issuance of equity shares (as per the share entitlement ratio mentioned above) by the Resulting Company to the shareholders of our Company

Scheme II was approved by our Board *vide* its resolution dated November 26, 2019 The appointed date is October 1, 2019. Scheme II was effective from February 1, 2021.

Scheme of arrangement amongst our Company, VR Finechem Private Limited and their respective shareholders and creditors

Our Company and VR Finechem Private Limited ("**VFPL**") and their respective shareholders and creditors have entered into a scheme of arrangement, under Section 230 to 232 of the Companies Act, 2013, which was approved by the National Company Law Tribunal, Ahmedabad Bench on September 26, 2022 ("**Scheme III**") for the merger of VFPL by transferring and vesting of all the assets and liabilities of VFPL into our Company. As consideration, our Company issued and allotted one fully paid-up 8.5%, non-cumulative, compulsorily convertible, unsecured preference share of ₹100 each of our Company, for every 10 equity shares of ₹10 each of VFPL held by any such shareholder whose names were recorded in the register of members of VFPL on the record date. Our Company held potential equity for 76% stake in VFPL by way of call option shares obtained against the loan given to the shareholders to purchase the call shares. VFPL held 60% stake in its subsidiary, SPL Europe LLC, a Hungarian company engaged in manufacturing of agrochemical active ingredients. Our Company also holds 10% directly in the SPL Europe LLC. Pursuant to Scheme III, SPL Europe LLC became a Subsidiary of our Company.

The rationale for Scheme III was, *inter alia* (i) to simplify the corporate structure and reduce the number of layers by eliminating VFPL so that our Company directly holds SPL Europe LLC; (ii) to enable both VFPL and our Company to synergise their efforts and shall be beneficial to members, creditors, employees of both the companies and in public interest and that it shall enhance operational flexibility and enable the companies to have sharp focus, retain best talent and bring better value to the stakeholders, thereby accelerating profitable growth and industry recognition in respective areas; (iii) to help in value creation, lead to economies of scale, increase in financial capacity, enhanced growth prospects, increased market opportunities, gaining competitive edge, access to better technology, broadening product line, concentrated effort, cost savings and focus by the senior management by eliminating duplicative communication and burdensome coordination efforts and to achieve synergistic integration.

The salient features of Scheme III are:

1. VFPL merged/ amalgamated with our Company on a going concern basis;

2. Upon the scheme becoming effective, all assets, liabilities, investments, contracts, arrangements, employees, permits, licenses, records, approvals, etc, of VFPL stand transferred and vested in our Company including transfer of shares held by VFPL into SPL Europe LLC to our Company;
3. Dissolution of VFPL without winding up;
4. Issuance of preference shares i.e., 8.5%, non-cumulative, compulsorily convertible preference shares by our Company to the shareholders of VFPL in consideration of amalgamation;
5. Consolidation of authorised share capital of VFPL into authorised share capital of our Company; and
6. The call option shares held by our Company to acquire the call shares shall be considered as the call option for acquiring preference shares to be issued to relevant shareholders against the call shares.

Scheme III was approved by our Board *vide* its resolution dated August 20, 2021. The appointed date is April 1, 2021. Scheme III is effective from September 30, 2022.

Revaluation of assets in the last 10 years

Our Company has not revalued its assets in the 10 years preceding the date of this Draft Red Herring Prospectus.

Shareholders' agreements

Our Company does not have any subsisting shareholders' agreements.

Inter-se agreements between Shareholders

As on the date of this Draft Red Herring Prospectus, our Company, Promoters and Shareholders do not have any inter-se agreements/ arrangements and clauses / covenants which are material in nature and that there are no other clauses / covenants which are adverse / pre-judicial to the interest of the minority / public shareholders. Also, there are no other agreements, deed of assignments, acquisition agreements, shareholders' agreement, inter-se agreements, agreements of like nature.

Other agreements

Neither our Promoters nor any of the Key Managerial Personnel, Senior Management, 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 dealings in the securities of our Company.

Our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business.

Significant financial and/or strategic partners

Our Company does not have any significant financial and/or strategic partners as on the date of filing this Draft Red Herring Prospectus.

Details of guarantees given to third parties by the Promoters participating in the Offer for Sale

Except as stated below, our Promoter Selling Shareholders have not issued any guarantees to third parties in connection with the financing facilities availed by our Company.

(₹ in million)

Sr. No.	Name of the lender	Name of the Promoter Selling Shareholder	Amount guaranteed	Type of borrowing/facility	Obligations on our Company	Amount outstanding as of March 31, 2023
1.	Standard Chartered Bank	Vishal Rakesh Agrawal*	250.00	Working capital	N.A. .	Nil
2.	Citibank N.A.		500.00	Working capital		390.95
3.	The Federal Bank Ltd		500.00	Working capital		438.45
4.	IDBI Bank Ltd		950.00	Working capital		960.72
5.	HDFC Bank Limited		500.00	Working capital		98.60
6.	HDFC Bank Limited		298.00	Term loan		65.42

Sr. No.	Name of the lender	Name of the Promoter Selling Shareholder	Amount guaranteed	Type of borrowing/facility	Obligations on our Company	Amount outstanding as of March 31, 2023
7.	HDFC Bank Limited		300.00	Term loan		127.27
Total			**3,298.00**			**2,081.41**

**Rakesh Shiwebhagwan Agrawal is also a co-guarantor for all the above-mentioned facilities availed by our Company.*

These guarantees are in the nature of personal guarantees and have been issued in connection with the financing facilities availed by our Company. The abovementioned guarantees are typically effective for a period till the underlying loan is repaid by our Company. The financial implications in case of default by our Company under the relevant facility agreements, would entitle the lenders to invoke the personal guarantees by our Promoter to the extent of outstanding loan amounts including the interest amount, commission and all charges, costs, expenses incurred by the lender and upon an event of default under the relevant facility agreements. Our Company has not paid any consideration to the Promoter Selling Shareholder for providing these guarantees. The facilities are secured. For further details of the security available see, "*Financial Indebtedness – Principal terms of the borrowings currently availed by our Company and Subsidiaries*" on page 399.

OUR SUBSIDIARIES

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has four Subsidiaries.

Directly held Subsidiaries

Indian

1. Sisley Properties LLP.

Foreign

1. Shiva Pharmachem AG; and
2. SPL Europe Limited Liability Company.

Indirectly held Subsidiary

Foreign

1. Shiva Pharmachem International Inc.

Set out below are the details of our Subsidiaries.

1. Sisley Properties LLP

Corporate information

Sisley Properties LLP was incorporated as a limited liability partnership under the Limited Liability Partnership Act, 2008 pursuant to a certificate of incorporation dated July 15, 2011 issued by the Registrar of Companies, Maharashtra at Mumbai. Its LLP identification number is AAA-5578, and its registered office is situated at 96, Jolly Makers II, Nariman Point, Mumbai, Maharashtra – 400 021, India.

Nature of business

Sisley Properties LLP is authorised to engage in the business of real estate, commissioning residential complexes including commercial complexes and multiplexes, malls, resorts, holiday homes and related properties and leasing out or outright sale of such properties. However, it is currently not involved in any active business.

Capital contribution

The capital contribution of Sisley Properties LLP is ₹117.50 million. The partners' profit/loss sharing ratio of Sisley Properties LLP as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the partner	Capital contribution (in ₹)	Profit/loss sharing (%)
1.	Shiva Pharmachem Limited	117,147,500	99.70
2.	Vishal Rakesh Agrawal	117,500	0.10
3.	Rahul Rakesh Agrawal	117,500	0.10
4.	Ruchika Agrawal	117,500	0.10
Total		**117,500,000**	**100.00**

2. Shiva Pharmachem AG

Corporate information

Shiva Pharmachem AG is a foreign subsidiary and was incorporated as a limited company on August 25, 2014 under the Swiss Code of Obligations. Its registration no. is CHE-247.572.776, and its registered office is situated at Steineggstrasse 32, 8852 Altendorf, Switzerland.

Nature of business

Shiva Pharmachem AG is currently engaged in the business of trading in materials, wherein it sources materials from India and sells them in Europe. It acts as a regional hub for the sale of our Company's products in Europe.

Capital structure

The capital structure of Shiva Pharmachem AG as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	No. of ordinary registered shares of par value of CHF 1 each
Issued and subscribed capital	100,000

Shareholding pattern

The shareholding pattern of Shiva Pharmachem AG as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of ordinary registered shares (of CHF 1 each) held	Percentage of total capital (%)
1.	Shiva Pharmachem Limited	100,000	100.00
Total		**100,000**	**100.00**

3. SPL Europe Limited Liability Company

Corporate information

SPL Europe Limited Liability Company (*also known as SPL Europe Korlátolt Felelősségű Társaság*) ("**SPL Europe LLC**") is a foreign subsidiary and was incorporated as Kischemicals Manufacturing & Mercantile LLC, on December 19, 2007 as a limited liability company under Act V of 2013 on the Civil Code of Hungary. Its registration no. is 05-09-014994, and its registered office is situated at 3792 Sajóbábony, Gyártelep hrsz 024/217, Hungary. Subsequently, its name was changed from Kischemicals Manufacturing & Mercantile LLC to SPL Europe Limited Liability Company with effect from June 1, 2023.

Nature of business

SPL Europe LLC is currently engaged in the manufacturing of pesticides and other agrochemical products.

Capital structure

The capital structure of SPL Europe LLC as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Face value of quotas (in HUF)
Issued and subscribed capital	788,666,667

Shareholding pattern

The shareholding pattern of SPL Europe LLC as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the quotaholder	Number of quotas held	Face value of quotas (in HUF)	Percentage of total capital (%)
1.	Shiva Pharmachem Limited	1	552,066,667	70.00
2.	SPL Europe LLC	1*	236,600,000	30.00
Total			**788,666,667**	**100.00**

* *SPL Europe LLC is in the process of cancellation of the quota held by it, by way of capital reduction. Post cancellation of the quota and further allotment of quota(s) to our Company, our Company will hold 100% issued and subscribed capital of SPL Europe LLC.*

4. Shiva Pharmachem International Inc.

Corporate information

Shiva Pharmachem International Inc. is a foreign subsidiary and was incorporated as a for profit stock corporation on January 1, 2016, under the Delaware General Corporation Law in the U.S. state of Delaware. Its Delaware file no. is 5923532, and its registered office is situated at c/o Accumera LLC, 3500 South Dupont Highway, Dover, Delaware, USA 19901.

Nature of business

Shiva Pharmachem International Inc. is currently engaged in the business of distributing chemicals, manufactured by our Company, in the United States of America. It acts as a regional hub for the sale of our Company's products in the United States of America.

Capital structure

The capital structure of Shiva Pharmachem International Inc. as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Common stock with no par value (number of shares)
Authorised capital	200
Issued and subscribed capital	200

Shareholding pattern

The shareholding pattern of Shiva Pharmachem International Inc. as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Common stock with no par value held (number of shares)	Percentage of total capital (%)
1.	Shiva Pharmachem AG	200	100.00
Total		**200**	**100.00**

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of our Subsidiaries, which are not accounted for by our Company.

Common pursuits

While our Subsidiaries, Shiva Pharmachem AG and Shiva Pharmachem International Inc. act as regional hubs for the sale of our Company's products in Europe and the United States of America, respectively, and have common pursuits *vis-a-vis* our Company, we do not perceive any conflict of interest with our Subsidiaries as they are controlled by us and service our customers in their respective geographies.

Business interest between our Company and our Subsidiaries

Except as stated in "*Our Business*" and "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 43- Related Party Disclosures*" on pages 180 and 313, respectively, none of our Subsidiaries have any business interest in our Company.

Except as disclosed in "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 43- Related Party Disclosures*", there have been no related business transactions between our Company and our Subsidiaries during the last three Fiscals.

Other confirmations

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, neither have any of our Subsidiaries been refused listing in the last ten years by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

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 fifteen Directors, provided that our Shareholders may appoint more than fifteen Directors after passing a special resolution in a general meeting.

As on the date of this Draft Red Herring Prospectus, we have eight Directors on our Board, of whom four are Independent Directors, including one-woman Independent Director. Our Company is in compliance with the corporate governance requirements 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 on the date of this Draft Red Herring Prospectus:

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
Rakesh Shiwebhagwan Agrawal *Designation*: Non- Executive Chairman *Date of birth*: June 8, 1947 *Address*: 206-207, Ankodiya Road, Khanpur, Sevasi, Vadodara – 391 101, Gujarat, India *Occupation*: Business *Current term*: With effect from November 15, 2022 till September 30, 2024, liable to retire by rotation *Period of directorship*: From March 18, 1999 till June 5, 2000 and thereafter since August 16, 2001 *DIN*: 00057955	76	*Indian companies:* • Ankshree Investments and Trading Company Limited; • Agrawal Vishal Trusteeship Private Limited; • Control Print Limited; • Geetganga Investment Private Limited; • Geetganga Properties Private Limited; • RA Trusteeship Private Limited; • SES Engineering Private Limited; • Shiva Performance Materials Private Limited; • Shiva Performance Solutions Private Limited; • Shiva Performance Speciality Private Limited; • Shri Dinesh Mills Limited; • Sidhan Specialty Chemicals Private Limited; • Styrenics Polymers Private Limited; • Styrenix Performance Materials Limited (*formerly known as INEOS Styrolution India Limited*); • Uttarayan Foundation and Museum for Arts; and • Uttarayan Investment Private Limited *Foreign Companies:* Nil
Vishal Rakesh Agrawal *Designation*: Managing Director *Date of birth*: October 1, 1974 *Address*: S No. 208- 209, Khanpur, Ankodia Road, Vadodara – 391 101, Gujarat, India *Occupation*: Business *Current term*: With effect from April 1, 2021 till September 30, 2025, liable to retire by rotation *Period of directorship*: Since incorporation *DIN*: 00056800	48	*Indian companies:* • Ankshree Investments and Trading Company Limited; • Agrawal Vishal Trusteeship Private Limited; • Geetganga Properties Private Limited; • Rodin Properties Private Limited; • SES Engineering Private Limited; • Shiva Performance Materials Private Limited; • Shiva Performance Solutions Private Limited; • Shiva Performance Speciality Private Limited; • Sidhan Specialty Chemicals Private Limited; • Styrenics Polymers Private Limited; • Styrenix Performance Materials Limited (*formerly known as INEOS Styrolution India Limited*); • Uma Retail Private Limited; • Uttarayan Foundation and Museum for Arts; and • Uttarayan Investment Private Limited

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
		Foreign companies: • Shiva Pharmachem AG; • Shiva Pharmachem International Inc.; and • SPL Europe LLC
Jagmohan Manmohan Zalani *Designation*: Executive Director *Date of birth*: October 13, 1952 *Address*: 28- Snow Pearls Society, Near Nandidham Society, Vasna Road, Vadodara – 390 007, Gujarat, India *Occupation*: Service *Current term*: With effect from October 1, 2022 to September 30, 2023, liable to retire by rotation *Period of directorship*: Since April 1, 2015 *DIN*: 07138481	70	*Indian companies* Nil *Foreign companies* Nil
Rahul Rakesh Agrawal *Designation*: Non-Executive Director *Date of birth*: March 4, 1978 *Address*: 206, 207, Khanpur, Ankodiya Road , Sevasi, Vadodara – 391 101, Gujarat, India *Occupation*: Business *Current term*: With effect from November 9, 2022, liable to retire by rotation *Period of directorship*: Since incorporation *DIN*: 01226996	45	*Indian companies:* • Ankshree Investments and Trading Company Limited; • Geetganga Investment Private Limited; • Geetganga Properties Private Limited; • RA Trusteeship Private Limited; • Rodin Properties Private Limited; • SES Engineering Private Limited; • Shiva Performance Materials Private Limited; • Shiva Performance Solutions Private Limited; • Shiva Performance Speciality Private Limited; • Sidhan Specialty Chemicals Private Limited; • Styrenics Polymers Private Limited; • Styrenix Performance Materials Limited; • Uma Retail Private Limited; • Uttarayan Foundation and Museum for Arts; and • Uttarayan Investment Private Limited; *Foreign companies:* • Shiva Pharmachem International Inc.
Sivaraman Narayanaswami *Designation*: Independent Director *Date of birth*: April 12, 1958 *Address*: Flat No. 43, Tower A, Kalpataru Residency, Sion (East), Mumbai – 400 020, Maharashtra, India. *Occupation*: Service *Current term*: With effect from May 1, 2019 to April 30, 2024 *Period of directorship*: Since May 1, 2019 *DIN*: 00001747	65	*Indian companies* • Allcargo Logistics Limited; • Equirus Capital Private Limited; and • PGIM India Trustees Private Limited *Foreign Companies:* • SPL Europe LLC; and • Shiva Pharmachem AG

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
Prem Kumar Taneja *Designation*: Independent Director *Date of birth*: February 5, 1957 *Address*: TANEJAS, Plot No. 541/1, Sector 8-B, Gandhinagar – 382 007, Gujarat, India *Occupation*: Service *Current term*: Five years with effect from March 30, 2022 to March 29, 2027 *Period of directorship*: Since March 30, 2022 *DIN*: 00010589	66	*Indian companies:* • Gujarat Power Corporation Limited; • Deepak Phenolics Limited; • GU Incubation Innovation Technology and Applied Research Council; and • Styrenix Performance Materials Limited *Foreign companies:* Nil
Rati Ajay Desai *Designation*: Independent Director *Date of birth*: April 24, 1967 *Address*: 15, Nilamber Palms, Off Vasna Bhaili Road, Vadodara- 391410 Gujarat, India *Occupation*: Service *Current term*: Five years with effect from March 1, 2023 to February 29, 2028 *Period of directorship*: Since March 1, 2023 *DIN*: 08535681	56	*Indian companies:* Alembic Limited *Foreign companies:* Nil
Dukhabandhu Rath *Designation*: Independent Director *Date of birth*: November 27, 1960 *Address*: Anandapur, Near Gundicha Mandir, Anandapur, Kendujhar - 758 021, Odisha, India *Occupation*: Senior banker *Current term*: Five years with effect from October 1, 2022 to September 30, 2027 *Period of directorship*: Since October 1, 2022 *DIN*: 08965826	62	*Indian Companies* • Falcon Marine Exports Limited; and • SG Finserve Limited *Foreign Companies:* Nil

Brief profiles of our Directors

Rakesh Shiwebhagwan Agrawal is the Promoter and Non-Executive Chairman of our Company. He holds a degree of bachelor of technology in chemical engineering from Nagpur University and a degree of master of engineering – chemical from Stevens Institute of Technology, New Jersey. He has been associated with our Company since its incorporation. He has several years of experience in chemical and manufacturing industry. He was previously associated with INEOS Styrolution India Limited (*now Styrenix Performance Materials Limited*) as a managing director and is currently appointed as the chairman and executive director in the company. He was also associated with Styrolution ABS (India) Limited (*now Styrenix Performance Materials Limited)* as a consultant.

Vishal Rakesh Agrawal is the Promoter and Managing Director of our Company. He holds a degree of bachelor of engineering from Stevens Institute of Technology, New Jersey. He has been with our Company since incorporation and is currently responsible for overall management of affairs of the Company. He has over 24 years of experience in chemical and manufacturing industry.

Jagmohan Manmohan Zalani is the Executive Director of our Company. He holds a degree of bachelor of engineering in chemical engineering from Ravishankar University, Raipur. He has been with our Company since April 1, 2015. He has several years of experience in chemical, pharmaceutical and plastic industries. He was previously associated with ABS industries Ltd. as a deputy general manager (projects), Lanxess ABS Limited as vice president (projects) and Transpek Industry Ltd. as a senior general manager (operations).

Rahul Rakesh Agrawal is the Promoter and Non-Executive Director, of our Company. He holds a degree of bachelor of science in engineering (chemical engineering) from the University of Michigan and a degree of masters' in business administration from Harvard University, Cambridge. He has been with our Company since its incorporation. He has 24 years of experience in chemical and manufacturing industry.

Sivaraman Narayanaswami is an Independent Director of our Company. He holds a degree of bachelor of commerce from University of Madras. He is an associate member of the Institute of Chartered Accountants of India. He has been with our Company since May 1, 2019. He has over 33 years of experience in financial services. He was previously associated with L&T Finance Holdings as a president and whole-time director and with Larsen & Toubro Limited as a senior vice president (financial services).

Prem Kumar Taneja is an Independent Director of our Company. He holds a degree of bachelor of engineering in the field of electronics and communications engineering from University of Roorkee. He is a retired IAS officer. He has been with our Company since March 30, 2022. He has several years of experience in governance, administration and business management. He was also previously associated with Bhavnagar Energy Company Limited as chairman and Gujarat Institute of Disaster Management as a director general and also with Gujarat Alkalies and Chemicals Limited, Gujarat Narmada Valley Fertilizers and Chemicals Limited, Gujarat State Fertilizers and Chemicals Limited.

Dukhabandhu Rath is an Independent Director of our Company. He holds a degree of bachelor of arts with honours in political science from Utkal University, Vani Vihar, Bhubaneshwar. He has been with our Company since October 1, 2022. He has 37 years of experience in banking and finance. He was previously associated with State Bank of India as a chief general manager and GVFL Limited as a managing director.

Rati Ajay Desai is an Independent Director of our Company. She holds a degree of bachelor of arts from the University of Rajasthan, Jaipur. She has been with our Company since March 1, 2023. She has several years of experience in the field of banking. She was previously associated with The Royal Bank of Scotland N.V. as a vice president in Asia retail & commercial.

Relationship between our Directors

Except as stated below, none of our Directors are related to each other in any manner:

1. Rakesh Shiwebhagwan Agrawal is the father of Vishal Rakesh Agrawal and Rahul Rakesh Agrawal.

2. Vishal Rakesh Agrawal and Rahul Rakesh Agrawal are siblings.

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.

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.

Further, none of our Directors have been identified as Wilful Defaulters or Fraudulent Borrowers as defined under the SEBI ICDR Regulations.

Arrangement or understanding with major Shareholders, customers, suppliers, or others

None of our Directors have been appointed 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

Vishal Rakesh Agrawal

Our Board at their meeting held on March 27, 2021 approved the re-appointment of Vishal Rakesh Agrawal as the Managing Director with effect from April 1, 2021 till September 30, 2025. Our Shareholders have approved such appointment at their extra-ordinary general meeting held on March 31, 2021. The following table sets forth the terms of appointment of Vishal Rakesh Agrawal with effect from April 1, 2021 to September 30, 2023, as revised pursuant to the resolution of the Board in their meeting dated August 20, 2021:

Sr. No	Category	Remuneration
1.	Basic salary	₹2.70 million per month*
2.	Variable pay	As per Board's discretion, subject to a ceiling of ₹ 7.50 million per annum
3.	Perquisites and allowances	House rent allowance of 25% of the basic salary, conveyance allowance, education allowance, payment/reimbursement of telephone including mobile expenses, food coupon, chauffeur driven company car for business and personal use uniform and maintenance allowance, leave travel allowance, medical reimbursements and other benefits and allowances in accordance with the rules of the Company, not exceeding ₹ 2.50 million per month.
4.	Others	Gratuity, superannuation, leave/encashment of leave etc. as per the rules of the Company

**Pursuant to the Shareholders approval dated March 31, 2021, our Board or Committee may determine the salary and grant increase from time to time subject to a ceiling of ₹ 3.50 million per month. Accordingly, the terms of remuneration approved in the Shareholders meeting dated March 31, 2021 was further revised pursuant to resolution passed by the Board at its meeting held on August 20, 2021.*

Jagmohan Manmohan Zalani

Our Board at their meeting held on October 1, 2022 approved the re-appointment of Jagmohan Manmohan Zalani as the Whole-time director designated as Executive Director with effect from October 1, 2022 to September 30, 2023. Our Shareholders have approved such appointment at their extra-ordinary general meeting held on November 12, 2022. The following table sets forth the terms of appointment of Jagmohan Manmohan Zalani, as revised pursuant to the resolution of the Board in their meeting dated October 1, 2022:

Sr. No	Category	Remuneration
1.	Basic salary	₹ 0.41 million per month*
2.	Variable pay	As per Board's discretion, subject to a ceiling of ₹ 2.00 million per annum
3.	Perquisites and allowances	House rent allowance constituting 40% of the basic salary, conveyance allowance, education allowance, uniform and maintenance allowance, leave travel allowance, medical reimbursement, payment/reimbursement of telephone including mobile expenses, food coupon, chauffeur driven company car for business and personal use, provident fund, education allowance, conveyance allowance, uniform allowance, food coupons, medical reimbursement Any other perquisites not exceeding ₹ 1.50 million per month
4.	Club Fees	Up to a maximum of four clubs not including life membership fees
5.	Others	Provident fund, gratuity, superannuation, encashment of leave

**Pursuant to the Shareholders approval dated November 12, 2022, our Board or Committee may determine the salary and grant increase from time to time subject to a ceiling of ₹ 1.00 million per month. Accordingly, the terms of remuneration approved in the Shareholders meeting dated March 31, 2021 was further revised pursuant to resolution passed by the Board at its meeting held on October 1, 2022.*

Terms of appointment of our Non-Executive Directors (including Independent Directors)

Pursuant to the resolution of our Board dated July 26, 2022, the sitting fees payable to our Non-Executive Directors and Independent Directors is ₹ 0.1 million per meeting of the Board, ₹ 0.05 million per Audit Committee meeting, ₹ 0.025 million per NRC meeting, ₹ 0.025 million per CSR Committee meeting and ₹ 0.025 million per SRC meeting, within the limits prescribed under the Companies Act, 2013, and the rules notified thereunder.

Pursuant to a resolution of the Board dated February 27, 2023, sitting fees for all the Independent and Non-Executive Directors has been discontinued with effect from April 1, 2023. Further, the Shareholders', *vide* resolution dated March 1, 2023, approved that the Independent and Non-Executive Directors shall be paid a commission of ₹ 1.20 million per annum, or such other sum as the Board may determine from time to time, even if it may exceed 1% or such other percentage of net profits of the Company in any financial year in aggregate, every year for a period of five Financial Years commencing April 1, 2023.

Contingent or deferred compensation payable to Directors

There is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

Payment 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 2023, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors other than the remuneration in terms of their appointment as disclosed below and sitting fees paid to them for such period. The remuneration that was paid to our Directors in Fiscal 2023 is as follows:

1. **Executive Directors**

The details of the remuneration paid to our Executive Directors in Fiscal 2023 is set out below:

(in ₹ million)

Name of Director	Designation	Remuneration
Vishal Rakesh Agrawal	Managing Director	45.09
Jagmohan Manmohan Zalani	Whole- time Director	7.35

2. **Non- Executive Directors**

The details of the remuneration paid to our Non-Executive Directors in Fiscal 2023 is set out below:

(in ₹ million)

Name of Director	Designation	Remuneration
Rakesh Shiwebhagwan Agrawal*	Non-Executive Chairman	18.51
Rahul Rakesh Agrawal**	Non-Executive Director	6.00

**Rakesh Shiwebhagwan Agrawal was paid remuneration from October 1, 2022 till November 14, 2022 as a whole-time director designated as Executive Chairman. He was then re-designated from Executive Chairman to Non-Executive Chairman with effect from November 15, 2022 with the same terms of remuneration. However, as per the letter dated February 1, 2023, he was informed that he will not be drawing any remuneration from the Company with effect from April 1, 2023*

***Rahul Rakesh Agrawal was re-designated from Joint Managing Director to a Non-Executive Director with effect from November 9, 2022.*

3. **Independent Directors**

The details of sitting fees paid to our Independent Directors during Fiscal 2023 is set out below:

(in ₹ million)

Name of Director	Sitting fees
Sivaraman Narayanaswami	0.70
Prem Kumar Taneja	0.68

Name of Director	Sitting fees
Dukhabandhu Rath	0.35
Rati Ajay Desai*	Not applicable

**Rati Ajay Desai was appointed to the Board with effect from March 1, 2023.*

Remuneration paid or payable by our Subsidiaries

None of our Directors have received or were entitled to receive any remuneration, sitting fees or commission from any of our Subsidiaries in Fiscal 2023.

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.	Rakesh Shiwebhagwan Agrawal	15,318
2.	Vishal Rakesh Agrawal	20,687,640
3	Rahul Rakesh Agrawal	18,538,320

Borrowing powers

Pursuant to our Articles of Association, subject to applicable provisions of the Companies Act, 2013, and the resolution passed by our Shareholders in their general meeting held on July 23, 2018, our Board has been authorized to borrow or from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) either from the Company's bankers and/or any one or more persons, bodies corporate or financial institutions or from any other sources abroad whether secured or unsecured may exceed the aggregate of the then paid up capital of the Company, its free reserves and securities premium, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 5,000.00 million at any point of time.

Bonus or profit-sharing plan for our Directors

Except as mentioned above, our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

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 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.

Our Promoter Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any entity which is promoted by them or in which they are members or in which they hold directorships or any partnership firm in which they are partners in the ordinary course of business. For further details, please see "*Related Party Transactions*" on page 347 and "*Our Promoters and Promoter Group*" on page 242.

Our Directors may be interested to the extent of Equity Shares, if any, held by them and their relatives (together with other distributions in respect of Equity Shares), or held by the entities in which they are associated as partners, promoters, directors, proprietors, members or trustees, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer and any dividend and other distributions payable in respect of such Equity Shares. For details, see – "*Shareholding of Directors in our Company*" on page 230.

Interest of Directors in the promotion or formation of our Company

Except Rakesh Shiwebhagwan Agrawal, Vishal Rakesh Agrawal, Rahul Rakesh Agrawal, who are the Promoters of our Company, none of our other Directors have any interest in the promotion or formation of our Company.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

Interest in land and property

Our Directors do not have any interest in any property acquired or proposed to be acquired of or by our Company.

Further, our Directors do not have any interest in any transaction with the Company for acquisition of land, construction of building or supply of machinery.

Business interest

Except as stated in "*Restated Consolidated Financial Information – Note-43– Related Party Disclosures*" on page 313, our Directors do not have any other business interest in our Company.

Loans to Directors

Our Company and Subsidiaries have not provided any loan to our Directors.

Changes to our Board in the last three years

The changes to our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

Name	Date of appointment/cessation	Reason
Rati Ajay Desai	March 1, 2023	Appointment as an Independent Director
Naina Krishna Murthy	February 1, 2023	Resignation as an independent director on account of her increased professional commitments
Dukhabandhu Rath	October 1, 2022	Appointment as an additional independent director*
Milin Kaimas Mehta	August 17, 2022	Resignation in order for the Board to be in compliance with corporate governance requirements
Naina Krishna Murthy	April 8, 2022	Appointment as an additional independent director*
Prem Kumar Taneja	March 30, 2022	Appointment as an additional independent director*
Uma Rakesh Agrawal	March 24, 2022	Resignation due to unavoidable circumstances
Purushottam Dinkarrao Dhumal	February 17, 2022	Resignation due to unavoidable circumstances
Thakorbhai Dayabhai Patel	April 1, 2021	Resignation due to unavoidable circumstances

Note: This table does not include changes such as regularisations or change in designations.
**Naina Krishna Murthy, Prem Kumar Taneja and Dukhabhandu Rath were regularised as an Independent Directors vide Shareholders' resolutions, each dated November 12, 2022.*

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 composition of the Board and constitution of the committees thereof. Further, Sivaraman Narayanaswami, our Independent Director, has been appointed on the board of directors of SPL Europe LLC and Shiva Pharmachem AG respectively, our Material Subsidiaries in terms of Regulation 24 of the SEBI Listing Regulations, with effect from April 11, 2023 and August 10, 2023, respectively.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act, 2013.

Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

1. Audit Committee;
2. Nomination and Remuneration and Human Resource Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee; and
5. Risk Management Committee

1. Audit Committee

The Audit Committee was re-constituted by a resolution of our Board dated February 27, 2023 with effect from March 1, 2023. The current constitution of the Audit Committee is as follows:

Name of Director	Position in the Committee	Designation
Sivaraman Narayanaswami	Chairman	Independent Director
Rakesh Shiwebhagwan Agrawal	Member	Non- Executive Chairman
Prem Kumar Taneja	Member	Independent Director
Dukhabandhu Rath	Member	Independent Director
Rati Ajay Desai	Member	Independent Director

(a) The Audit Committee shall have powers, which shall be as under:

(i) To investigate any activity within its terms of reference;

(ii) To seek information that it properly requires from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee from any employee of the Company;

(iii) To obtain outside legal or other professional advice;

(iv) To secure attendance of outsiders with relevant expertise, if it considers necessary and to seek their advice, whenever required; and

(v) Perform such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

(b) The role of the Audit Committee shall be as under:

(i) 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;

(ii) 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;

(iii) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;

(iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of section 134 of the Companies Act;
(b) Changes, if any, in accounting policies and practices and reasons for the same;

(c) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
(d) Significant adjustments made in the financial statements arising out of audit findings;
(e) Compliance with listing and other legal requirements relating to financial statements;
(f) Disclosure of any related party transactions; and
(g) Modified opinion(s) in the draft audit report.

(v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

(vi) 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 utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offering by the Company;

(vii) Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;

(viii) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(ix) 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;

Explanation: The term "related party transactions" shall have the same meaning as provided in Regulation 2(1) (zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act.

(x) 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;

(xi) Scrutiny of inter-corporate loans and investments;

(xii) Valuation of undertakings or assets of the company, wherever it is necessary;

(xiii) Evaluation of internal financial controls and risk management systems;

(xiv) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(xv) 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;

(xvi) Discussion with internal auditors of any significant findings and follow up there on;

(xvii) 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;

(xviii) 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;

(xix) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(xx) 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;

(xxi) Reviewing the functioning of the whistle blower mechanism;

(xxii) Approval of the appointment of the Chief Financial Officer of the Company ("**CFO**") (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;

(xxiii) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations, each as amended and other applicable laws;

(xxiv) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;

(xxv) Overseeing a vigil mechanism established by the Company, providing for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee for directors and employees to report their genuine concerns or grievances;

(xxvi) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

(xxvii) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding INR 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;

(xxviii) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and

(xxix) Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.

(c) The Audit Committee shall mandatorily review the following information:

(i) Management discussion and analysis of financial condition and results of operations;

(ii) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;

(iii) Internal audit reports relating to internal control weaknesses;

(iv) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;

(v) Approve Key Performance Indicators as disclosed by the Management;

(vi) Statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

(b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations."

(vii) To carry out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company; and

(viii) To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

2. *Nomination and Remuneration and Human Resource Committee ("NRC")*

The NRC was re-constituted by a resolution of our Board dated October 1, 2022. The current constitution of the NRC is as follows:

Name of Director	Position in the Committee	Designation
Sivaraman Narayanaswami	Chairman	Independent Director
Rakesh Shiwebhagwan Agrawal	Member	Non- Executive Chairman
Prem Kumar Taneja	Member	Independent Director
Dukhabandhu Rath	Member	Independent Director

The scope and function of the NRC 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;

The NRC, while formulating the above policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

(i) use the services of an external agencies, if required;

(ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(iii) consider the time commitments of the candidates

(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;

(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 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 SEBI SBEB & SE Regulations;

(k) Administering, monitoring and formulating the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the applicable laws

    (i) Determining the eligibility of employees to participate under the ESOP Scheme;

    (ii) Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;

    (iii) Date of grant;

    (iv) Determining the exercise price of the option under the ESOP Scheme;

    (v) The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;

    (vi) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

    (vii) The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;

    (viii) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

    (ix) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;

    (x) The grant, vest and exercise of option in case of employees who are on long leave;

    (xi) Allow exercise of unvested options on such terms and conditions as it may deem fit;

    (xii) The procedure for cashless exercise of options;

    (xiii) Forfeiture/ cancellation of options granted;

    (xiv) Formulate the procedure for buy-back of specified securities issued under the SEBI SBEB & SE Regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:

        - permissible sources of financing for buy-back;
        - any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
        - limits upon quantum of specified securities that the Company may buy-back in a financial year

    (xv) Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:

        - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
        - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
        - the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

(l) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(m) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

   (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
   (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended; and
   (c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Company and its employees, as applicable

(n) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the NRC.

(o) Such terms of reference as may be prescribed under the Companies Act, SEBI Listing Regulations and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

3. Corporate Social Responsibility Committee ("CSR Committee")

The CSR Committee was re-constituted by a resolution of our Board dated October 1, 2022. The current constitution of the CSR Committee is as follows:

Name of Director	Position in the Committee	Designation
Rakesh Shiwebhagwan Agrawal	Chairman	Non- Executive Chairman
Vishal Rakesh Agrawal	Member	Managing Director
Sivaraman Narayanaswami	Member	Independent Director

The terms of reference of the CSR Committee framed in accordance with Section 135 of the Companies Act, 2013, shall be restated as under:

(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 formulate and recommend to the Board, an annual action plan in pursuance to the Corporate Social Responsibility Policy, which shall include the following, namely:

   - the list of Corporate Social Responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Companies Act, 2013;
   - the manner of execution of such projects or programmes as specified in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
   - the modalities of utilisation of funds and implementation schedules for the projects or programmes;
   - monitoring and reporting mechanism for the projects or programmes; and
   - details of need and impact assessment, if any, for the projects undertaken by the company.

   Provided that the Board may alter such plan at any time during the financial year, as per the recommendations of the Corporate Social Responsibility Committee, based on the reasonable justification to that effect.

(e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(f) 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

(g) 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 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 or other applicable law."

4. Stakeholders Relationship Committee ("SRC")

The SRC was constituted by a resolution of our Board dated October 1, 2022. The current constitution of the SRC is as follows:

Name of Director	Position in the Committee	Designation
Prem Kumar Taneja	Chairman	Independent Director
Rakesh Shiwebhagwan Agrawal	Member	Non-Executive Chairman
Sivaraman Narayanaswami	Member	Independent Director

The scope and function of the SRC is in accordance with Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

(a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of 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, general meetings 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) Considering and specifically looking into various aspects of interest of shareholders, debenture holders or holders of any other securities;

(g) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

(h) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s) or agent(s);

(i) Reviewing the adherence to the service standards 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

(j) 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.

5. ***Risk Management Committee ("RMC")***

The RMC was constituted by a resolution of our Board dated May 13, 2023 with effect from May 20, 2023.

The current constitution of the RMC is as follows:

Name of Director	Position in the Committee	Designation
Rakesh Shiwebhagwan Agrawal	Chairman	Non-Executive Chairman
Vishal Rakesh Agrawal	Member	Managing Director
Rati Ajay Desai	Member	Independent Director

The scope and function of the RMC is in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference shall be as follows:

(i) To formulate a detailed risk management policy which shall include:

- framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the committee;
- measures for risk mitigation including systems and processes for internal control of identified risks;
- business continuity plan

(ii) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(iii) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(iv) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(v) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(vi) The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee.

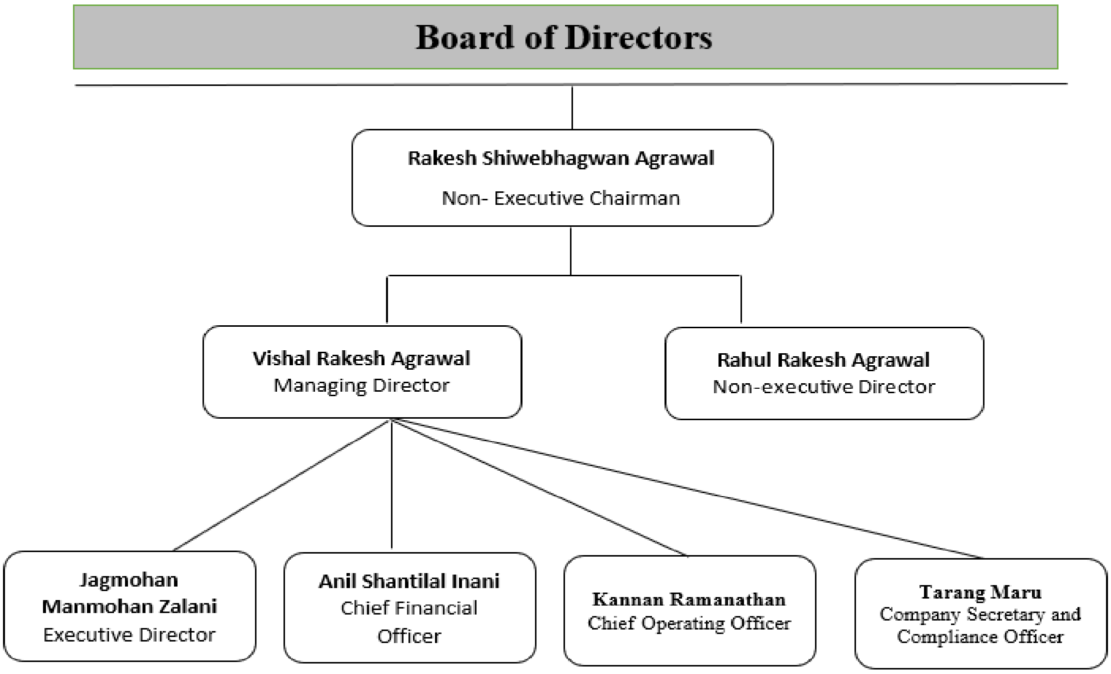
(vii) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

(viii) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;

(ix) Framing, implementing, reviewing and monitoring the risk management plan for the Company and such other functions, including cyber security; and

(x) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee."

Management organization chart



Key Managerial Personnel and Senior Management

Key Managerial Personnel

In addition to Executive Directors of our Company, whose details are provided in "*Our Management – Brief profiles of our Directors*" on page 226, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

Anil Shantilal Inani is the Chief Financial Officer of our Company. He is an associate member of the Institute of Chartered Accountants of India. He has been associated with Company since August 1, 2022. He has more than 17 years of experience in the field of finance, commercial and supply chain. Prior to joining our Company, he was associated with Isagaro (Asia) Agrochemicals Private Limited as a wholetime director, Transpek-Silox Industry Limited as general manager (finance), E.I DuPont India Private Limited as manager (finance), Avaya Global Connect Limited as manager (finance), ABB Limited as assistant vice president and Zuari Cement Ltd. (a Zuari Ind- Italcementi joint venture) as assistant manager (finance). In Fiscal 2023, he received a remuneration of ₹ 4.05 million from our Company.

Tarang Maru is the Company Secretary and Compliance Officer of our Company. He has obtained a bachelor's degree in commerce from the Maharaja Sayajirao University of Baroda. He is an associate member of the Institute of Company Secretaries of India. He has been associated with Company since April 17, 2014 and currently handles the secretarial department of our Company. He has approximately nine years of experience in secretarial matters. In Fiscal 2023, he received remuneration of ₹ 0.93 million from our Company.

Senior Management

In addition to our Chief Financial Officer, Anil Shantilal Inani and our Company Secretary and Compliance Officer, Tarang Maru who are also our Key Managerial Personnel and whose details have been disclosed above, the details of our other Senior Management as on the date of this Draft Red Herring Prospectus are as set forth below:

Kannan Ramanathan is the Chief Operating Officer of our Company. He has obtained a degree of bachelor of technology in chemical engineering from Nagpur University. He has been associated with our Company since April 12, 2017. He has several years of experience in the chemical industry. Prior to joining our Company, he was associated with United Phosphorus Limited as a senior general manger- safety and health, SRF Limited as associate vice president and plant head, Polyplex (Thailand) Public Company Limited as head of plant operations, Goa Glass Fibre Limited as a whole-time director, E.I DuPont India Private Limited as manager- operations, CEAT Limited as a senior engineer (polymerisation) (process control), Shree Synthetics Limited as a shift engineer and Hindustan Organic Chemicals Limited as a management trainee (chemical engineering). In Fiscal 2023, he received a remuneration of ₹ 9.33 million from our Company.

Status of the Key Managerial Personnel and Senior Management

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Retirement and termination benefits

Except applicable statutory and contractual benefits, none of our Key Managerial Personnel and Senior Management would receive any benefits on their retirement or on termination of their employment with our Company.

Relationship among Directors, Key Managerial Personnel and/or Senior Management

Except as disclosed in -*Relationship between our Directors* on page 227, none of our Key Managerial Personnel or Senior Management are related to any of our Directors, or other Key Managerial Personnel and Senior Management.

Arrangements and understanding with major Shareholders

None of our Key Managerial Personnel or Senior Management 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 and Senior Management

Except as disclosed in "– *Shareholding of Directors in our Company*" on page 230, none of our Key Managerial Personnel and Senior Management hold any Equity Shares as on date of this Draft Red Herring Prospectus.

Service Contracts with Key Managerial Personnel and Senior Management

Our Key Managerial Personnel and Senior Management are governed by the terms of their respective appointment letters/resolutions of our Board and have not entered into any service contracts with our Company.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management

There is no contingent or deferred compensation payable to Key Managerial Personnel and Senior Management, that does not form part of their remuneration.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management

All Key Managerial Personnel and Senior Management are eligible for a performance linked bonus as per the terms of their appointment with the Company. There is no profit-sharing plan of the Company.

Interest of Key Managerial Personnel and Senior Management

For details of the interest of our Executive Directors in our Company, see "–*Interest of Directors*" on page 230.

Our Key Managerial Personnel (other than our Executive Directors) and Senior Management are interested in our Company only to the extent of the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of their business by our Company or any dividend payable to them.

Changes in the Key Managerial Personnel or Senior Management in last three years

For details of the changes to our Board, see "- *Changes to our Board in the last three years"* on page 231. The changes in our Key Managerial Personnel (other than our Executive Directors) or Senior Management in the three years preceding the date of this Draft Red Herring Prospectus is as mentioned below:

Name	Designation	Date of change	Reason
Anil Shantilal Inani	Chief Financial Officer	August 1, 2022	Appointment
Chirag Patel	Chief Financial Officer	August 1, 2022	Resignation due to personal reasons
Chirag Patel	Chief Financial Officer	March 30, 2022	Appointment

Note: This table does not include change in designations.

Payment or benefit to officers of our Company (non-salary related)

No amount or benefit has been paid or given or intended to be paid or given to any officer of the Company, including our Key Managerial Personnel and Senior Management within the two preceding years or is intended to be paid or given as on the date of this Draft Red Herring Prospectus.

Employee stock options

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

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Rakesh Shiwebhagwan Agrawal, Vishal Rakesh Agrawal, Rahul Rakesh Agrawal, Rakesh Agrawal Family Trust, Vishal Agrawal Family Trust and Rahul Agrawal Family Trust are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, our Promoters' shareholding in our Company is as follows:

S. No.	Name of the Promoter	Number of Equity Shares	Percentage of the pre-Offer issued, subscribed and paid-up Equity Share capital (%)
1.	Vishal Agrawal Family Trust[1]	30,990,035	29.18
2.	Vishal Rakesh Agrawal	20,687,640	19.48
3.	Rahul Rakesh Agrawal	18,538,320	17.46
4.	Rahul Agrawal Family Trust[2]	14,477,647	13.63
5.	Rakesh Agrawal Family Trust[3]	10,620,300	10.00
6.	Rakesh Shiwebhagwan Agrawal	15,318	0.01
Total		**95,329,260**	**89.76**

[1] *Held by Vishal Rakesh Agrawal as the trustee of the Rakesh Agrawal Family Trust.*
[2] *Held by Rahul Rakesh Agrawal as the trustee of the Vishal Agrawal Family Trust.*
[3] *Held by Rakesh Shiwebhagwan Agrawal as the trustee of the Rahul Agrawal Family Trust.*

For further details, please see the section titled "*Capital Structure - Details of shareholding of our Promoters and members of the Promoter Group in our Company- Build-up of the Promoters' shareholding in our Company*" on page 92.

Details of our Promoters are as follows:

<u>*Individual Promoters:*</u>

Rakesh Shiwebhagwan Agrawal

Rakesh Shiwebhagwan Agrawal, aged 76 years, is a Promoter, and is also the Non-Executive Chairman of our Company.

Date of Birth: June 8, 1947
Address: 206-207, Ankodiya Road, Khanpur, Sevasi, Vadodara – 391 101, Gujarat, India
Permanent Account Number: AAQPA3487P

For the complete profile of Rakesh Shiwebhagwan Agrawal, along with details of his educational qualifications, experience in the business and/or employment, position/posts held in the past, directorships held and business and financial activities, please see "*Our Management – Board of Directors*" on page 223.

Vishal Rakesh Agrawal

Vishal Rakesh Agrawal, aged 48 years, is a Promoter, and is also the Managing Director of our Company.

Date of Birth: October 1, 1974
Address: S No. 208- 209, Khanpur, Ankodia Road, Vadodara – 391 101, Gujarat, India
Permanent Account Number: ABLPA2034L

For the complete profile of Vishal Rakesh Agrawal, along with details of his educational qualifications, experience in the business and/or employment, position/posts held in the past, directorships held and business and financial activities, please see "*Our Management – Board of Directors*" on page 223.

Rahul Rakesh Agrawal

Rahul Rakesh Agrawal, aged 45 years, is a Promoter, and is also a Non-Executive Director of our Company.

Date of Birth: March 4, 1978
Address: 206, 207, Khanpur, Ankodiya Road, Sevasi, Vadodara – 391 101, Gujarat, India
Permanent Account Number: ABKPA6918Q

For the complete profile of Rahul Rakesh Agrawal, along with details of his educational qualifications, experience in the business and employment, position/posts held in the past, directorships held and business and financial activities, please see "*Our Management – Board of Directors*" on page 223.

Our Company confirms that the permanent account number, bank account number(s), aadhaar card number, driving license number and passport number of our individual Promoters, Rakesh Shiwebhagwan Agrawal, Vishal Rakesh Agrawal and Rahul Rakesh Agrawal, shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

<u>*Promoter Trusts:*</u>

Rakesh Agrawal Family Trust

Trust information and history

The Rakesh Agrawal Family Trust was settled as a private, irrevocable, and discretionary trust in accordance with the provisions of the Indian Trusts Act, 1882, pursuant to the deed of trust dated April 25, 2022, which was amended and restated by the deed of amendment and restatement dated April 4, 2023. The office of the Rakesh Agrawal Family Trust is located at 8th Floor, ABS Towers, Old Padra Road, Vadodara- 390 007, Gujarat, India. Vishal Rakesh Agrawal is the settlor of the Rakesh Agrawal Family Trust.

Trustee

The trustee of the Rakesh Agrawal Family Trust, as on the date of this Draft Red Herring Prospectus, is Rakesh Shiwebhagwan Agrawal.

Beneficiaries

The primary class beneficiaries of the Rakesh Agrawal Family Trust are Rakesh Shiwebhagwan Agrawal and Uma Rakesh Agrawal and the secondary class of beneficiaries are Vishal Rakesh Agrawal, Madhavi Agrawal, Nitya Vishal Agrawal, Siddhant Vishal Agrawal and his spouse and trusts settled for the benefit of the persons in primary class and secondary class of beneficiaries, where they are exclusive beneficiaries. The secondary class of beneficiaries will not have any right of a beneficiary or be considered to receive any distribution under the Rakesh Agrawal Family Trust until they are categorised as persons belonging to the primary class.

Objects

The objects of the Rakesh Agrawal Family Trust include the following:

(a) to hold and manage the trust property in trust for the sole benefit of the beneficiaries;

(b) to provide for the benefit and welfare of the beneficiaries and their needs;

(c) to make distributions of trust income and/or trust corpus received by the trustee(s) in accordance with the provisions of the amended and restated trust deed and in order to provide for different needs and requirements of the beneficiaries including but not limited to maintenance, education, housing, marriage, medical and other expenses and contingencies from time to time;

(d) to preserve and protect assets of the Rakesh Agrawal Family Trust; and

(e) to ensure that the trust property is properly managed and administered.

Change in control of the Rakesh Agrawal Family Trust

There has been no change in control of Rakesh Agrawal Family Trust since its formation on April 25, 2022.

Vishal Agrawal Family Trust

Trust information and history

The Vishal Agrawal Family Trust was settled as a private, irrevocable, and discretionary trust in accordance with the provisions of the Indian Trusts Act, 1882, pursuant to the deed of trust dated April 25, 2022 which was amended and restated by the deed of amendment and restatement dated April 4, 2023. The office of the Vishal Agrawal Family Trust is located at 8th Floor, ABS Towers, Old Padra Road, Vadodara- 390 007, Gujarat, India. Rakesh Shiwebhagwan Agrawal is the settlor of the Vishal Agrawal Family Trust.

Trustees

The trustees of the Vishal Agrawal Family Trust, as on the date of this Draft Red Herring Prospectus, are Vishal Rakesh Agrawal and Agrawal Vishal Trusteeship Private Limited. Vishal Rakesh Agrawal is the controlling shareholder of Agrawal Vishal Trusteeship Private Limited.

Beneficiaries

The primary class beneficiaries of the Vishal Agrawal Family Trust are Vishal Rakesh Agrawal and Madhavi Agrawal and the secondary class beneficiaries are Siddhant Vishal Agrawal, Nitya Vishal Agrawal, the descendants of Vishal Rakesh Agrawal, spouse of male descendants of Vishal Rakesh Agrawal and trusts settled for the benefit of persons mentioned in the primary class and secondary class of beneficiaries, where they are exclusive beneficiaries. The secondary class of beneficiaries will not have any right of a beneficiary or be considered to receive any distribution under the Vishal Agrawal Family Trust until they are categorised as persons belonging to the primary class.

Objects

The objects of the Vishal Agrawal Family Trust include the following:

(a) to hold and manage the trust property in trust for the sole benefit of the beneficiaries;

(b) to provide for the benefit and welfare of the beneficiaries and their needs;

(c) to make distributions of trust income and/or trust corpus received by the trustee(s) in accordance with the provisions of the amended and restated trust deed and in order to provide for different needs and requirements of the beneficiaries including but not limited to maintenance, education, housing, marriage, medical and other expenses and contingencies from time to time;

(d) to preserve and protect assets of the Vishal Agrawal Family Trust; and

(e) to ensure that the trust property is properly managed and administered.

Change in control of the Vishal Agrawal Family Trust

There has been no change in control of Vishal Agrawal Family Trust since its formation on April 25, 2022.

Rahul Agrawal Family Trust

Trust information and history

The Rahul Agrawal Family Trust was settled as a private, irrevocable, and discretionary trust in accordance with the provisions of the Indian Trusts Act, 1882, pursuant to the deed of trust dated April 25, 2022 which was amended and restated by the deed of amendment and restatement dated April 4, 2023. The office of the Rahul Agrawal Family Trust is located at 8th Floor, ABS Towers, Old Padra Road, Vadodara- 390 007, Gujarat, India. Uma Rakesh Agrawal is the settlor of the Rahul Agrawal Family Trust.

Trustees

The trustees of the Rahul Agrawal Family Trust, as on the date of this Draft Red Herring Prospectus, are Rahul Rakesh Agrawal and RA Trusteeship Private Limited. Rahul Rakesh Agrawal is the controlling shareholder of RA Trusteeship Private Limited.

Beneficiaries

The primary class beneficiaries of the Rahul Agrawal Family Trust are Rahul Rakesh Agrawal and Ruchika Agrawal and the secondary class beneficiaries are Ishaan Rahul Agrawal, Ananya Rahul Agrawal, the descendants of Rahul Rakesh Agrawal, spouse of male descendants of Rahul Rakesh Agrawal and trusts settled for the benefit of persons mentioned in the primary class and secondary class of beneficiaries, where they are exclusive beneficiaries. The secondary class of beneficiaries will not have any right of a beneficiary or be considered to receive any distribution under the Rahul Agrawal Family Trust until they are categorised as persons belonging to the primary class.

Objects

The objects of the Rahul Agrawal Family Trust include the following:

(a) to hold and manage the trust property in trust for the sole benefit of the beneficiaries;

(b) to provide for the benefit and welfare of the beneficiaries and their needs;

(c) to make distributions of trust income and/or trust corpus received by the trustee(s) in accordance with the provisions of the amended and restated trust deed and in order to provide for different needs and requirements of the beneficiaries including but not limited to maintenance, education, housing, marriage, medical and other expenses and contingencies from time to time;

(d) to preserve and protect assets of the Rahul Agrawal Family Trust; and

(e) to ensure that the trust property is properly managed and administered.

Change in control of the Rahul Agrawal Family Trust

There has been no change in control of Rahul Agrawal Family Trust since its formation on April 25, 2022

Our Company confirms that the PAN and bank account number(s) of our Promoter Trusts, the Rakesh Agrawal Family Trust, the Vishal Agrawal Family Trust and the Rahul Agrawal Family Trust, shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Change in control of our Company

There has not been any effective change in the management and control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Other ventures of our Promoters

Other than as disclosed under "- *Promoter Group*", "*Group Companies*" and in "*Our Management - Board of Directors*" on pages 247, 249 and 223, respectively, our Promoters are not involved in any other ventures. Further, our Promoters do not have any direct interest in any venture that is involved in the same line of activity or business as conducted by our Company.

Interest of Promoters

Our Promoters are interested in our Company (i) to the extent that they have promoted our Company and (ii) to the extent of their shareholding in our Company, the shareholding of their relatives and entities in which our

Promoters are interested and which hold Equity Shares in our Company and the dividend payable upon such shareholding and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives or such entities, if any. For further details, see "*Capital Structure - Details of Shareholding of our Promoters and members of the Promoter Group in our Company*" on page 92. Additionally, our Promoters may be interested in transactions entered into or to be entered into by our Company with them, their relatives or other entities (i) in which our Promoters are members or hold shares, or (ii) which are controlled by our Promoters. For further details, see "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information- Note 43- Related Party Disclosures*" on page 313.

Our individual Promoters, Rakesh Shiwebhagwan Agrawal, Vishal Rakesh Agrawal and Rahul Rakesh Agrawal, by virtue of being shareholders and promoters of Geetganga Investment Private Limited ("**GIPL**"), which is one of our Group Companies, are interested in leave and license agreements entered into between our Company and GIPL for properties leased from GIPL for office purposes, including for our Registered and Corporate Office.

Further, the individual Promoters of our Company, Rakesh Shiwebhagwan Agrawal, Vishal Rakesh Agrawal and Rahul Rakesh Agrawal are also interested in our Company as the Directors and/or Key Managerial Personnel of our Company and may be deemed to be interested in the remuneration and benefits payable to them and the reimbursement of expenses incurred by them in their capacity as Directors and/or Key Managerial Personnel. For further details, see section titled "*Our Management*" on page 223.

No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as a director or Promoters or otherwise for services rendered by the Promoters, or by such firm or company, in connection with the promotion or formation of our Company.

Interest in property, land, construction of building and supply of machinery

Our Promoters do not have any interest in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

Payment or benefits to Promoters or Promoter Group

Except as disclosed herein and as stated in "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information- Note 43- Related Party Disclosures*" on page 313, 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

Our Promoters have not dissociated themselves from any companies or firms in the three years preceding the date of this Draft Red Herring Prospectus.

Material guarantees

As on the date of this Draft Red Herring Prospectus, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares. For details in relation to the Equity Shares pledged by our Promoter, see "*Capital Structure- Details of shareholding of our Promoters and members of the Promoter Group in our Company*" on page 92.

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:

Name of the Promoter	Name of member of our Promoter Group	Relationship with our individual Promoter
Rakesh Shiwebhagwan Agrawal	Geetadevi Agrawal	Mother
	Uma Rakesh Agrawal	Spouse
	Kishore Agrawal	Brother
	Kanta Anand Parasramka	Sister
	Madhu Ishwar Kedia	Sister
	Rajendra Maheshwari	Spouse's brother
	Ashok Maheshwari	Spouse's brother
	Vijaya Maroo	Spouse's sister
Vishal Rakesh Agrawal	Uma Rakesh Agrawal	Mother
	Madhavi Agrawal	Spouse
	Siddhant Agrawal	Son
	Nitya Agrawal	Daughter
	Harsh Vardhan Kanoria	Spouse's father
	Malati Harsh Vardhan Kanoria	Spouse's mother
	Utkarsh Kanoria	Spouse's brother
	Ishita Mohatta	Spouse's sister
Rahul Rakesh Agrawal	Uma Rakesh Agrawal	Mother
	Ruchika Agrawal	Spouse
	Ishaan Agrawal	Son
	Ananya Agrawal	Daughter
	Shivratan Jeetmal Taparia	Spouse's father
	Kusum Shivratan Taparia	Spouse's mother
	Radhika Khaitan	Spouse's sister
	Rachana Rathi	Spouse's sister

Entities forming part of the Promoter Group

The companies, bodies corporate, HUFs, firms and trusts forming part of our Promoter Group, other than our Promoter Trusts, are as follows:

1. A.H. Maheshwari HUF;
2. Abhyadoot Finance and Investments Private Limited;
3. Agrawal Vishal Trusteeship Private Limited;
4. Ajanta Traders;
5. Ankshree Investments and Trading Company Limited;
6. Ashwini Trading DMCC;
7. Barcello Properties LLP;
8. Benzo Chem Industries Private Limited;
9. Boon Investment and Trading Company Private Limited;
10. Bright and Shine Micro Products Private Limited;
11. Cepheus Investments Limited;
12. Cheviot Agro Industries Private Limited;
13. Cheviot Company Limited;
14. Cheviot International Limited;
15. D.K. Khaitan HUF;
16. Donatello Properties LLP;
17. Durga Mercantile Private Limited;
18. Elite India Private Limited;
19. Gaurav Mohatta HUF;
20. Gitanjali Chemicals Private Limited;
21. Geetganga Investment Private Limited;
22. Geetganga Properties Private Limited;
23. Harsh Investments Private Limited;
24. Jagannath Vijaykumar Trading LLP;
25. Jaspur Properties LLP;
26. Jeetmal Chhogmal Trading LLP;
27. KEL Environmental Engineering LLP;
28. Krofta Engineering Limited;

29. Messina Properties LLP;
30. Monet Properties LLP;
31. Nalini Dhoot Benefit Trust;
32. Platinum Plastic and Industries Private Limited;
33. RA Trusteeship Private Limited;
34. Raghvendra Khaitan HUF;
35. Raj Rajeshwari Builders;
36. Rajesh Balkrishna Rathi HUF;
37. Rakesh Shivbhagwan Agrawal HUF;
38. Red Earth Art Galleries LLP;
39. Rembrandt Properties LLP;
40. Rodin Properties Private Limited;
41. SES Engineering Private Limited;
42. Shiva Performance Materials Private Limited;
43. Shiva Performance Solutions Private Limited;
44. Shiva Performance Speciality Private Limited;
45. Sidhan Specialty Chemicals Private Limited;
46. SJ Taparia Daughter Girikunj;
47. Smriti Trust;
48. Space Age Chemplast Private Limited;
49. Sri Sri Radha Krishna Chemicals Private Limited;
50. STRR Consulting LLP;
51. Styrenics Polymers Private Limited;
52. Styrenix Performance Materials Limited;
53. Summervilla Trading and Agencies Private Limited;
54. Supreme Capital Management Limited;
55. Suraj Packaging Private Limited;
56. Tanvi Trust;
57. Taparia Trading LLP;
58. Uma Agrawal Family Trust;
59. Uma Retail Private Limited;
60. Uttarayan Foundation and Museum for Arts; and
61. Uttarayan Investment Private Limited.

GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than the promoters and the subsidiaries) 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 (other than Subsidiaries) with which our Company had related party transactions as covered under the relevant accounting standard (i.e., Ind AS 24), as per the Restated Consolidated Financial Information, have been considered as Group Companies in terms of the SEBI ICDR Regulations.

In addition, pursuant to the Materiality Policy, for the purposes of (ii) above, a company (other than the Subsidiaries and companies categorized under (i) above) has been considered "material" and has been disclosed as a 'Group Company' in this Draft Red Herring Prospectus if such company is a member of the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and our Company has entered into one or more transactions with such company during the last completed Fiscal or stub period, as applicable, which individually or cumulatively in value, exceeds 5% of the consolidated revenue from operations of our Company for the last completed Fiscal as per the Restated Consolidated Financial Information.

Based on the above, our Group Companies are set forth below:

1. Geetganga Investment Private Limited;
2. Geetganga Properties Private Limited;
3. SES Engineering Private Limited;
4. Shiva Performance Materials Private Limited;
5. Styrenix Performance Materials Limited; and
6. Uttarayan Foundation and Museum for Arts (Section 8 company).

Details of our Group Companies

A. Details of our top five Group Companies

Our top five Group Companies comprise of one listed company and four unlisted companies which have been identified based on their respective turnover(s) in the last audited Fiscal. The details of our top five Group Companies are provided below:

1. Styrenix Performance Materials Limited

Registered office

The registered office of Styrenix Performance Materials Limited is situated at 9th Floor, SHIVA, Sarabhai Complex, Dr. Vikram Sarabhai Marg, Vadiwadi, Vadodara 390 023, Gujarat, India.

Financial information

Information with respect to (i) reserves (excluding revaluation reserves); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, derived from the audited financial statements of Styrenix Performance Materials Limited for the last three Fiscals as required by the SEBI ICDR Regulations, are available on its website at www.styrenix.com/financials.

2. Shiva Performance Materials Private Limited

Registered office

The registered office of Shiva Performance Materials Private Limited is situated at 11th Floor, SHIVA, Sarabhai Complex, Dr. Vikram Sarabhai Marg, Vadiwadi, Vadodara 390 023, Gujarat, India.
Financial information

Information with respect to (i) reserves (excluding revaluation reserves); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, derived from the audited financial statements of Shiva Performance Materials Private Limited for the last three Fiscals as required by the SEBI ICDR Regulations, are available on its website at https://shivaperformance.com /images/Financial%20Information-%20Shiva%20Performance% 20Materials %20Private%20Limi.pdf

3. SES Engineering Private Limited

Registered office

The registered office of SES Engineering Private Limited is situated at 9th Floor, ABS Towers, Old Padra Road, Vadodara 390 007, Gujarat, India.

Financial information

Information with respect to (i) reserves (excluding revaluation reserves); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, derived from the audited financial statements of SES Engineering Private Limited for the last three Fiscals, as required by the SEBI ICDR Regulations, are available on our website at https://www.shivapharmachem.com/financial-information.aspx.

4. Geetganga Investment Private Limited

Registered office

The registered office of Geetganga Investment Private Limited is situated at 9th Floor, ABS Towers, Old Padra Road, Vadodara 390 007, Gujarat, India.

Financial information

Information with respect to (i) reserves (excluding revaluation reserves); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, derived from the audited financial statements of Geetganga Investment Private Limited for the last three Fiscals, as required by the SEBI ICDR Regulations, are available on our website at https://www.shivapharmachem.com/financial-information.aspx.

5. Geetganga Properties Private Limited

Registered office

The registered office of Geetganga Properties Private Limited is situated at 9th Floor, ABS Towers, Old Padra Road, Vadodara 390 007, Gujarat, India.

Financial information

Information with respect to (i) reserves (excluding revaluation reserves); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, derived from the audited financial statements of Geetganga Properties Private Limited for the last three Fiscals, as required by the SEBI ICDR Regulations, are available on our website at https://www.shivapharmachem.com/financial-information.aspx.

B. Details of our other Group Companies

The details of our other Group Companies are provided below:

1. Uttarayan Foundation and Museum for Arts

Registered office

The registered office of Uttarayan Foundation and Museum for Arts is situated at 8th Floor, ABS Towers, Old Padra Road, Vadodara 390 007, Gujarat, India.

Nature and extent of interest of Group Companies

In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

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 date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

None of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc. entered into by our Company.

Common pursuits

As on the date of this Draft Red Herring Prospectus, there are no common pursuits between our Group Companies and our Company.

Related business transactions within our Group Companies and significance on the financial performance of our Company

Except the transactions disclosed in "*Related Party Transactions*" and "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 43 – Related Party Disclosures*" on pages 347 and 313, there are no other related business transactions between our Company and our Group Companies.

Litigation

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

Business interest of Group Companies

Except in the ordinary course of business and as stated in "*Related Party Transactions*" and "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 43 – Related Party Disclosures*" on pages 347 and 313, none of our Group Companies have any business interest in our Company.

Confirmations

As on the date of this Draft Red Herring Prospectus, except the equity shares of Styrenix Performance Materials Limited which are listed on BSE and NSE, none of our Group Companies have their securities listed on any stock exchange. Further, none 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.

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, subject to the provisions of our Articles of Association and the applicable laws including the Companies Act, 2013 together with the applicable rules notified thereunder and the dividend distribution policy of our Company may be reviewed and amended periodically by our Board in accordance with the same. The dividend distribution policy of our Company was approved and adopted by our Board and is effective from April 3, 2023.

The dividend pay-out shall be determined by the Board after taking into account a number of factors, including but not limited to circumstance under which the shareholders of listed entities may or may not expect dividend, financial parameters, internal and external factors, policy on utilisation of retained earnings, parameters with regards to various classes of shares, available financial resources, investment requirements and optimal shareholder return. Any future change to the parameters or to the dividend distribution policy contained in any of the parameters, requires us to disclose such changes along with the rationale for such change in our annual report and on our website.

Our Company has not paid dividend during the last three Fiscals, or from April 1, 2023 till the date of this Draft Red Herring Prospectus. There is no guarantee that any dividends will be declared or paid by our Company in the future. For details, see "*Risk Factors – We cannot assure payment of dividends on the Equity Shares in the future*." on page 65.

SECTION VI – FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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Independent Auditors' Examination Report on the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 along with the Summary Statement of Significant Accounting Policies and other explanatory information of Shiva Pharmachem Limited and its subsidiaries (collectively, the "Restated Consolidated Financial Information")

To,
The Board of Directors
Shiva Pharmachem Limited
12th Floor, SHIVA,
Sarabhai Complex,
Dr. Vikram Sarabhai Marg,
Vadiwadi,
Vadodara 390023,
Gujarat (India)

Dear Sirs / Madam,

1. We, Talati & Talati LLP, have examined the attached Restated Consolidated Financial Information of Shiva Pharmachem Limited (the "**Company**" or the "**Issuer**") and its subsidiaries (the Company and its subsidiaries together referred to as "the **Group**"), comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "**Restated Consolidated Financial Information**"), as approved by the Board of Directors of the Company at their meeting held on August 14, 2023 for the purpose of inclusion in the Draft Red Herring Prospectus ("**DRHP**") in connection with proposed Initial Public Offer of equity shares of the Company ("**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**").

Management's Responsibility for the Restated Consolidated Financial Information

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with SEBI, BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") in connection with the proposed IPO. The Restated Consolidated Financial Information has been prepared by the management of the Company on the basis of preparation as stated in Note - 1 to the Restated Consolidated Financial Information. The respective board of directors of the companies included in the Group are responsible for designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective board of directors are also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations, and the Guidance Note.

Auditor's Responsibilities

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   (a) The terms of reference and terms of our engagement agreed upon with the Company in accordance with our engagement letter dated May 10, 2023 in connection with the proposed IPO of equity shares of the Company;

   (b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   (c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

   (d) The requirements of Section 26 of the Act and the ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

Restated Consolidated Financial Information as per Audited Consolidated Financial Statements

4. The Restated Consolidated Financial Information have been compiled by the management from:

   (a) Audited Ind AS Consolidated Financial Statements of the Group as at and for the years ended March 31, 2023 and March 31, 2022, prepared in accordance with the Indian Accounting Standards (referred to as "**Ind AS**") specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors of the Company at their meeting held on August 14, 2023 and November 9, 2022 respectively.

   (b) Audited Special Purpose Ind AS Consolidated Financial Statements of the Group as at and for the year ended March 31, 2021 prepared by the Management of the Company in accordance with Ind AS prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and in accordance with the basis of preparation, as set out in Note No. 1.1 to the Restated Consolidated Financial Information, which have been approved by the Board of Directors of the Company at their meeting held on August 14, 2023.

5. For the purpose of our examination, we have relied on:

   (a) Independent Auditor's report issued by us dated August 14, 2023 on the Audited Ind AS Consolidated Financial Statements of the Group as at and for year ended March 31, 2023 as referred in Para 4(a) above.

   (b) Independent Auditor's report issued by the previous auditor, M/s. SSBK & Co Chartered Accountants ("**Previous Auditor**"). dated November 09, 2022 on the Audited Ind AS Consolidated Financial Statements of the Group as at and for the year ended March 31, 2022 as referred in Para 4(a) above.

   (c) Independent Auditor's reports issued by us August 14, 2023 the Special Purpose Ind AS Consolidated Financial Statements of the Group as at and for the year ended March 31, 2021, as referred in Para 4(b) above.

   As informed to us by the management, Previous Auditor completed their tenure as Auditors as per Section 139(2) of the Act. Accordingly, in accordance with ICDR Regulations and the Guidance Note, we, Talati & Talati LLP, have audited the Special Purpose Ind AS Consolidated Financial Statements for the year ended March 31, 2021, as referred in Para 4(b) above and issued our audit report thereon.

6. As indicated in the audit reports referred to above:

   The Audited Ind AS Consolidated Financial Statements of the Group for the year ended March 31, 2023 audited by us and for the year ended March 31, 2022 audited by Previous Auditor and the Special Purpose Ind AS Consolidated Financial Statements of the Group for the year ended March 31, 2021 audited by us included certain Other Matter Paragraphs reproduced as below:

Our opinion on the Restated Consolidated Financial Information is not modified in respect of these matters.

Audited Ind AS Consolidated Financial Statements of the Group for the year ended March 31, 2023:

We have not audited the financial statements of one foreign subsidiary namely, SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC), whose share of total assets, total revenues, total profit after tax, total comprehensive income and net cash flows included were audited by another auditor and whose audit report has been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the below-mentioned amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on report of such other auditor as below:

(INR in Millions)

Particulars	As at and for the year ended March 31, 2023
Number of subsidiaries	1
Total Assets	3,938.56
Total Revenue	3,039.60
Total Profit After Tax	130.00
Total Comprehensive Income	26.61
Net Cash Inflow / (Outflow)	103.96

Our opinion on the Audited Ind AS Consolidated Financial Statements of the Group for the year ended March 31, 2023 is not modified in respect of this matter.

Audited Ind AS Consolidated Financial Statements of the Group for the year ended March 31, 2022:

The financial statements of three Indian subsidiaries (namely, SES Engineering Pvt Ltd, Sidhan Specialty Chemicals Pvt Ltd and Sisley Properties LLP) have not been audited by Previous Auditor, whose share of total assets, total revenues, total profit after tax, total comprehensive income and net cash flows included in the consolidated financial statements are tabulated below. Out of the above, the financial statements of two Indian subsidiaries have been audited by Talati & Talati LLP and the financial statements of one Indian subsidiary have been audited by other auditor and these audit reports have been furnished to Previous Auditor by the Management and Previous Auditor's opinion on the Audited Ind AS Consolidated Financial Statements, in so far as it relates to the below-mentioned amounts and disclosures included in respect of these subsidiaries and Previous Auditor's report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on reports issued by Talati & Talati LLP and other auditor as below:

(INR in Millions)

Particulars	As at and for the year ended March 31, 2022
	Audited by other auditors (including Talati & Talati LLP)
Number of subsidiaries	3
Total Assets	238.81
Total Revenue	201.64
Total Profit After Tax	5.10
Total Comprehensive Income	5.52
Net Cash Inflow / (Outflow)	(6.19)

The financial statements of three foreign subsidiaries (namely SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)), Shiva Pharmachem AG and Shiva Pharmachem International Inc) have not been audited by Previous Auditor, whose share of total assets, total revenues, total profit after tax, total comprehensive income and net cash flows included in the consolidated financial statements are tabulated below. Out of the above, the financial statements of two foreign subsidiaries have been audited by Talati & Talati LLP and the financial statements of one foreign subsidiary have been audited by other auditor and these audit reports have been furnished to Previous Auditor by the Management and Previous Auditor's opinion on the Audited Ind AS Consolidated Financial Statements, in so far as it relates to the below-mentioned amounts and disclosures included in respect of these subsidiaries and Previous Auditor's report in terms of sub-section (3) and

(11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on reports issued by Talati & Talati LLP and other auditor as below :

(INR in Millions)

Particulars	**As at and for the year ended March 31, 2022**
	Audited by other auditors (including Talati & Talati LLP)
Number of subsidiaries	3
Total Assets	4,961.45
Total Revenue	5,243.08
Total Profit After Tax	57.04
Total Comprehensive Income	119.45
Net Cash Inflow / (Outflow)	72.06

Previous Auditor's opinion on the Audited Ind AS Consolidated Financial Statements of the Group for the year ended March 31, 2022 is not modified in respect of these matters.

Audited Special Purpose Ind AS Consolidated Financial Statements of the Group for the year ended March 31, 2021:

We have not audited the financial statements of one Indian subsidiary (namely, Sisley Properties LLP), whose share of total assets, total revenues, total profit after tax, total comprehensive income and net cash flows included which was audited by another auditor and whose audit report has been furnished to us by the Management and our opinion on the Audited Special Purpose Ind AS Consolidated Financial Statements, in so far as it relates to the below-mentioned amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor as below:

(INR in Millions)

Particulars	**As at and for the year ended March 31, 2021**
Number of subsidiaries	1
Total Assets	116.72
Total Revenue	NIL
Total Profit After Tax	(0.03)
Total Comprehensive Income	(0.03)
Net Cash Inflow / (Outflow)	(0.04)

We have not audited the financial statements of one foreign subsidiary (namely, SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)), whose share of total assets, total revenues, total profit after tax, total comprehensive income and net cash flows included were audited by another auditor and whose audit report has been furnished to us by the Management and our opinion on the Audited Special Purpose Ind AS Consolidated Financial Statements, in so far as it relates to the below-mentioned amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on report of such other auditor as below:

(INR in Millions)

Particulars	**As at and for the year ended March 31, 2021**
Number of subsidiaries	1
Total Assets	2,981.36
Total Revenue	2,132.25
Total Profit After Tax	151.35
Total Comprehensive Income	148.59
Net Cash Inflow / (Outflow)	(91.94)

Our opinion on the Audited Special Purpose Ind AS Consolidated Financial Statements of the Group for the year ended March 31, 2021 is not modified in respect of these matters.

7. The auditor's report on the Special Purpose Ind AS Consolidated Financial Statements of the Group issued by us for the year ended March 31, 2021 referred to in paragraph 5(c) above included the following emphasis of matter (included in Note 55 in the Special Purpose Ind AS Consolidated Financial Statements of the Group for the year ended March 31, 2021):

   We draw attention to the Note No. 55 of the Special Purpose Ind AS Consolidated Financial Statements as under:

   "While preparing the Special Purpose Standalone Financial Statement for FY 2020-21 of the Subsidiary Company SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) the management has not provided the Unrealised Foreign Exchange Loss amounting to Rs. 23.92 Million."

   In relation to the above, we draw attention to Note 60 to the Restated Consolidated Financial Information of the Group. The Company has corrected the said prior period errors in respect of the matter more fully described in that note, by restating the amounts for the year ended March 31, 2021 in accordance with IND AS 8, "Accounting Policies, Change in Accounting Estimates and Errors".

   Our opinion on the Restated Consolidated Financial Information is not modified in respect of this matter.

8. Based on our examination and according to the information and explanations provided to us, and also as per the reliance placed on the audit report submitted by the previous auditor and other auditors on their audit of financial statements of subsidiaries for the respective periods/years mentioned in paragraph 6 above, we report that the Restated Consolidated Financial Information:

   (a) has been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/reclassifications retrospectively in the financial years as at and for the years ended March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2023.

   (b) does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2020 / Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financial Information, have been disclosed in Note 50 of Annexure VI to the Restated Consolidated Financial Information; and

   (c) has been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

10. The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to March 31, 2023. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as at any date or for any period subsequent to March 31, 2023.

11. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use by the Board of Directors of the Company for inclusion in the DRHP to be filed with the SEBI, BSE and NSE 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 Talati & Talati LLP
Chartered Accountants
FRN: 110758W/W100377

CA Manish Baxi
Partner
Membership No.: 045011

UDIN: 23045011BGRIVC5803

Place of Signature: Vadodara
Date: August 14, 2023

ANNEXURE I - RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

All amounts are in INR Millions unless otherwise stated

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
I ASSETS				
1 Non- Current Assets				
(a) Property, Plant and Equipment	**2A**	3,461.66	3,351.19	3,198.86
(b) Capital Work - in - Progress	**2B**	1,956.88	1,142.99	846.88
(c) Investment Property	**3**	1.81	-	-
(d) Goodwill on Consolidation		55.87	56.22	56.22
(e) Intangible Assets	**4**	113.25	149.92	12.89
(f) Right of Use Assets	**5**	105.19	109.35	114.55
(g) Financial Assets				
(i) Investments	**6**	207.06	186.49	17.51
(ii) Others Financial Assets	**7**	11.61	41.80	41.80
(h) Deferred Tax Assets (Net)	**8**	24.76	13.46	14.95
(i) Other Non - Current Assets	**9**	16.75	31.11	26.10
Total Non - Current Assets		**5,954.83**	**5,082.52**	**4,329.78**
2 Current assets				
(a) Inventories	**10**	1,862.88	1,557.31	1,333.04
(b) Financial Assets				
(i) Trade Receivables	**11**	2,451.55	2,771.16	1,918.61
(ii) Cash and Cash Equivalents	**12**	293.79	142.10	185.72
(iii) Bank Balances other than Cash and Cash Equivalents	**13**	3.83	16.43	24.22
(iv) Loans & Advances	**14**	7.35	6.20	6.01
(v) Other Financial Assets			-	
(c) Other Current Assets	**16**	995.13	894.25	734.81
Total Current Assets		**5,614.54**	**5,387.44**	**4,202.42**
TOTAL ASSETS		**11,569.37**	**10,469.96**	**8,532.19**
II EQUITY AND LIABILITIES				
A Equity				
(a) Equity Share Capital	**17A**	212.41	70.80	70.80
(b) Instruments Entirely Equity in Nature	**17B**	-	-	-
(c) Other Equity	**17C**	5,174.63	4,399.61	3,615.66
Equity Attributable to Owners of the Holding Company		**5,387.04**	**4,470.41**	**3,686.46**
Non Controlling Interest		191.51	193.73	167.46
Total Equity		**5,578.55**	**4,664.14**	**3,853.93**
B Liabilities				
1 Non- Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	**18**	451.19	624.07	1,277.76
(ii) Lease Liabilities	**19**	2.12	1.08	1.11
(iii) Other Financial Liabilities	**20**	-	55.00	55.00
(b) Long Term Provisions	**21**	91.07	87.92	77.96
(c) Other Non - Current Liabilities	**22**	2.65	36.56	33.37
Total Non - Current Liabilities		**547.03**	**804.64**	**1,445.20**
2 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	**23**	3,019.95	2,582.14	1,374.66
(ii) Lease Liabilities	**24**	0.05	0.02	0.02
(iii) Trade Payables	**25**			
(A) total outstanding dues of micro enterprises and small enterprises; and		73.25	75.69	90.23
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,149.77	1,386.06	961.53
(b) Short Term Provisions	**26**	218.00	166.06	193.64
(c) Liability for Current Tax (Net)	**27**	415.32	314.26	204.21
(d) Other Current Liabilities	**28**	567.45	476.96	408.77
Total Current Liabilities		**5,443.79**	**5,001.19**	**3,233.07**
TOTAL EQUITY AND LIABILITIES		**11,569.37**	**10,469.96**	**8,532.19**
Significant Accounting Policies	**1**			

The above statement should be read together with basis of preparation, measurement and significant accounting policies forming part of the Restated Consolidated Financial Information in Annexure V and notes to Restated Consolidated Financial Information in Annexure VI

As per our Report of even date
For Talati & Talati LLP
Chartered Accountants
FRN: 110758W/W100377

For and on behalf of Board of Directors

CA Manish Baxi
Partner
Membership No. 045011
Place: Vadodara
Date : 14-08-2023

Rakesh Agrawal
Chairman
DIN:00057955
Place : Vadodara
Date : 14-08-2023

Anil Inani
Chief Financial Officer
Place : Vadodara
Date : 14-08-2023

Tarang Maru
Company Secretary
Place : Vadodara
Date : 14-08-2023

ANNEXURE II - RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

All amounts are in INR Millions unless otherwise stated

Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
CONTINUING OPERATIONS				
I INCOME				
Revenue from Operations	**29**	10,794.66	10,159.90	7,601.17
Other Income	**30**	147.30	158.44	217.14
Total Income		**10,941.96**	**10,318.34**	**7,818.31**
II EXPENSES				
Cost of Materials Consumed	**31**	5,763.54	5,358.59	4,058.11
Purchases of Traded Goods	**32**	78.74	273.54	25.17
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	**33**	(322.03)	(30.54)	(368.10)
Employee Benefits Expense	**34**	1,057.50	1,045.97	972.71
Finance Costs	**35**	140.96	94.42	88.67
Depreciation and Amortization Expense	**36**	506.66	541.49	420.29
Other Expenses	**37**	2,175.05	1,914.83	1,504.31
Total Expenses		**9,400.42**	**9,198.28**	**6,701.17**
III Restated Profit / (loss) before Exceptional Items and Tax		**1,541.55**	**1,120.05**	**1,117.14**
IV Exceptional Item				
V Profit / (loss) before tax		**1,541.55**	**1,120.05**	**1,117.14**
VI Tax expense				
Current Tax	**38**	387.34	287.38	243.12
Deferred Tax Charge/(Credit)	**38**	(12.17)	3.15	11.45
Tax in Respect of Earlier Years	**38**	(0.09)	(3.67)	-
VII Restated Profit/(Loss) for the year from Continuing Operations		**1,166.46**	**833.20**	**862.57**
VIII Other Comprehensive Income				
(i) Items that will not be Reclassified to Profit or Loss				
Remeasurements of Net Defined Benefit Plans		(4.98)	(4.60)	(7.60)
Income Tax Relating to Above Items		1.76	1.66	2.81
(ii) Items that will be reclassified to Profit or Loss				
Difference due to changes in foreign exchange reserves		(109.58)	62.41	(6.55)
Restated Other Comprehensive Income for the year, net of tax		**(112.80)**	**59.47**	**(11.34)**
IX Restated Total Comprehensive Income for the year		**1,053.67**	**892.67**	**851.23**
Restated Profit Attributable to :				
Owners of the Holding Company:		1,127.46	825.46	824.34
Non Controlling Interest :		39.00	7.73	38.23
Restated Profit for the year		**1,166.46**	**833.20**	**862.57**
Restated Other Comprehensive Income attributable to:				
Owners of the Holding Company :		(81.78)	40.95	(10.52)
Non Controlling Interest :		(31.02)	18.53	(0.83)
Restated Other Comprehensive Income for the year		**(112.80)**	**59.47**	**(11.34)**
Restated Total Comprehensive Income attributable to:				
Owners of the Holding Company :		1,045.68	866.41	813.83
Non Controlling Interest :		7.98	26.26	37.40
Restated Total Comprehensive Income for the year		**1,053.67**	**892.67**	**851.23**
X Earnings per equity share of ₹ 2 each (for continuing operation):	**39**			
Basic EPS (₹)		**10.62**	**7.77**	**7.76**
Diluted EPS (₹)		**10.62**	**7.77**	**7.76**
Significant Accounting Policies	**1**			

The above statement should be read together with basis of preparation, measurement and significant accounting policies forming part of the Restated Consolidated Financial Information in Annexure V and notes to Restated Consolidated Financial Information in Annexure VI

As per our Report of even date
For Talati & Talati LLP
Chartered Accountants
FRN: 110758W/W100377

For and on behalf of Board of Directors

CA Manish Baxi	**Rakesh Agrawal**	**Anil Inani**	**Tarang Maru**
Partner	Chairman	Chief Financial Officer	Company Secretary
Membership No. 045011	DIN:00057955		
Place: Vadodara	Place : Vadodara	Place : Vadodara	Place : Vadodara
Date : 14-08-2023	Date : 14-08-2023	Date : 14-08-2023	Date : 14-08-2023

ANNEXURE III - RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

All amounts are in INR Millions unless otherwise stated

Particulars	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
A. Cash Flow from Operating Activities			
Restated Profit before exceptional Items and tax as per statement of profit and loss	**1,541.55**	**1,120.05**	**1,117.14**
Adjustments for:			
Depreciation and amortization expenses	506.66	541.49	420.29
Finance cost	140.96	94.42	88.67
Transfer to Reserve & FCTR Adjustment	(148.02)	37.99	(197.49)
Unrealised Foreign Exchange Loss	-	(23.92)	23.92
Unrealised profit on stocks	(101.10)	(58.04)	(34.42)
Adjustment for MAT Credit	-	-	13.91
Adjustment for Expected Credit Loss	0.58	-	-
Interest income	(0.65)	(9.00)	(25.22)
Rent Income	(3.41)	-	(0.20)
Fair Valuation of Investments through Profit and Loss	(0.40)	(0.57)	(0.59)
Remeasurements of net defined benefit plans	(4.98)	(4.60)	(7.60)
Gain on Sale of Shares	(1.78)	-	-
(Profit)/ loss on sale of fixed assets (net)	(1.43)	(0.84)	(0.16)
Operating profit before working capital changes	**1,927.97**	**1,696.97**	**1,398.26**
Adjustments for:			
(Increase)/decrease in Trade Receivables	297.55	(852.54)	337.37
(Increase)/decrease in Inventories	(305.57)	(224.27)	(271.85)
(Increase)/decrease in Other Financial Assets	41.37	-	-
(Increase)/decrease in Other Non Current Assets	13.84	(5.01)	(1.83)
(Increase)/decrease in Bank Balance other than Cash and Cash Equivalent	9.83	7.79	20.27
(Increase)/decrease in Short Term Loans	(3.49)	(0.19)	0.68
(Increase)/decrease in Other Current Assets	(145.57)	(159.44)	353.16
(Increase)/decrease in Lease Liability	1.04	(0.02)	(0.02)
Increase/(decrease) in Long Term Provisions	10.52	9.96	13.99
Increase/(decrease) in Other Non Current Liability	(33.91)	3.19	24.04
Increase/(decrease) in Short Term Lease Liability	0.03	0.00	0.00
Increase/(decrease) in Trade & other payables	(228.21)	409.99	205.88
Increase/(decrease) in Short Term Provisions	65.26	(3.66)	81.18
Increase/(decrease) in Other Current Liabilities	106.99	69.13	16.49
Increase/(decrease) in Other Financial Liabilities	(0.09)	-	-
Increase/(decrease) in Other Long Term Financial Liabilities	(58.68)	-	-
Increase/(decrease) in Current Tax Liability	(7.87)		
	1,691.00	**951.91**	**2,177.64**
Less: Direct taxes paid (net of refunds)	(278.47)	(173.66)	(310.99)
Net cash (used in) / generated from operating activities after exceptional items (A)	**1,412.53**	**778.25**	**1,866.64**
B. Cash Flow from Investing Activities			
Inflows			
Sale proceeds / (Purchase) of property, plant and equipment	5.51	2.14	0.84
Sale proceeds / (Purchase) of Investments / Loss of Control	7.32	-	0.45
Interest received	0.65	9.00	25.22
Rent Income	3.41	-	0.20
Dividend received from others	-	0.00	0.00
Outflows			
Purchase of property, plant and equipment/ intangible assets	(1,402.90)	(1,123.03)	(1,579.37)
Purchase of investments	(4.39)	(168.40)	(0.00)
Net cash (used in) / generated from investing activities (B)	**(1,390.40)**	**(1,280.29)**	**(1,552.65)**

All amounts are in INR Millions unless otherwise stated

Particulars	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
C. Cash Flow from Financing Activities			
Inflows			
Proceeds from issue of Shares	-	-	-
Outflows			
Long term borrowings - Received/(Repaid) (Net)	(168.09)	(653.69)	109.63
Short term borrowings - Received/(Repaid) (Net)	438.62	1,206.53	(404.59)
Finance Cost	(140.96)	(94.42)	(88.67)
Net cash (used in) / generated from financing activities (C)	**129.56**	**458.42**	**(383.63)**
Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)	**151.70**	**(43.63)**	**(69.64)**
Add : Cash and cash equivalent at beginning of the year	142.10	185.72	255.36
Cash and cash equivalent at end of the year	**293.79**	**142.10**	**185.72**
Cash and Cash equivalent as per above comprises of the following			
Cash and Cash Equivalents (Refer Note 12)	**293.79**	**142.10**	**185.72**
Bank Balances Other Than Cash and Cash Equivalents (Refer Note 13)	**3.83**	**16.43**	**24.22**
Balances as per Statement of Cash Flows	**297.63**	**158.53**	**209.94**

The above statement should be read together with basis of preparation, measurement and significant accounting policies forming part of the Restated Consolidated Financial Information in Annexure V and notes to Restated Consolidated Financial Information in Annexure VI

Notes:

(i) The cash flow statement has been prepared under the indirect method as set out in Ind AS 7, “Statement of Cash Flows”, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature. The cashflows from operating, investing and financing activities of the Group are segrgated based on the available information.

(ii) Additions to property, plant, equipment and intangible assets include movements of capital work-in-progress and intangible assets under development respectively during the year.

As per our Report of even date
For Talati & Talati LLP
Chartered Accountants
FRN: 110758W/W100377

CA Manish Baxi
Partner
Membership No. 045011

Place: Vadodara
Date : 14-08-2023

For and on behalf of Board of Directors

Rakesh Agrawal
Chairman
DIN:00057955

Place : Vadodara
Date : 14-08-2023

Anil Inani
Chief Financial Officer

Place : Vadodara
Date : 14-08-2023

Tarang Maru
Company Secretary

Place : Vadodara
Date : 14-08-2023

ANNEXURE IV - RESTATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All amounts are in INR Millions unless otherwise stated

(I) Equity Share Capital (Refer Note 17A)

Amount in Million

Particulars	As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	**70,80,200**	**70.80**	**70,80,200**	**70.80**	**69,50,200**	**69.50**
Changes in Equity Share Capital due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting year	**70,80,200**	**70.80**	**70,80,200**	**70.80**	**69,50,200**	**69.50**
Changes in Equity Share Capital during the year (net)	9,91,22,800	141.60	-	-	1,30,000	1.30
Balance at the end of the reporting year	**10,62,03,000**	**212.41**	**70,80,200**	**70.80**	**70,80,200**	**70.80**

(II) Instruments Entirely Equity in Nature (Refer Note 17B)

Amount in Million

Particulars	As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	**-**	**-**	**-**	**-**	**-**	**-**
Changes in Equity Share Capital due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting year	**-**	**-**	**-**	**-**	**-**	**-**
Changes in Equity Share Capital during the year (net)	-	-	-	-	-	-
Balance at the end of the reporting year	**-**	**-**	**-**	**-**	**-**	**-**

(III) Other Equity (Refer Note 17C)

All amounts are in INR Millions unless otherwise stated

Amount in Million

Particulars	Other Equity	Reserves and Surplus					Other Comprehensive Income (OCI)			Total	Non	Total
	Share Capital Pending Allotment	Capital Redem-ption Reserve	Capital Reserve	Non-Distribu-table Reserves	General Reserves	Retained Earnings	Net gain/ (loss) on FVTOCI equity investments	Foreign Exchange Translation Reserve	Remeasu-rement of defined benefit liability	Attribu-table to Owners Holding Company	Contro-lling Interest	of the
Balance as at 1st April 2020	**1.30**	**40.00**	**-**	**110.42**	**-**	**2,681.42**	**-**	**70.50**	**7.23**	**2,910.88**	**247.69**	**3,158.56**
Restated Net Profit for the year	-	-	-	-	-	824.34	-	-	-	824.34	38.23	862.57
Restated Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	(5.72)	(4.80)	(10.52)	(0.83)	(11.34)
Restated Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**824.34**	**-**	**(5.72)**	**(4.80)**	**813.83**	**37.40**	**851.23**
Transfers during the year	-	(40.00)	97.84	246.06	40.00	(373.86)	-	-	-	(29.97)	(117.62)	(147.59)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Converted into Share Capital	(1.30)	-	-	-	-	-	-	-	-	(1.30)	-	(1.30)
Dividend Paid & DDT	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Foreign Currency Translation Reserve	-	-	-	-	-	-	-	(43.35)	-	(43.35)	-	(43.35)
Unrealised Profit on Stocks	-	-	-	-	-	(34.42)	-	-	-	(34.42)	-	(34.42)
Balance as at 31st March 2021	**-**	**-**	**97.84**	**356.48**	**40.00**	**3,097.47**	**-**	**21.43**	**2.44**	**3,615.66**	**167.46**	**3,783.12**
Restated Net Profit for the year	-	-	-	-	-	825.46	-	-	-	825.46	7.73	833.20
Restated Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	43.88	(2.94)	40.95	18.53	59.47
Restated Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**825.46**	**-**	**43.88**	**(2.94)**	**866.41**	**26.26**	**892.67**
Transfers during the year	-	-	-	40.01	-	(71.14)	-	-	-	(31.13)	-	(31.13)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid & DDT	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Foreign Currency Translation Reserve	-	-	-	-	-	-	-	6.70	-	6.70	-	6.70
Unrealised Profit on Stocks	-	-	-	-	-	(58.04)	-	-	-	(58.04)	-	(58.04)
Balance as at 31st March 2022	**-**	**-**	**97.84**	**396.49**	**40.00**	**3,793.76**	**-**	**72.02**	**(0.50)**	**4,399.61**	**193.73**	**4,593.33**
Restated Net Profit for the year	-	-	-	-	-	1,127.46	-	-	-	1,127.46	39.00	1,166.46
Restated Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	(78.56)	(3.22)	(81.78)	(31.02)	(112.80)
Restated Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**1,127.46**	**-**	**(78.56)**	**(3.22)**	**1,045.68**	**7.98**	**1,053.67**
Transfers during the year / Buy Back of Pref Shares Shares	-	55.00	-	8.28	-	(71.56)	-	-	(7.24)	(15.52)	(10.20)	(25.72)
Transfer on account of disposal of subsidiary (Refer Note 52)	-	-	-	-	-	1.72	-	-	(1.72)	-	-	-
Dividend Paid & DDT / Utilisation of Reserves	-	(55.00)	-	-	(40.00)	(46.60)	-	-	-	(141.60)	-	(141.60)
Transfer to Foreign Currency Translation Reserve	-	-	-	-	-	-	-	(12.43)	-	(12.43)	-	(12.43)
Unrealised Profit on Stocks	-	-	-	-	-	(101.10)	-	-	-	(101.10)	-	(101.10)
Balance as at 31st March 2023	**-**	**-**	**97.84**	**404.77**	**-**	**4,703.67**	**-**	**(18.97)**	**(12.68)**	**5,174.63**	**191.51**	**5,366.14**

The above statement should be read together with basis of preparation, measurement and significant accounting policies forming part of the Restated Consolidated Financial Information in Annexure V and notes to Restated Consolidated Financial Information in Annexure VI

As per our Report of even date
For Talati & Talati LLP
Chartered Accountants
FRN: 110758W/W100377

For and on behalf of Board of Directors

CA Manish Baxi
Partner
Membership No. 045011
Place: Vadodara
Date: 14-08-2023

Rakesh Agrawal
Chairman
DIN:00057955
Place: Vadodara
Date: 14-08-2023

Anil Inani
Chief Financial Officer
Place: Vadodara
Date: 14-08-2023

Tarang Maru
Company Secretary
Place: Vadodara
Date: 14-08-2023

All amounts are in INR Millions unless otherwise stated

ANNEXURE – V SIGNIFICANT ACCOUNTING POLICIES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Corporate Information:

Shiva Pharmachem Limited (the “Holding Company”) having CIN U24231GJ1999PLC035615 is a public limited company incorporated on 18th March 1999 with its registered office at 12th Floor, SHIVA, Sarabhai Complex, Dr. Vikram Sarabhai Marg, Vadiwadi, Vadodara 390023, Gujarat, India.

The Holding Company is engaged in the business of manufacturing and is a Global supplier of Acid, Alkyl Chlorides, and advanced intermediates.

The Restated Financial Information is prepared for the Holding Company and its subsidiaries together referred to as (the “Group”).

Name of the Subsidiary	% of Holding as at			Country of Incorporation	Principal Activity
	31st March 2023	31st March 2022	31st March 2021		
Shiva Pharmachem AG	100%	100%	100%	Switzerland	Trading of Chemicals
Shiva Pharmachem International Inc	100%	100%	100%	USA	Trading of Chemicals
SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)(1)	70%	70%	70%	Hungary	Manufacturing of Chemicals
SES Engineering Pvt Ltd(2)	N.A.	100%	100%	India	Providing Engineering Services
Sisley Properties LLP	99.70%	99.70%	99.70%	India	Real Estate Business
Sidhan Specialty Chemicals Pvt Ltd(2)	N.A.	100%	100%	India	Manufacturing of Chemicals

(1) VR Finechem Pvt Ltd merged with Shiva Pharmachem Ltd as at appointed date of the scheme i.e. 1st April 2021 pursuant to the scheme of arrangement becoming effective on 30th September 2022. However, as the merger was pertaining to entities under common control as per Appendix C for Ind AS 103, the accounting impact had been given as if the merger had occurred from the beginning of the comparative period in these Consolidated Financial Statements (Refer Note 50). Due to the merger, Shiva Pharmchem Ltd obtained 47,32,00,000 equity shares (Quota) of SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) thereby bringing the effective interest in the subsidiary up to 70%.

(2) During the FY 2022-23 Holding Company has sold equity shares of SES Engineering Pvt Ltd and Sidhan Specialty Chemicals Pvt Ltd (Refer Note 51)

1 Basis of Preparation, Measurement and Significant Accounting Policies

1.1 Statement of Compliance and Basis of Preparation

The Restated Consolidated Financial Information of the Group comprises of the Restated Consolidated Statement of Assets and Liabilities as at 31st March 2023, 31st March 2022 and 31st March 2021, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for the years ended 31st March 2023, 31st March 2022 and 31st March 2021, and the Significant Accounting Policies and other explanatory information relating to such financial periods (referred to collectively as ‘Restated Consolidated Financial Information’).

These Restated Consolidated Financial Information have been prepared by the Management of the Holding Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”) issued by the Securities and Exchange Board of India (‘SEBI’), in pursuance of the Securities and Exchange Board of India Act, 1992, for the purpose of inclusion in the Draft Red Herring Prospectus (‘DRHP’) in connection with the proposed Initial Public Offering of equity shares of face value of Rs. 2 each of the Holding Company comprising an offer for sale of equity shares held by the selling shareholders (the “Offer”), prepared by the Holding Company in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”);

(b) ICDR Regulations;

(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the “Guidance Note”); and

The Restated Consolidated Financial Information of the Group have been prepared to comply in all material respects with the Indian Accounting Standards (“Ind AS”) as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III of the Act, as applicable to the financial statements and other relevant provisions of the Act.

The Restated Consolidated Financial Information of the Group were authorized for issue by the Board of Directors at their meeting held on 14th August, 2023.

These Restated Consolidated Financial Information of the Group have been compiled from:

(a) Audited Ind AS Consolidated Financial Statements of the Group as at and for the year ended 31st March 2023 and 31st March 2022 prepared in accordance with recognition and measurement principles under Ind AS as specified under section 133 of the Act and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III of the Act which have been approved by the Board of Directors at their meeting held on 14th August, 2023 and 9th November 2022 respectively.

(b) Audited Special Purpose Ind AS Consolidated Financial Statements of the Group as at and for the year ended 31st March 2021 which were prepared by the Holding Company after taking into consideration the requirements of the ICDR Regulations and were approved by the Board of Directors at their meeting held on 14th August, 2023.

The Group had adopted 31st March 2022 as reporting date for first-time adoption of Indian Accounting Standards as notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act and consequently 1st April 2020 as the transition date for preparation of its Statutory Ind AS Consolidated Financial Statements the year ended 31st March 2022. For periods up to and including the year ended 31st March 2021, the Holding Company prepared its consolidated financial statements in accordance with Accounting Standards ("Indian GAAP") notified under section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

The Audited Special Purpose Ind AS Consolidated Financial Statements for the year ended 31st March 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following the accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101)as at the transition date and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended on 31stMarch 2023 and 31stMarch 2022. Adjustments made to the previously issued Indian GAAP Financial Statements to comply with Ind AS have been audited by Talati and Talati LLP. The basis of preparation for specific items where exemptions have been applied and reconciliation between Indian GAAP and Ind AS has been disclosed in Note 49.

In pursuance to the ICDR Regulations, for the purpose of Audited Special Purpose Ind AS Consolidated Financial Statements of the Group as at and for the year ended 31st March 2021, the transition date is considered as 1st April 2020 which is same as the transition date adopted by the Group at the time of first-time transition to Ind AS (i.e. 1st April 2020) for the purpose of preparation of Statutory Ind AS Consolidated Financial Statements as required under the Act.

These Special Purpose Ind AS Financial Statements as at and for the year ended 31st March 2021 are not the statutory consolidated financial statements under the Companies Act, 2013.

The accounting policies have been consistently applied by the Holding Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of Audited Consolidated Financial Statements as at and for the year ended 31st March 2023.

These Restated Consolidated Financial Information have been prepared on a going concern basis.

These Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the board meeting held for the approval of the Consolidated Financial Statements as at and for the years ended 31st March 2023, 31st March 2022 and 31st March 2021 as mentioned above.

The Restated Consolidated Financial Information:

(a) Have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31st March 2023, 31st March 2022 and 31st March 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31st March 2023.

(b) Do not require any adjustment for modification as there is no modification in the underlying audit reports; and

(c) Have been prepared in accordance with the Act, ICDR Regulations, the Guidance Note and the SEBI e-mail.

The Restated Consolidated Financial Information have been prepared on historical cost convention, except for the following assets and liabilities which have been measured at fair value:

(a) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and;

(b) Defined Benefits Plan – Plan Assets are measured at Fair Value.

All amounts included in the Restated Consolidated Financial Information are presented in Indian Rupees ("INR" or "Rs."), which is also the Holding Company's functional currency and all values are stated as INR or Rs. million rounded of up to two decimals, except when otherwise indicated.

1.2 Principles of Consolidation

A subsidiary is an entity that is, directly or indirectly, controlled by the Holding Company. Controls exists when the Holding Company, directly or indirectly, has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Consolidation of a subsidiary begins when the Holding Company, directly or indirectly, obtains control over the subsidiary and ceases when the Holding Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Consolidated Statement of Profit and Loss from the date the Holding Company, directly or indirectly, gains control until the date when the Holding Company, directly or indirectly, ceases to control the subsidiary.

The Restated Consolidated Financial Information relating to “Shiva Pharmachem Limited.” (The Holding Company) and its subsidiaries have been prepared on the following basis:

(a) The Restated Consolidated Financial Information of the Group are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised Profit/(Loss) in accordance with the Ind AS 110 “Consolidated Financial Statements”. The accounting policies of subsidiaries have been harmonised to ensure consistency with the policies adopted by the Holding Company.

(b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory, are eliminated in full.

(c) In the case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).

(d) The Restated Consolidated Financial Information have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company’s Ind AS Standalone Financial Statements.

(e) The carrying amount of the Holding Company’s investment in each subsidiary is offset (eliminated) against the Holding Company’s portion of the equity in each subsidiary.

(f) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests that are not owned, directly or indirectly, by the Holding Company.

(g) Loss of Control:

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

i. Derecognises the assets (including goodwill) and liabilities of the subsidiary.

ii. Derecognises the carrying amount of any non-controlling interests.

iii. Derecognises the cumulative translation differences recorded in equity.

iv. Recognises the fair value of the consideration received.

v. Reclassifies the parent’s share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

vi. Recognises the fair value of any investment retained.

vii. Recognises any surplus or deficit in profit or loss.

1.3 Business Combinations - Common Control Transactions

In accordance with Appendix C to Ind AS 103, business combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties before and after the business combination, and where that control is not transitory is accounted using the pooling of interest method as enumerated below:

(a) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies

(c) The financial information presented in respect of prior periods is restated as if the business combination had occurred from the beginning of the earliest period in the financial information, irrespective of the actual date of the combination.

(d) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

(e) The identity of the reserves is preserved and are presented in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

(f) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserves.

1.4 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

(a) Expected to be realized or intended to be sold or consumed in the normal operating cycle; or

(b) Held primarily for the purpose of trading; or

(c) Expected to be realized within twelve months after the reporting period; or

(d) 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:

(a) It is expected to be settled in the normal operating cycle; or

(b) It is held primarily for the purpose of trading; or

(c) It is due to be settled within twelve months after the reporting period; or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

1.5 Property, Plant and Equipment

Recognition and Measurement:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at its cost. Following the initial recognition, all items of property, plant and equipment are measured at cost, less accumulated depreciation, and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes or levies, directly attributable cost of bringing the item to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Such cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Other Indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The Management of respective companies have carried out the technical review for identification of significant components with different useful life with that of useful life of the original assets to which it belongs. However, based on technical analysis, it has been noticed that the useful life of the significant components is more or less remain the same with that of the original assets to which it belongs so no separate useful life are assigned to significant components. All the significant components are depreciated based on the same useful life with that of original assets to which it belongs.

Subsequent Expenditure:

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and cost of the item can be measured reliably.

Depreciation:

Depreciation on items of property, plant and equipment is provided to the extent of depreciable amount on the Written-Down Value (WDV) Method. Depreciation is provided by the Holding Company and its domestic group companies based on useful life of the assets as prescribed in Schedule II of the Act except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, and maintenance support, etc.

Sr. No.	Asset Class	Useful Life (Years)
1	Continuous Plant & Machinery from FY 2021-2022	12 Years
2	Continuous Plant & Machinery till FY 2020-2021	8 Years

Freehold land is not depreciated. Useful Life considered for calculation of depreciation for various class of assets are as under:

Sr.No.	Asset Class	Useful Life (Years)
1	Factory Building	30
2	Office Building	60
3	Plant & Machinery	12
4	Plant Pipelines	8
5	R&D Equipment	10
6	Lab Equipment	8
7	Electrical Installation	8
8	EHS	8
9	Furniture	10
10	Air Conditioner	10
11	Computers	3
12	Vehicles	8
13	Office Equipment	5
14	Pollution Control Measures	8
15	ISO Tanks	20

The Holding Company has taken over the following fixed assets under the composite scheme of arrangement of with Tash Investment Pvt Ltd during the FY 2019-2020 (Refer Note 50), the balance of which have been depreciated on the remaining useful life of that assets under WDV Method.

Sr. No.	Asset Class	Useful Life (Years)
1	Office Building	47 (Remaining Useful Life)

In the case of SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) i.e., foreign subsidiary of Shiva Pharmachem Ltd, items of property, plant and equipment are depreciated using Straight-Line Method (SLM) over the estimated useful life as prescribed under their applicable Local GAAP.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each reporting period. If any of these expectations differs from previous estimates, such change is accounted for as a change in an accounting estimate and adjusted prospectively.

De-recognition:

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

1.6 Capital Work-in-Progress (CWIP)

Projects under which tangible assets are not yet ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing costs. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets and not included as a part of capital work-in-progress.

Costs incurred during the period of implementation of a project, till it is commissioned, is accounted as capital work-in-progress and after commissioning the same is transferred/allocated to the respective item of property, plant and equipment.

1.7 Investment Property

Recognition and Measurement

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Policies with respect to depreciation, useful life and derecognition are followed on the same basis as stated for property, plant and equipment above.

Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer.

Transfer of property from investment property to the property, plant and equipment is made when the property is no longer held for long term rental yields or for capital appreciation or both at carrying amount of the property transferred.

1.8 Intangible Assets

Recognition and Measurement

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised instatement of profit and loss in the period in which expenditure is incurred.

Amortisation

Intangible assets with finite lives are amortised over the estimated useful economic life using the Written-Down Value (WDV) Method. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss. The estimated useful life of intangible assets as determined by the Holding Company and its domestic group companies is mentioned as below:

Sr. No.	Asset Class	Useful Life (Years)
1	Computer Software	3 and 6

In the case of SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) i.e., foreign subsidiary of the Holding Company, intangible assets are amortised using Straight-Line Method (SLM) over the estimated useful life as prescribed under their applicable Local GAAP.

1.9 Goodwill on Consolidation

Goodwill arising on consolidation is stated at cost less impairment losses, where applicable.

1.10 Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment.

The Group uses judgment in assessing whether a contract (or part of contract) include a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed. The judgment involves assessment of whether the asset included in the contract is a fully or partly identified asset based on the facts and circumstances, whether the contract include a lease and non-lease component and if so, separation thereof for the purpose of recognition and measurement, determination of lease term basis, inter alia the non-cancellable period of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed are variable or a combination of both.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered prior to 1st April 2020, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Right of Use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of lease.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the lease payment

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of ISO Tanks and Buildings on Rent / Lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Further the above lease also qualifies for low-value assets recognition exemption as they are of low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.11 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group determines the classification of its financial assets and liabilities at initial recognition. The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

A. Financial Assets

Initial Recognition and Measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss (FVTPL), are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

Subsequent Measurement

(a) Financial Assets measured at Amortised Cost (AC)

A Financial asset is subsequently measured at amortised cost if it meets the following criteria:

i. the asset is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and

ii. the contractual terms of the financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal outstanding.

(b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it meets the following criteria:

i. the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

ii. the contractual terms of the financial asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

On de-recognition of such financial assets, cumulative gain or loss previously recognised in other comprehensive income is not reclassified from the equity to statement of profit and loss.

(c) Financial Assets measured at Fair Value through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets are reclassified subsequent to their recognition, if the Group changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 –Financial Instruments.

(d) Investment in Subsidiaries, Associates and Joint Ventures

The respective Group accounted for its investments in subsidiaries, associates and joint venture at cost less impairment loss (if any). The investments in preference shares with the right of surplus assets which are in nature of equity in accordance with Ind AS 32 are treated as separate category of investment and measured at FVTOCI.

(e) Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in statement of profit and loss, except for those equity investments for which the Group has elected to present the value changes in other comprehensive income. However, dividend on such equity investments is recognised in statement of profit and loss when the Group’s right to receive payment is established.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group uses ‘Expected Credit Loss’(ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables the Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

B. Financial Liabilities

Initial Recognition and Measurement

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the statement of profit and loss as finance cost.

Subsequent Measurement

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C. De-recognition of Financial Instruments

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognize the financial asset and also recognizes a borrowing for the proceeds received.

A financial liability (or a part of a financial liability) is derecognised from the balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

D. Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Group has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1.12 Fair Value Measurement

The Group measures financial instruments, such as, investments, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability,
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, which gives highest priority to quoted prices in active markets and the lowest priority to unobservable inputs.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for inputs other than quoted prices included within Level 1 that are observable for the asset or Liability either directly or indirectly.

Level 3 — Valuation techniques for inputs that are unobservable for the asset or liability.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.13 Impairment of Non-Financial Assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss except for properties previously revalued with the revaluation surplus taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation surplus. An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.14 Foreign Currencies Transactions and Translation

Functional and Presentation Currency:

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's Restated Financial Information are presented in Indian Rupee (INR) which is also the Group's functional and presentation currency.

Transactions and Balances:

On initial recognition, transactions in foreign currencies entered by the Group are recorded in the functional currencies, by applying to the foreign currency rate, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognised in the statement of profit and loss.

Foreign currency monetary items (Monetary assets and liabilities) outstanding of the Group as at the reporting date are translated using the exchange rates prevailing at such reporting dates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

Exchange Differences:

Exchange differences arising out of these translations are recognised in the statement of profit and loss in the period which they arise with exception of exchange differences arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or statement of profit and loss are also recognised in other comprehensive income or statement of profit and loss, respectively).

Translation of Financial Statements of Foreign Entities:

On consolidation, the results and financial position of foreign operations that have a functional currency different from the presentation currency (INR) are translated to the presentation currency (INR) in the following manner:

(a) Assets and Liabilities for each reporting date presented are translated at the closing rate at the date of that reporting date.

(b) Income and expenses are translated at exchange rates at the dates of relevant transaction; for practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions.

(c) All resulting exchange differences are recognised in other comprehensive income and are presented in a separate component of equity (generally referred to as the foreign currency translation reserve) until the disposal of foreign operation;

(d) On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to the statement of profit and loss

(e) Cash flows are translated at appropriate average exchange rates.

1.15 Cash and Cash Equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

1.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or;

(b) a present obligation that arises from past events but is not recognised because;

i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or

ii. the amount of the obligation cannot be measured with sufficient reliability.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

A contingent asset is a possible asset that arises from the past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more of uncertain future events not wholly within the control of the entity. Contingent assets are disclosed in the Restated Consolidated Financial Information by way of notes to accounts when an inflow of economic benefits is probable.

1.17 Revenue Recognition (Revenue from Contracts with Customers)

The Group derives revenue primarily from sale of manufactured products being “Chemicals”. Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(a) Sale of Goods:

Revenue from sale of goods is recognised at the point of time when control of the goods is transferred to the customer, generally on dispatch/delivery of the goods except in case of export Sales, which are recognised on the basis of bill of lading on satisfaction of performance obligation and transfer of control.

Sale of goods is recognised net of sales returns and trade discounts. Sales excludes amounts of indirect taxes on sales.

(b) Sale of Services:

Shiva Pharmachem Limited’s subsidiary “SES Engineering Private Limited” derives revenue primarily from sale of services and engineering consultancy of construction project. The revenue from contracts with customers is recognised when the performance obligation in accordance with the pre-determined terms of the contract with the customer are satisfied which confine with satisfaction of performance obligation criteria in accordance with the IND AS -115 Revenue from the Contract with Customer. The revenue is recognised on the basis of satisfaction of performance over the period of time in accordance with the terms of contract.

(c) Dividend and Interest Income:

Dividend income from investments is recognised when the Group’s right to receive the payment has been established, which is generally when shareholders approve the dividend.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the Effective Interest Rate (EIR), which 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 amortised cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

(d) Rental Income:

Rental income from investment property is recognised in the statement of profit and loss over the term of the lease.

(e) Insurance Claims:

Claims receivable on account of insurance are accounted for to the extent no significant uncertainty exists for the measurement and realisation of the amount.

Insurance Claims, other than claim filed against fire accident, have been booked on receipt basis.

(f) Miscellaneous Income:

All other income is recognized on an accrual basis, when there is no uncertainty in its ultimate realization/collection.

1.18 Inventories

Inventories have been valued on the following basis:

Nature of Inventories	Basis of Inventories Valuation
Raw Material Stock	Inventories of Raw Materials are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average basis. Cost of raw material excludes all taxes and duties.
Semi-Finished(WIP) Goods Stock	Semi-Finished (WIP) Goods Stocks are valued at cost plus appropriate overheads directly attributable to manufacturing activity.
Finished Goods Stock	Inventories of Finished Goods are valued at the lower of cost and net realisable value. Cost represents material, labour and manufacturing expenses and other incidental costs to bring the inventory in present location and condition.
Packing Material Stock	Packing Material stocks are valued at cost.
Stores & Spares Stock	Stores & Spares stocks are valued at cost.
Stock in Transit	Stock in transit stocks is valued at material cost.

As management is of the view that the goods are mainly intended to be exported and hence GST has not been added in valuation of finished goods.

Further imported goods received and laying at port as at balance sheet date and the same is received in factory during the subsequent month has been included in Inventories as goods in transit as at balance sheet date.

The comparison of cost and net realisable value is made on an item-by item basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

1.19 Employee Benefits Expense

Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognised in the period in which the employee renders the related services. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

The Group’s contribution paid/payable during the period to Provident Fund, Pension Scheme and Employee State Insurance Scheme are considered as defined contribution plans.

Recognition and Measurements of Defined Contribution Plan

The contribution paid/payable under those plans are recognised as an expense, in the statement of profit and loss during the period in which the employee renders the services.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Defined Benefit Plans

The Group pays gratuity to the employees who have completed five years of service with the Group at the time of resignation superannuation. The gratuity is paid @15 days’ basic salary for every completed year of service as per the Payment of Gratuity Act, 1972.

Recognition and Measurements of Defined Benefit Plan

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees’ services.

Actuarial gains and losses are recognised immediately in the statement of profit and loss and other comprehensive income in the period which they occur.

1.20 Tax Expenses

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income, in which case, the tax is also recognised in other comprehensive income.

(a) Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Indian Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the balance sheet date.

(b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Restated Consolidated Financial Information and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilised.

(c) Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) credit are recognised if there is convincing evidence that the Group will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The excess tax paid under MAT provisions, being over and above regular tax liability, can be carried forward for a period of the years from the year of recognition and is available for set off against future tax liabilities computed under regular tax provisions, to the extent MAT liability.

(d) Presentation of Current and Deferred Tax:

Current and deferred tax are recognised as income or an expense in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax income/ expense are recognised in other comprehensive income.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

1.21 Borrowing Costs

Borrowing costs includes interest & exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of that asset. All other borrowing costs are recognised as an expensed in the period in which they occur.

1.22 Earnings per share

Basic earnings per share is computed by dividing the profit or loss attributable to equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving the basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Group identifies operating segments based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The CODM monitors the operating results of the segments for the purpose of making decisions about resource allocation and performance assessment.

The operating segment has been identified and reported taking into account its internal financial reporting, performance evaluation and organizational structure of its operations. Operating segment is reported in the manner evaluated by Board, considered as Chief Operating Decision Maker under Ind AS 108 “Operating Segment”.

The Group has only one segment of activity, namely “Manufacturing of Chemicals”, in accordance with the definition of “Segment” covered under Ind AS 108 on Operating Segments.

1.24 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extra ordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

1.25 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Restated Consolidated Financial Information in conformity with Ind AS 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 Restated Consolidated Financial Information and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Restated Consolidated Financial Information have been disclosed in the notes below.

A. Judgments

In the process of applying the Group’s accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the Restated Consolidated Financial Information.

(a) Leases

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

B. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, are described below. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Restated Consolidated Financial Information in the period in which changes are made and if material, then effects are disclosed in the notes to the Restated Consolidated Financial Information.

(a) Taxes

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

(b) Defined Benefit Plans

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The same is disclosed in Note 39, ‘Employee Benefit Expense’.

(c) Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the Discounted Cash Flow (DCF) model, which involve various judgements and assumptions.

(d) Property, Plant and Equipment

Property, Plant and Equipment represents significant portion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of Group's assets are determined by management at the time asset is acquired and reviewed periodically including at the end of each reporting period. The useful life is based on historical experience with similar assets, in anticipation of future events, which may have impact on their life such as change in technology or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

1.26 Events after balance sheet date:

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

Annexure VI - Notes to Restated Consolidated Financial Information

All amounts are in INR Millions unless otherwise stated

2A Property, Plant & Equipment

Particulars	Freehold Land	Factory Building	Office Build-ing	Plant & Machi-nery	Plant Pipe Lines	R & D Equip-ments	Lab Equip-ments	Electrical Installa-tion	EHS	Furniture	Air Condi-tioner	Compu-ters	Vehicles	Office Equip-ments	Pollution Control Measures	ISO Tanks	Total
Gross Carrying Amount																	
Balance as at 1st April 2019	**180.95**	**612.00**	**25.14**	**1,638.90**	**79.20**	**22.86**	**5.95**	**95.74**	**6.75**	**59.43**	**16.72**	**15.29**	**120.15**	**14.83**	**1.68**	**370.61**	**3,266.23**
Additions/Reductions pursuant to scheme of arrangement (Refer Note 51)	(57.59)	195.71	-	1,416.89	-	(2.91)	-	(29.89)	-	(2.66)	(0.47)	(1.29)	(10.35)	(0.57)	-	-	1,506.86
Additions during the year	-	16.71	2.34	347.37	-	0.12	-	-	-	1.72	0.03	0.72	16.16	1.84	-	-	387.02
Disposals/adjustments during the year	-	(40.08)	-	(7.75)	-	-	-	-	-	-	-	-	(8.96)	-	-	-	(56.80)
Balance as at 31st March 2020	**123.36**	**784.35**	**27.48**	**3,395.40**	**79.20**	**20.07**	**5.95**	**65.86**	**6.75**	**58.49**	**16.28**	**14.73**	**117.00**	**16.10**	**1.68**	**370.61**	**5,103.31**
Transition date adjustment (Refer Note 50)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1st April 2020	**123.36**	**784.35**	**27.48**	**3,395.40**	**79.20**	**20.07**	**5.95**	**65.86**	**6.75**	**58.49**	**16.28**	**14.73**	**117.00**	**16.10**	**1.68**	**370.61**	**5,103.31**
Additions during the year	-	216.30	-	1,383.47	-	1.82	3.15	5.26	-	0.16	0.21	0.66	17.09	1.39	16.23	12.39	1,658.12
Disposals/adjustments during the year	-	-	-	(0.57)	-	-	-	-	-	-	-	-	(8.78)	-	-	-	(9.36)
Balance as at 31st March 2021	**123.36**	**1,000.64**	**27.48**	**4,778.30**	**79.20**	**21.89**	**9.10**	**71.11**	**6.75**	**58.64**	**16.49**	**15.39**	**125.31**	**17.49**	**17.91**	**383.00**	**6,752.06**
Additions during the year	-	85.70	0.00	545.67	-	-	12.30	10.02	1.31	8.87	3.03	0.71	6.55	1.59	-	12.00	687.74
Disposals/adjustments during the year	-	-	-	-	-	-	-	-	-	-	-	-	(9.18)	-	-	-	(9.18)
Balance as at 31st March 2022	**123.36**	**1,086.34**	**27.48**	**5,323.97**	**79.20**	**21.89**	**21.39**	**81.13**	**8.06**	**67.51**	**19.52**	**16.09**	**122.68**	**19.08**	**17.91**	**395.00**	**7,430.63**
Additions during the year	-	96.60	-	431.82	-	-	-	-	-	3.75	0.32	1.63	42.60	10.82	-	34.50	622.03
Disposals/adjustments during the year	-	-	-	(0.28)	-		-	-	-	-		-	(8.00)	-	-	-	(8.28)
Transfer to Investment Property during the year	-	-	(2.34)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.34)
Transfer of Property, Plant & Equipments of subsidiary disposed during the year (Refer Note 52)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2023	**123.36**	**1,182.94**	**25.14**	**5,755.51**	**79.20**	**21.89**	**21.39**	**81.13**	**8.06**	**71.26**	**19.84**	**17.72**	**157.29**	**29.90**	**17.91**	**429.50**	**8,042.05**
Accumulated Depreciation																	
Balance as at 1st April 2020	**-**	**256.37**	**8.88**	**2,363.45**	**68.40**	**17.03**	**4.16**	**51.65**	**5.47**	**44.92**	**13.61**	**13.54**	**74.97**	**11.85**	**1.44**	**212.15**	**3,147.90**
Additions during the year	-	36.82	0.94	320.11	3.38	0.78	1.44	4.17	0.40	3.41	0.65	0.59	16.23	1.60	0.06	22.81	413.40
Disposals/adjustments during the year	-	-	-	-	-	-	-	-	-	-	-	-	(8.10)	-	-	-	(8.10)
Balance as at 31st March 2021	**-**	**293.19**	**9.82**	**2,683.56**	**71.79**	**17.81**	**5.60**	**55.82**	**5.87**	**48.33**	**14.26**	**14.14**	**83.10**	**13.45**	**1.50**	**234.96**	**3,553.20**
Additions during the year	-	42.48	0.89	432.80	2.32	1.00	3.02	4.57	0.38	2.79	0.59	0.62	13.60	1.65	5.10	22.30	534.12
Disposals/adjustments during the year	-	-	-	-	-	-	-	-	-	-	-	-	(7.88)	-	-	-	(7.88)
Balance as at 31st March 2022	**-**	**335.67**	**10.71**	**3,116.36**	**74.11**	**18.81**	**8.62**	**60.40**	**6.25**	**51.12**	**14.85**	**14.75**	**88.82**	**15.10**	**6.60**	**257.26**	**4,079.44**
Additions during the year	-	42.47	0.73	396.90	1.13	0.67	3.34	5.50	0.56	4.24	1.14	0.79	16.23	2.40	3.51	19.85	499.46
Disposals/adjustments during the year	-	-	-	(0.26)	-		-	-	-	-		-	(5.09)	-	-	-	(5.35)
Transfer to Investment Property during the year	-	-	(0.41)	-	-		-	-	-	-		-	-		-	-	(0.41)
Accumulated Depreciation of Property, Plant & Equipments of subsidiary disposed during the period (Refer Note 52)	-	-	-	-	-	-	-	-	-	0.38	0.00	0.25	6.33	0.28	-	-	7.24
Balance as at 31st March 2023	**-**	**378.14**	**11.03**	**3,513.00**	**75.24**	**19.48**	**11.96**	**65.89**	**6.81**	**55.73**	**16.00**	**15.80**	**106.28**	**17.79**	**10.12**	**277.11**	**4,580.39**
Net Carrying Amount																	
Balance as at 1st April 2020	**123.36**	**527.97**	**18.60**	**1,031.95**	**10.80**	**3.04**	**1.79**	**14.21**	**1.28**	**13.56**	**2.67**	**1.18**	**42.03**	**4.25**	**0.24**	**158.46**	**1,955.41**
Balance as at 31st March 2021	**123.36**	**707.45**	**17.66**	**2,094.74**	**7.41**	**4.08**	**3.49**	**15.29**	**0.88**	**10.31**	**2.23**	**1.25**	**42.21**	**4.05**	**16.41**	**148.04**	**3,198.86**
Balance as at 31st March 2022	**123.36**	**750.67**	**16.77**	**2,207.61**	**5.09**	**3.09**	**12.77**	**20.74**	**1.81**	**16.39**	**4.67**	**1.34**	**33.86**	**3.98**	**11.30**	**137.74**	**3,351.19**
Balance as at 31st March 2023	**123.36**	**804.80**	**14.11**	**2,242.50**	**3.96**	**2.42**	**9.43**	**15.24**	**1.25**	**15.53**	**3.84**	**1.92**	**51.00**	**12.11**	**7.79**	**152.38**	**3,461.66**

Note:

(i) Refer Note 18 & 23 for information related to Property, Plant & Equipment pledged as security by the Group

(ii) The Group has classified certain Property, Plant & Equipment during the period as Investment Property pursuant to the change in use by the Group (Refer Note 3)

(iii) All immovable properties in all reporting periods are held in the name of the Group

All amounts are in INR Millions unless otherwise stated

2A.1 The title deeds of immovable properties which are not held in the name of the Group are as indicated below:

(i) As at 31st March 2023

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Group
Property Plant & Equipments	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
PPE retired from active use and held for disposal	-	-	-	-	-	-

(ii) As at 31st March 2022

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Group
Property Plant & Equipments	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
PPE retired from active use and held for disposal	-	-	-	-	-	-

(iii) As at 31st March 2021

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Group
Property Plant & Equipments	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
PPE retired from active use and held for disposal	-	-	-	-	-	-

All amounts are in INR Millions unless otherwise stated

2B Capital Work-In-Progress

Amount in Million

Particulars	
Tangible Assets under Construction or Installation	
Balance as at 1st April 2020	**927.85**
Additions during the year	1,084.60
Capitalised during the year	(1,165.57)
Balance as at 31st March 2021	**846.88**
Additions during the year	714.98
Capitalised during the year	(418.87)
Balance as at 31st March 2022	**1,142.99**
Additions during the year	1,153.63
Capitalised during the year	(339.74)
Balance as at 31st March 2023	**1,956.88**

2B.1 Capital Work-In-Progress Ageing Schedule

(i) As at 31st March, 2023

Amount in Million

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Tangible Assets under Construction or Installation
Projects in progress	1,019.13	524.05	413.70	-	**1,956.88**
Projects temporarily suspended	-	-	-	-	-

* None of the projects has exceeded it's cost compared to it's original plan

(ii) As at 31st March 2022

Amount in Million

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Tangible Assets under Construction or Installation
Projects in progress	577.21	535.01	30.77	-	**1,142.99**
Projects temporarily suspended	-	-	-	-	-

* None of the projects has exceeded it's cost compared to it's original plan

(iii) As at 31st March 2021

Amount in Million

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Tangible Assets under Construction or Installation
Projects in progress	348.09	498.79	-	-	**846.88**
Projects temporarily suspended	-	-	-	-	-

* None of the projects has exceeded it's cost compared to it's original plan

All amounts are in INR Millions unless otherwise stated

3 Investment Property

Amount in Million

Particulars	Investment Property
Gross Carrying Amount	
Balance as at 1st April 2020	**-**
Transfer from Property, Plant & Equipment during the year	-
Balance as at 31st March 2021	**-**
Transfer from Property, Plant & Equipment during the year	-
Balance as at 31st March 2022	**-**
Transfer from Property, Plant & Equipment during the year	2.34
Balance as at 31st March 2023	**2.34**
Accumulated Depreciation	
Balance as at 1st April 2020	**-**
Transfer from Property, Plant & Equipment during the year	-
Depreciation for the year	-
Balance as at 31st March 2021	**-**
Transfer from Property, Plant & Equipment during the year	-
Depreciation for the year	-
Balance as at 31st March 2022	**-**
Transfer from Property, Plant & Equipment during the year	0.41
Depreciation for the year	0.12
Balance as at 31st March 2023	**0.53**
Net Carrying Amount	
Balance as at 1st April 2020	**-**
Balance as at 31st March 2021	**-**
Balance as at 31st March 2022	**-**
Balance as at 31st March 2023	**1.81**

(a) Information Regarding Income and Expenditure of Investment Property

Amount in Million

Particulars	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Rental Income from Investment Properties	0.40	-	-
Less: Direct Operating Expenses - generating Rental Income	-	-	-
Less: Depreciation on Investment Property	(0.12)	-	-
Profit/ (Loss) arising on the same	**0.28**	**-**	**-**

(b) Fair Value

Fair Value	21.86	-	-

The fair value of investment property has been determined by external, independent registered property valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Group obtained independent valuation for its investment properties and fair value measurement has been categorized as level 3 inputs. The fair value has been arrived using market prevailing rates applicable to same location. Increase in market rate of property in same location would result in increase in fair value of investment property and vise versa.

4 Intangible Assets

Amount in Million

Particulars	Computer Software	Intangible Assets/ Research & Development	Total
Gross Carrying Amount			
Balance as at 1st April 2020	**22.23**	**22.39**	**44.62**
Additions during the year	-	2.79	2.79
Disposals/adjustments during the year	-	-	-
Balance as at 31st March 2021	**22.23**	**25.18**	**47.41**
Additions during the year	0.91	138.28	139.18
Disposals/adjustments during the year	-	-	-
Balance as at 31st March 2022	**23.14**	**163.45**	**186.59**
Additions during the year	-	-	-
Disposals/adjustments during the year	-	(34.11)	(34.11)
Transfer of Intangible Assets of subsidiary disposed during the period (Refer Note 52)	(7.05)	-	(7.05)
Balance as at 31st March 2023	**16.09**	**129.34**	**145.43**
Accumulated Depreciation			
Balance as at 1st April 2020	**21.25**	**11.58**	**32.83**
Additions during the year	0.11	1.58	1.68
Disposals/adjustments during the year	-	-	-
Balance as at 31st March 2021	**21.36**	**13.16**	**34.52**
Additions during the year	0.24	1.92	2.16
Disposals/adjustments during the year	-	-	-
Balance as at 31st March 2022	**21.60**	**15.08**	**36.68**
Additions during the year	0.12	1.70	1.82
Disposals/adjustments during the year	-	-	-
Transfer of Accumulated Amortisation Intangible Assets of subsidiary disposed during the period (Refer Note 52)	(6.31)	-	(6.31)
Balance as at 31st March 2023	**15.40**	**16.78**	**32.18**
Net Carrying Amount			
Balance as at 1st April 2020	0.98	10.80	**11.79**
Balance as at 31st March 2021	0.88	12.02	**12.89**
Balance as at 31st March 2022	1.54	148.38	**149.92**
Balance as at 31st March 2023	0.68	112.56	**113.25**

All amounts are in INR Millions unless otherwise stated

5 Right of Use Assets

	Amount in Million
Particulars	**Leasehold Land**
Gross Carrying Amount	
Balance as at 1st April 2020	**131.65**
Additions during the year	-
Disposals/adjustments during the year	-
Balance as at 31st March 2021	**131.65**
Additions during the year	-
Disposals/adjustments during the year	-
Balance as at 31st March 2022	**131.65**
Additions during the year	1.11
Disposals/adjustments during the year	-
Balance as at 31st March 2023	**132.75**
Accumulated Depreciation	
Balance as at 1st April 2020	**11.89**
Additions during the year	5.21
Disposals/adjustments during the year	-
Balance as at 31st March 2021	**17.09**
Additions during the year	5.21
Disposals/adjustments during the year	-
Balance as at 31st March 2022	**22.30**
Additions during the year	5.26
Disposals/adjustments during the year	-
Balance as at 31st March 2023	**27.56**
Net Carrying Amount	
Balance as at 1st April 2020	**119.76**
Balance as at 31st March 2021	**114.55**
Balance as at 31st March 2022	**109.35**
Balance as at 31st March 2023	**105.19**

All amounts are in INR Millions unless otherwise stated

6 Non - Current Investments

	Particulars	As at 31st March, 2023		As at 31st March 2022		As at 31st March 2021	
		Number of Shares/ Units/Quota	Amount	Number of Shares/ Units/Quota	Amount	Number of Shares/ Units/Quota	Amount
A	**Investment in Subsidiaries, Associates & Joint Ventures**						
	Unquoted						
(i)	**Equity instruments measured at amortised cost**						
	SES Engineering Private Limited	-	-	-	-	-	-
	Shiva Pharmachem AG	-	-	-	-	-	-
	Shiva Pharmachem International INC	-	-	-	-	-	-
	Sidhan Speciality Chemicals Private Limited	-	-	-	-	-	-
	Sisley Properties LLP	-	-	-	-	-	-
	SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) **	23,66,00,001	163.79	23,66,00,001	159.40	-	-
	** This represents 30% quota still owned by SPL Europe LLC.						
(ii)	**Preference Shares measured at amortised cost**						
	SES Engineering Private Limited (Equity Component of Compound Financial Instruments)	42,95,300	33.74	-	-	-	-
	Total (A)		**197.53**	**-**	**159.40**		**-**
B	**Investment in Other Equity Instruments**						
	Unquoted						
	At Fair value through Other Comprehensive Income (FVTOCI)						
	Enviro Infrastructure Co. Limited	50,000	0.50	50,000	0.50	50,000	0.50
	Quota in Cseber Ltd. (Long-Term Participation)	-	0.02	-	0.02	-	0.02
	Total (B)		**0.52**		**0.52**		**0.52**
C	**Investment in Preference Shares**						
	Unquoted						
	At Fair value through Other Comprehensive Income (FVTOCI)						
	Enviro Infrastructure Co. Limited	-	-	-	-	-	-
	Onesto Labs Pvt Ltd	15,000	9.01	15,000	9.01	-	-
	Total (C)		**9.01**		**9.01**		**-**
D	**Investment in Mutual Funds**						
	Unquoted						
	At Fair value through Profit and Loss (FVTPL)						
	Aditya Birla Sub Life Liquid Fund -Growth	-	-	12,936	4.40	12,936	4.26
	Axis Liquid Fund- Growth	-	-	938	2.20	938	2.13
	Franklin India Liquid Fund Super Instit. Plan - Growth	-	-	1,379	4.38	1,379	4.24
	HDFC Liquid Fund - Growth	-	-	1,052	4.37	1,052	4.23
	Nippon India Liquid Fund - Growth	-	-	426	2.20	426	2.13
	Total (D)		**-**		**17.56**		**16.99**
	Non-current Investments total (A+B+C+D)		**207.06**		**186.49**		**17.51**
	Aggregate carrying value of quoted investments		**-**		**-**		**-**
	Aggregate fair value of quoted investments		**-**		**-**		**-**
	Aggregate carrying value of unquoted investments		**207.06**		**186.49**		**17.51**
	Aggregate fair value of unquoted investments		**207.06**		**186.49**		**17.51**
	Aggregate amount of impairment in the value of investments		**-**		**-**		**-**

All amounts are in INR Millions unless otherwise stated

	Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
7	**Other Non - Current Financial Assets**			
	Call option Agreement-Zull Patel	-	20.90	20.90
	Call option Agreement-Gaurav Astik	-	20.90	20.90
	Financial Assets - Preference Shares	11.18	-	-
	Add : Interest Income - Preference Shares	0.43	-	-
		11.61	-	-
	Loan to SPL Europe LLC	-	-	-
	Total	**11.61**	**41.80**	**41.80**
8	**Deferred Tax Assets (Net)**			
	Deferred Tax Assets	24.76	13.46	14.95
	At the end of the period/year	**24.76**	**13.46**	**14.95**

8.1 Component of Deferred Tax Liabilities/Asset

Particulars	Opening	Charge/ (Credit to) Statement of Profit & Loss	Charge/ (Credit to) Other Compre-hensive Income	Acquisition through business combination (Refer Note 51)	Transfer on account of disposal of subsidiary (Refer Note 52)	Closing
As at 1st April 2020						
Deferred tax liabilities / (asset) in relation to:						
Property, Plant and Equipments, Intangible Assets & Investment Property	51.46	(32.47)	-	-	-	18.99
ROU asset	(41.85)	1.82	-	-	-	(40.03)
Provision for Employee Benefits	27.49	3.49	2.81	-	-	33.79
Lease Liability	0.40	(0.01)	-	-	-	0.39
Provision for expected credit loss	-	1.80	-	-	-	1.80
As at 31st March 2021	**37.50**	**(25.36)**	**2.81**	**-**	**-**	**14.95**
As at 1st April 2021						
Deferred tax liabilities / (asset) in relation to:						
Property, Plant and Equipments, Intangible Assets & Investment Property	18.99	(8.27)	-	-	-	10.72
ROU asset	(40.03)	1.82	-	-	-	(38.21)
Provision for Employee Benefits	33.79	3.31	1.66	-	-	38.77
Lease Liability	0.39	(0.01)	-	-	-	0.39
Provision for expected credit loss	1.80	-	-	-	-	1.80
As at 31st March 2022	**14.95**	**(3.15)**	**1.66**	**-**	**-**	**13.46**
As at 1st April 2022						
Deferred tax liabilities / (asset) in relation to:						
Property, Plant and Equipments, Intangible Assets & Investment Property	10.72	9.18	-	-	(0.13)	19.76
ROU asset	(38.21)	1.45	-	-	-	(36.76)
Provision for Employee Benefits	38.77	1.95	1.76	-	(2.05)	40.43
Lease Liability	0.39	0.37	-	-	-	0.76
Provision for expected credit loss	1.80	(0.78)	-	-	(0.46)	0.56
As at 31st March 2023	**13.46**	**12.17**	**1.76**	**-**	**(2.64)**	**24.76**

All amounts are in INR Millions unless otherwise stated

Particulars		As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
9	**Other Non - Current Assets**			
	Paintings & Art Works	1.34	1.34	1.34
	Deposits Given	15.41	14.19	9.18
	Advances to Vendor for Capital Goods	-	15.58	15.58
	Total	**16.75**	**31.11**	**26.10**
10	**Inventories**			
	Raw Materials	784.77	743.04	488.35
	Work-in Progress	337.59	350.11	239.80
	Finished goods (Other than those acquired for trading)	105.04	56.53	324.13
	Trading Goods	444.86	260.06	130.27
	Packing Material	12.95	11.17	9.70
	Stores and Spares	71.86	70.48	55.14
	Stocks In Transit	105.81	65.91	85.66
	Total	**1,862.88**	**1,557.31**	**1,333.04**
11	**Trade Receivables**			
	Unsecured, considered good	2,453.16	2,777.25	1,924.71
	Less: Provision for Expected Credit Allowances (Refer Note 47)	(1.61)	(6.10)	(6.10)
	Total	**2,451.55**	**2,771.16**	**1,918.61**

11.1 Trade Receivables Ageing Schedule

Particulars		Outstanding for following periods from due date of payment				
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years
As at 31st March 2023						
(i)	Undisputed Trade receivables — considered good	2,420.06	30.16	1.33	-	-
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-
(iii)	Undisputed Trade Receivables — credit impaired	-	-	-	-	-
(iv)	Disputed Trade Receivables — considered good	-	-	-	-	-
(v)	Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-
(vi)	Disputed Trade Receivables — credit impaired	-	-	-	-	-
As at 31st March 2022						
(i)	Undisputed Trade receivables — considered good	2,701.97	63.11	1.50	2.62	-
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk					
(iii)	Undisputed Trade Receivables — credit impaired					
(iv)	Disputed Trade Receivables — considered good	-	1.96	-	-	-
(v)	Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-
(vi)	Disputed Trade Receivables — credit impaired	-	-	-	-	-
As at 31st March 2021						
(i)	Undisputed Trade receivables — considered good	1,868.43	47.63	2.36	0.10	0.10
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-
(iii)	Undisputed Trade Receivables — credit impaired	-	-	-	-	-
(iv)	Disputed Trade Receivables — considered good	-	-	-	-	-
(v)	Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-
(vi)	Disputed Trade Receivables — credit impaired	-	-	-	-	-

All amounts are in INR Millions unless otherwise stated

	Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
12	**Cash and Cash Equivalents**			
	Cash on hand	0.12	0.30	0.29
	Balances with Schedule Banks - In current accounts	293.68	141.79	185.44
	Total	**293.79**	**142.10**	**185.72**
13	**Bank Balances Other than Cash and Cash Equivalents**			
	Margin Money Deposits - Original maturity more than 3 months but less than / equal to 12 months	3.83	16.43	24.22
	Total	**3.83**	**16.43**	**24.22**
14	**Loans & Advances**			
	(i) Loans to Related Parties			
	Unsecured - considered good	-	-	0.42
	(ii) Loans to employees			
	Unsecured - considered good		-	-
	(a) Loans given	5.12	5.77	4.49
	(b) Advances given	2.23	0.42	1.10
	Total	**7.35**	**6.20**	**6.01**
15	**Other Financial Assets**			
	(i) Other Financial Assets			
	Interest Receivable	-	-	-
	Total	**-**	**-**	**-**
16	**Other Current Assets**			
	Prepaid expenses	22.06	29.43	14.68
	Insurance Claim Receivable	-	8.73	8.73
	Other Receivables	18.96		
	Receivable from Related Party Refer Note 43(B) & 51(1)(b)	163.27	173.27	185.38
	Unbilled Revenue	-	38.73	38.10
	Other Debtors & Advances	136.51	1.52	3.08
	Accrued Revenue	22.65	29.31	-
	Advance for Capital Goods	30.46	40.19	-
	Advances to Suppliers			
	(a) To Related Parties	-	-	-
	(b) To Others	45.58	34.73	58.11
	Balances with Government Authorities			
	(a) Advance Income Tax & TDS	379.91	328.82	244.02
	(b) Government Authorities	0.35	6.53	8.79
	(c) Custom Authorities	5.65	7.45	0.51
	(d) IGST Rebate	-	0.72	0.72
	(e) Export - Duty Draw Back Receivable	1.24	1.80	-
	(f) IGST Refund	97.01	80.08	43.60
	(g) IGST Refund - Dahej Unit	-	-	1.76
	(h) Custom Duty & IGST Refund - Dahej	5.67	3.41	-
	(i) VAT Refund	0.00	109.52	124.45
	(j) Local Tax & Other Taxes	-	-	2.88
	Receivable for Empty Tanks Charges	45.90		
	Deffered Expenditure	19.90		
	Total	**995.13**	**894.25**	**734.81**

All amounts are in INR Millions unless otherwise stated

17A Equity Share Capital

Particulars	As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
	Equity Shares of ₹ 2 each - Refer Note 17A(e)		Equity Shares of ₹ 10 each		Equity Shares of ₹ 10 each	
Authorised Share Capital						
Equity Shares	11,00,00,000	220.00	1,35,00,000	135.00	80,00,000	80.00

(i) Pursuant to the composite scheme of arrangement, the authorised share capital of the Tash Investment Pvt Ltd (Transferor Company) amounting to Rs. 10 Million consisting of 10,00,000 Equity Shares of Rs. 10 each was consolidated with that of the Shiva Pharmachem Ltd (Transferee Company). The Authorised Equity Share Capital increased from the effective date of the arrangement i.e. 8th October 2020 to Rs. 80 Million consisting of 80,00,000 Equity Shares of Rs. 10 each (Refer Note 51)

(ii) Pursuant to the scheme of arrangement, the authorised share capital of the VR Finechem Pvt Ltd (Transferor Company) amounting to Rs. 55 Million consisting of 55,00,000 Equity Shares of Rs. 10 each was consolidated with that of the Shiva Pharmachem Ltd (Transferee Company). The Authorised Equity Share Capital increased from the effective date of the arrangement i.e. 30th September 2022 to Rs. 135 Million consisting of 1,35,00,000 Equity Shares of Rs. 10 each. (Refer Note 51)

(iii) Pursuant to the resolution passed by the board of directors and approval of the members at the Annual General Meeting of the Holding Company held on 12th November 2022, the Authorised Equity Share Capital of the Holding Company has been increased from Rs. 135 Million to Rs. 220 Million consisting of 11,00,00,000 Equity Shares of Rs. 2 each.

(iv) Further, as per the resolution passed by the board of directors of the Holding Company and approval of the members at the Extra Ordinary General Meeting held on 13th December 2022, each equity share of nominal face value of Rs. 10 each was sub-divided to 5 equity shares of Rs. 2 each, effective from the same date. The impact of split of shares has been accordingly considered for the Computation of Earnings Per Share as per the requirement of Ind AS 33.

(v) Pursuant to the resolution passed by the members in the Extra Ordinary General Meeting held on 13th December 2022, issuance of 2 bonus shares of face value Rs. 2/- each for every 1 existing fully paid-up equity share of face value Rs. 2/- was approved. Resolution for allotment of these shares was approved by the board of directors on 2nd January 2023 and 70,802,000 bonus shares having face value Rs. 2/- were issued resulting to 106,023,000 total number of equity shares of the Company having face value Rs. 2/- each

Particulars	As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
	Equity Shares of ₹ 2 each -		Equity Shares of ₹ 10 each		Equity Shares of ₹ 10 each	
Issued, subscribed and paid up						
Equity Shares	10,62,03,000	212.41	70,80,200	70.80	70,80,200	70.80
Total	**10,62,03,000**	**212.41**	**70,80,200**	**70.80**	**70,80,200**	**70.80**

Notes:

(a) Reconciliation of number of shares

Particulars	As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity Shares :						
Balance as at the beginning of the year	**70,80,200**	**70.80**	**70,80,200**	**70.80**	**69,50,200**	**69.50**
Impact of share split during the year	2,83,20,800	-	-	-	-	-
Shares issued during the year	7,08,02,000	141.60	-	-	60,00,000	60.00
Shares cancelled back during the year	-	-	-	-	(58,70,000)	(58.70)
Balance as at the end of the year	**10,62,03,000**	**212.41**	**70,80,200**	**70.80**	**70,80,200**	**70.80**

Pursuant to the resolution passed by the members in the Extra Ordinary General Meeting held on 13th December 2022, issuance of 2 bonus shares of face value Rs. 2/- each for every 1 existing fully paid-up equity share of face value Rs. 2/- was approved. Resolution for allotment of these shares was approved by the board of directors on 2nd January 2023 and 70,802,000 bonus shares having face value Rs. 2/- were issued resulting to 106,023,000 total number of equity shares of the Company having face value Rs. 2/- each.

All amounts are in INR Millions unless otherwise stated

(b) Rights, preferences and restrictions attached to shares

Equity shares: The Holding Company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Holding Company

Particulars	As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Rakesh Agrawal	2,70,01,500	25.42%	18,00,100	25.42%	18,00,100	25.42%
Uma R Agrawal	2,70,01,500	25.42%	18,00,100	25.42%	18,00,100	25.42%
Vishal R Agrawal	2,28,11,700	21.48%	15,20,780	21.48%	15,20,780	21.48%
Rahul R Agrawal	2,49,10,500	23.46%	16,60,700	23.46%	16,60,700	23.46%

(d) Disclosure of Shareholding of Promoters:

Promoter Name	As at 31st March 2023		As at 31st March 2022		Change	%
	Number of shares	% of total shares	Number of shares	% of total shares	during the year	Change during the year
Shares held by promoters at the end of the year i.e 31st March 2023						
Rakesh Agrawal	2,70,01,500	25.42%	18,00,100	25.42%	2,52,01,400.00	0.00%
Vishal R Agrawal	2,28,11,700	21.48%	15,20,780	21.48%	2,12,90,920.00	0.00%
Rahul R Agrawal	2,49,10,500	23.46%	16,60,700	23.46%	2,32,49,800.00	0.00%
Shares held by promoters at the end of the year i.e 31st March 2022						
Rakesh Agrawal	18,00,100	25.42%	18,00,100	25.42%	-	0.00%
Vishal R Agrawal	15,20,780	21.48%	15,20,780	21.48%	-	0.00%
Rahul R Agrawal	16,60,700	23.46%	16,60,700	23.46%	-	0.00%

Note:

Subsequent to the year ended 31st March 2023, (A) Rakesh Agrawal has transferred 8,188,251 equity shares of the Holding Company to Vishal Agrawal Family Trust and 10,301,691 equity shares of the Holding Company to Rahul Agrawal Family Trust (B) Vishal Agrawal has transferred 10,620,300 equity shares of the Holding Company to Uma Agrawal Family Trust and (C) Rahul Agrawal has transferred 10,620,300 equity shares of the Holding Company to Rakesh Agrawal Family Trust. The trustee of (A) Rakesh Agrawal Family Trust is Rakesh Agrawal, (B) Vishal Agrawal Family Trust is Vishal Agrawal and Agrawal Vishal Trusteeship Private Limited and (C) Rahul Agrawal Family Trust is Rahul Agrawal and RA Trusteeship Private Limited. Accordingly, Rakesh Agrawal Family Trust, Vishal Agrawal Family Trust and Rahul Agrawal Family Trust are promoters of the Holding Company pursuant to the board resolution passed dated 14th August, 2023, along with the existing promoters of the Holding Company.

17B Instruments Entirely Equity in Nature

8.5% Compulsorily Convertible Non-Cumulative Preference Share Capital

Particulars	As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised Share Capital						
8.5% Compulsorily Convertible Non-Cumulative Preference Shares of Rs. 100 each	6,00,000	60.00	6,00,000	60.00	-	-

Pursuant to the resolution passed by the board of directors of the Holding Company and approval of the members at the Extra Ordinary General Meeting of the Holding Company held on 25th February 2022, the Authorised 8.5% Compulsorily Convertible Non-Cumulative Preference Share Capital of the Holding Company has been increased to Rs. 60 Million consisting of 6,00,000 shares of Rs. 100 each.

All amounts are in INR Millions unless otherwise stated

Particulars	As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
8.5% Compulsorily Convertible Non-Cumulative Preference Shares of Rs. 100 each	-	-	-	-	-	-

Notes:

(a) Reconciliation of number of shares

Particulars	As at 31st March 2023 Number of shares	Amount	As at 31st March 2022 Number of shares	Amount	As at 31st March 2021 Number of shares	Amount
8.5% Compulsorily Convertible Non-Cumulative Preference Shares :						
Balance as at the beginning of the year	**-**	**-**	**-**	**-**	**-**	**-**
Shares issued during the year	5,50,000	55.00	-	-	-	-
Shares bought back during the year	(5,50,000)	(55.00)	-	-	-	-
Balance as at the end of the year	**-**	**-**	**-**	**-**	**-**	**-**

(b) Rights, preferences and restrictions attached to shares

8.5% Compulsorily Convertible Non-Cumulative Preference Shares: The Holding Company has one class of 8.5% Compulsorily Convertible Non-Cumulative Preference Shares having a par value of Rs. 100 per share. Each shareholder shall carry preferential right vis-a-vis Equity shares of the Holding Company with respect to payment of dividend and repayment in case of winding up of the Group. The dividend shall accrue and be payable at the end of each allotment year.

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
17C Other Equity			
(i) Share Capital Pending Allotment			
Balance at the beginning of the period/year	**-**	**-**	**1.30**
Issue of Shares/ Share Application Money Received	-	-	-
Converted into Share Capital	-	-	(1.30)
Balance at the end of the period/year (A)	**-**	**-**	**-**
(ii) Capital Redemption Reserve			
Balance at the beginning of the period/year	**-**	**-**	**40.00**
Transfer to General Reserves	-	-	(40.00)
Transfers during the period / Buy Back of Pref Shares Shares	55.00		
Transfer from Retained Earnings / Utilisation of Reserves	(55.00)	-	-
Balance at the end of the period/year (B)	**-**	**-**	**-**
(iii) Capital Reserve			
Balance at the beginning of the period/year	**97.84**	**97.84**	**-**
Transfer from Retained Earnings	-	-	97.84
Balance at the end of the period/year (C)	**97.84**	**97.84**	**97.84**
(iv) Non - Distributable Reserves			
Balance at the beginning of the period/year	**396.49**	**356.48**	**110.42**
Additions during the period/year	8.28	40.01	246.06
Reductions during the period/year	-	-	-
Acquisition through business combination (Refer Note 51)			
Balance at the end of the period/year (D)	**404.77**	**396.49**	**356.48**
(v) General Reserves			
Balance at the beginning of the period/year	**40.00**	**40.00**	**-**
Transfer to Retained Earnings	-	-	-
Utilisation of Reserves	(40.00)		
Transfer from Capital Redemption Reserve	-	-	40.00
Balance at the end of the period/year (E)	**-**	**40.00**	**40.00**
(vi) Retained Earnings			
Balance at the beginning of the period/year	**3,793.76**	**3,097.47**	**2,681.89**
Restated Profit for the period/year	1,127.46	825.46	824.34
Transfers during the period/year (Net)	(71.56)	(71.14)	(373.86)
Transfer on account of disposal of subsidiary (Refer Note 52)	1.72		
Utilisation of Reserves	(46.60)	-	-
Transition date adjustment (Refer Note 50)	-	-	(0.48)
Acquisition through business combination (Refer Note 51)	-	-	-
Unrealised Profit on Stocks	(101.10)	(58.04)	(34.42)
Balance at the end of the period/year (F)	**4,703.67**	**3,793.76**	**3,097.47**

All amounts are in INR Millions unless otherwise stated

Particulars		As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
(vii)	**Foreign Exchange Translation Reserve (OCI)**			
	Balance at the beginning of the period/year	**72.02**	**21.43**	**70.50**
	Exchange differences in translating financial statements of foreign operations	(78.56)	43.88	(5.72)
	Transfers during the period/year (Net)	(12.43)	6.70	(43.35)
	Balance at the end of the period/year (G)	**(18.97)**	**72.02**	**21.43**
(viii)	**Remeasurement of Defined Benefit Liability (OCI)**			
	Balance at the beginning of the period/year	**(0.50)**	**2.44**	**7.23**
	Movement during the period/year	(3.22)	(2.94)	(4.80)
	Transition date adjustment (Refer Note 50)	-	-	-
	Transfer from Retained Earnings	(7.24)		
	Transfer on account of disposal of subsidiary (Refer Note 52)	(1.72)	-	-
	Balance at the end of the period/year (H)	**(12.68)**	**(0.50)**	**2.44**
	Total (A+B+C+D+E+F+G+H)	**5,174.63**	**4,399.61**	**3,615.66**

Notes:

(i) Share Capital Pending Allotment

The Holding Company had merged with Tash Investment Pvt Ltd as per the composite scheme of arrangement becoming effective on 8th October 2020. The face value of shares issued by the Holding Company had been recognized in the Share Capital Pending Allotment Account. The shares had been alloted by the Holding Company in FY 2020-21.

(ii) Capital Redemption Reserve

As per the Act, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

(iii) Capital Reserve

SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) created this reserve so as to enable the subsidiary to exercise certain benefits available as per the Hungarian Law.

(iv) Non-Distributable Reserve

Non-Distributable Reserve was created by SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) for future developments. The amounts placed in this reserve are subject to special tax benefits as per the Hungarian Law which are availed by the subsidiary.

(v) General Reserve

General Reserve is created by the Holding Company by appropriating balances from other eligible reserves. It is a free reserve which can be used for meeting the future contingencies, creating working capital for business operations, strengthning the financial position of the Holding company, etc.

(vi) Retained Earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to any other reserves, dividends or other distributions paid to shareholders.

All amounts are in INR Millions unless otherwise stated

		Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
18		**Non - Current Borrowings**			
		Secured			
	(i)	Term Loans from banks	707.05	688.41	1,247.44
		HDFC Bank Ltd	192.69	342.97	475.81
		Less: Current Maturity of Long-term Debts (Refer Note 23)	(98.87)	(150.29)	(130.75)
		SPL Europe LLC Long Term Loans	514.36	345.44	771.63
		Less: Current Maturity of Long-term Debts (Refer Note 23)	(157.09)	(68.27)	-
	(ii)	External Commercial Borrwings from Banks	-	-	-
		Standard Chartered Bank	-	-	-
		Less: Current Maturity of Long-term Debts (Refer Note 23)	-	-	-
	(iii)	Vehicle Loans	-	2.71	18.69
		Yes Bank Car Loan	-	-	2.46
		Less: Current Maturity of Long-term Debts (Refer Note 23)	-	-	(1.70)
		Axis Bank Car Loan	-	-	6.60
		Less: Current Maturity of Long-term Debts (Refer Note 23)	-	-	(6.60)
		HDFC Bank Car Loan	-	2.71	3.36
		Less: Current Maturity of Long-term Debts (Refer Note 23)	-	(0.70)	(0.65)
		Union Bank Car Loan	-	-	6.28
		Less: Current Maturity of Long-term Debts (Refer Note 23)	-	-	(6.28)
	(iv)	Loan from Financial Institutions	-	-	-
		IIFL Wealth Finance Ltd	-	-	-
		Current Maturities of Long Term Borrowings			
		- Term Loans from Banks	(255.96)	(218.55)	(130.75)
		- External Commercial Borrwings from Banks	-	-	-
		- Vehicle Loans	-	(0.70)	(15.22)
		Unsecured			
	(i)	Unsecured Loan from Related Parties	0.10	152.20	157.60
		Unsecured Loans from Directors / Shareholders / Partners	0.10	-	157.60
		Geetganga Investment Pvt Ltd	-	152.20	-
		Intercompany Long Term Loan (Shiva AG)	-	-	-
		Total	**451.19**	**624.07**	**1,277.76**

	Nature of Security	Repayment Terms and Rate of Interest	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
(A)	**The details of repayment terms, rate of interest, and nature of securities provided in respect of secured term loans from banks are as below:**				
	Term loan includes loan obtained by Holding Company from HDFC Bank. last installment being payable in January, 2023 as per terms of agreement	INR 118 Million is obtained which is repayable over the period of 4 years,	-	30.29	59.79
	The above loan is secured by way of following:				
	(i) First pari passu charge on entire land and buliding of company's Dahej (SEZ) plant along with Standard charter bank.	Rate of Interest - 8.77% p.a. to 9.79% p.a. (31st March 2022: 10.10% p.a., 31st March 2021: 10.15% p.a., 31st March 2020: 11.05% p.a.)			
	(ii) First pari passu charge on entire plant and machinery of company's Dahej(SEZ) plant along with Standard charter bank.	Penal Interest - 2% over normal interest rate			
	(iii) It is further secured by way of personal gaurantee of Mr. Rakesh Agrawal and Mr. Vishal Agrawal.				
	Term loan includes loan obtained by Holding Company from HDFC Bank.	INR 180 Million is obtained which is repayable over the period of 4 years, last installment being payable in August, 2023 as per terms of agreement	65.42	68.87	113.87
	The above loan is secured by way of following:				
	(i) First pari passu charge on entire land and buliding of company's Dahej (SEZ) plant along with Standard charter bank.	Rate of Interest - 7.90% p.a. to 10.24% p.a. (31st March 2022: 9.90% p.a., 31st March 2021: 10.40% p.a., 31st March 2020: 10.85% p.a.)			

All amounts are in INR Millions unless otherwise stated

Nature of Security	Repayment Terms and Rate of Interest	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
(ii) First pari passu charge on entire plant and machinery of company's Dahej(SEZ) plant along with Standard charter bank. (iii) It is further secured by way of personal gaurantee of Mr. Rakesh Agrawal and Mr. Vishal Agrawal.	Penal Interest - 2% over normal interest rate			
Term loan includes loan obtained by Holding Company from HDFC Bank.	INR 300 Million is obtained which is repayable over the period of 4 years, last installment being payable in May, 2025 as per terms of agreement	127.27	243.82	302.16
The above loan is secured by way of following: (i) First pari passu charge on entire land and buliding of company's Dahej (SEZ) plant along with Standard charter bank.	Rate of Interest - 7.90% p.a. (31st March 2022: 8.80% p.a., 31st March 2021: 9.30% p.a., 31st March 2020: 9.75% p.a.)			
(ii) First pari passu charge on entire plant and machinery of company's Dahej(SEZ) plant along with Standard charter bank. (iii) It is further secured by way of personal gaurantee of Mr. Rakesh Agrawal and Mr. Vishal Agrawal.	Penal Interest - 3% over normal interest rate			
Term loan includes loan obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from Erste Bank Hungary.	HUF 846.60 Million is obtained which is repayable in quarterly installments disbursed on 30.09.2022 and last installment date being 27.12.2024	51.78	81.33	100.32
The above loan is secured by way of following: (i) Mortgage Right on Land; (ii) Lien (pledge) on Moveable Assets & Claims & Shares	Rate of Interest - 2.50% p.a. Fixed Interest Rate			
Term loan includes loan obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from Erste Bank Hungary.	EUR 0.80 Million is obtained which is repayable in lump sum at maturity disbursed on 01.11.2018 and maturity date being 31.03.2023. Interest is payable at end of march evey year.	0.18	0.19	31.33
The above loan is secured by way of following: (i) Mortgage Right on Land; (ii) Lien (pledge) on Moveable Assets & Claims	Rate of Interest - 1.50% p.a. Fixed Interest Rate			
Term loan includes loan obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from K&H Bank Hungary.	EUR 1.83 Million is obtained which is repayable in quarterly installments disbursed on 06.08.2020 and last installment date being 30.04.2025	100.67	131.98	127.50
The above loan is secured by way of following: (i) Mortgage Right on Land; (ii) Lien (pledge) on Moveable Assets	Rate of Interest - Floating interest rate being calculated by 3M EURIBOR + 1.50%			
Term loan includes loan obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from Erste Bank Hungary.	EUR 0.79 Million is obtained which is repayable in quarterly installments disbursed on 31.03.2019 and last installment date being 30.06.2025	30.88	42.29	49.79
The above loan is secured by Portfolio guarantee by EIF Term loan includes loan obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from Erste Bank Hungary.	Rate of Interest - 1.95% p.a. Fixed Interest Rate EUR 0.65 Million is obtained which is repayable in quarterly installments with last installment date being 31.12.2024	19.94	28.67	40.38
The above loan is secured by Portfolio guarantee by EIF Term loan includes loan obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from Erste Bank Hungary.	Rate of Interest - 1.95% p.a. Fixed Interest Rate HUF 330.42 Million is obtained which is repayable in quarterly installments disbursed in year FY 2020-21 and its last installment date being 22.03.2027	54.02	65.71	73.80
The above loan is secured by way of following: (i) Mortgage Right on Land; (ii) Lien (pledge) on Moveable Assets & Claims & Shares (iii) Surety from Garantiqa	Rate of Interest - 1.00% p.a. Fixed Interest Rate			

All amounts are in INR Millions unless otherwise stated

	Nature of Security	Repayment Terms and Rate of Interest	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
	Term loan includes loan obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from MKB Bank Hungary.	HUF 4352.00 Million is obtained which is repayable in quarterly installments disbursed on 30.06.2021 and its last installment date being 25.08.2032	252.57	126.74	-
	The above loan is secured by way of following: (i) Mortgage Right on Land; (ii) Lien (pledge) on Moveable Assets & Customer Receivables (iii) Surety from Shiva Pharmachem Ltd & Garantiqa	Rate of Interest - 1.425% p.a. Fixed Interest Rate			
	Term loan includes loan obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from K&H Bank Hungary.	EUR 1.69 Million is obtained which is repayable in quarterly installments with its last installment date being 23.03.2023	-	51.95	99.20
	The above loan is secured by way of following: (i) Lien (pledge) on Specific PPE (iii) Surety from Garantiqa	Rate of Interest - Floating interest rate being calculated by 3M EURIBOR + 1.50%			
	Term loan includes loan obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from Erste Bank Hungary.	Repaid in FY 2021-22	-	-	26.21
	Term loan includes loan obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from Erste Bank Hungary.	Repaid in FY 2021-22	-	-	223.10
(B)	**The details of repayment terms, rate of interest, and nature of securities provided in respect of external commercial borrowings from banks are as below:** ECB includes loan obtained by Holding Company from Standard Chartered Bank.	USD 3 Million loan was obtained and was repaid in FY 2020-21 Rate of Interest - 11.00% p.a. Fixed Interest Rate	-	-	-
	The above loan was secured by way of following: (i) First pari passu charge on entire land and buliding of company's Dahej(SEZ) plant. (ii) First pari passu charge on entire plant and machinery of company's Dahej(SEZ) plant.				
(C)	**The details of repayment terms, rate of interest, and nature of securities provided in respect of vehicle loans from banks are as below:** Vehicle loan includes loan obtained by Holding Company from Axis Bank.	INR 22.75 Million vehicle loan was obtained and was repaid in FY 2021-22	-	-	6.60
	The above loan was secured by hypothecation of respective vehicle	Rate of Interest - 9.30% p.a. Fixed Interest Rate			
	Vehicle loan includes loan obtained by Holding Company from Union Bank of India.	INR 7.40 Million vehicle loan was obtained and was repaid in FY 2021-22 Rate of Interest - 7.40% p.a. Fixed Interest Rate	-	-	6.28
	The above loan was secured by hypothecation of respective vehicle				
	Vehicle loan includes loan obtained by Holding Company from Yes Bank.	INR 4.96 Million vehicle loan was obtained and was repaid in FY 2021-22	-	-	2.46
	The above loan was secured by hypothecation of respective vehicle	Rate of Interest - 9.35% p.a. Fixed Interest Rate			
	Vehicle loan includes loan obtained by Subsidiary Company (SES Engineering Pvt Ltd) from HDFC Bank.	INR 3.69 Million vehicle loan was obtained and was repaid in FY 2022-23 Rate of Interest - 7.65% p.a. Fixed Interest Rate	-	2.71	3.36
	The above loan was secured by hypothecation of respective vehicle				

All amounts are in INR Millions unless otherwise stated

	Nature of Security	Repayment Terms and Rate of Interest	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
(D)	**The details of repayment terms, rate of interest, and nature of securities provided in respect of loans from financial institutions are as below:**				
	Loan from Financial Institution includes loan obtained by VR Finechem Pvt Ltd (VR Finechem Pvt Ltd - merged with Shiva Pharmachem Ltd w.e.f. 01.04.2019) from IIFL.	INR 200 Million loan was obtained and was repaid in FY 2020-21 Rate of Interest - 12.00% p.a. Fixed Interest Rate	-	-	-
(E)	**The details of repayment terms, rate of interest, and nature of securities provided in respect of loans from related parties are as below:**				
	Loan from Related Parties includes loan obtained by VR Finechem Pvt Ltd (VR Finechem Pvt Ltd - merged with Shiva Pharmachem Ltd w.e.f. 01.04.2019) from Geetganga Investment Pvt Ltd.	The amount was repaid in FY 2022-23 by Shiva Pharmachem Ltd to Geetganga Investment Pvt Ltd Rate of Interest - 9.50% p.a. Fixed Interest Rate	-	152.20	151.50
	Loan from Related Parties includes loan obtained by Holding Company from Mr. Rakesh Agrawal.	Repaid in FY 2021-22 Rate of Interest - 9.50% p.a. Fixed Interest Rate	-	-	6.10
	Loan from Related Parties includes loan obtained by Holding Company from Mrs. Umadevi Agrawal.	Repaid in FY 2020-21 Rate of Interest - 9.50% p.a. Fixed Interest Rate	-	-	-

	Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
19	**Non - Current Lease Liabilities**			
	Lease Liability (Dahej Land)	2.17	1.11	1.13
	Less : Current Maturities of Lease Liability (Refer Note 24)	(0.05)	(0.02)	(0.02)
	Total	**2.12**	**1.08**	**1.11**
20	**Other Non - Current Financial Liablities**			
	Preference Share Capital Pending Allotment	-	55.00	55.00
	8% Optionally Convertible Non Cumulative Preference Shares (OCNCPS) (42,95,300 OCNCPS of Rs. 10 each fully paid up)	-	-	-
	Total	**-**	**55.00**	**55.00**
21	**Long Term Provisions**			
	Provision for Retirement Benefits (Refer Note 40)	115.70	113.16	98.78
	Less: Current Maturity of Defined Benefits Liability	(24.63)	(25.24)	(20.81)
	Total	**91.07**	**87.92**	**77.96**
22	**Other Non - Current Liabilities**			
	Trade/Security Deposits received	2.65	4.25	13.97
	Interest Payable on Non - Current borrowings	-	32.31	19.40
	Total	**2.65**	**36.56**	**33.37**
23	**Current Borrowings**			
	Secured			
	(i) Working Capital Loans from Banks	742.90	658.50	237.00
	(ii) Bill Discounting	-	-	-
	(iii) PCFC / EPC with Banks	1,888.71	1,415.87	839.99
	(iv) Overdrafts	113.62	104.39	151.17
	(v) Other Short Term Borrwings from Banks	0.18	184.12	-
	(vi) Current Maturities of Long Term Borrowings	255.96	219.25	145.97
	(vii) Re-valuation of Loans (Forex Impact)	18.58		
	Unsecured			
	(i) From Related Party	-	-	0.51
	(ii) From Others	-	-	0.01
	Total	**3,019.95**	**2,582.14**	**1,374.66**

All amounts are in INR Millions unless otherwise stated

	Nature of Security	Repayment Terms and Rate of Interest	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
(A)	**The details of repayment terms, rate of interest, and nature of securities provided in respect of working capital loans from banks are as below:** Working capital loan includes loan obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from K&H Bank Hungary.	HUF 950 Million is obtained which is repayable in lump sum at maturity disbursed on 31.05.2021 and maturity date being 08.02.2024. Interest is payable quarterly.	223.25	217.27	-
	The above loan is secured by way of following: (i) Mortgage Right on Land; (ii) Surety from Garantiqa	Rate of Interest - 1.80% p.a. Fixed Interest Rate			
	Working capital loan includes loan obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from Erste Bank Hungary.	HUF 389.58 Million is obtained which is repayable in lump sum at maturity disbursed on 01.06.2021 and maturity date being 21.03.2024. Interest is payable quarterly.	91.55	89.10	-
	The above loan is secured by way of following: (i) Mortgage Right on Land; (ii) Lien (pledge) on Moveable Assets; (iii) Surety from Garantiqa	Rate of Interest - 1.00% p.a. Fixed Interest Rate			
	Working capital loan includes loan obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from Erste Bank Hungary.	HUF 1000 Million is obtained which is repayable in lump sum at maturity disbursed in FY 2020-21 and maturity date being 16.08.2023. Interest is payable quarterly.	235.00	228.70	237.00
	The above loan is secured by way of following: (i) Mortgage Right on Land; (ii) Surety from Garantiqa	Rate of Interest - 1.00% p.a. Fixed Interest Rate			
	Working capital loan includes loan obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from MKB Bank Hungary.	HUF 1000 Million is obtained which is repayable in lump sum at maturity disbursed on 30.06.2021 and maturity date being 24.05.2024. Interest is payable quarterly.	193.10	123.44	-
	The above loan is secured by way of following: (i) Mortgage Right on Land; (ii) Lien (pledge) on Moveable Assets; (iii) Surety from Garantiqa	Rate of Interest - 0.95% p.a. Fixed Interest Rate			
(B)	**The details of rate of interest and nature of securities provided in respect of bill discounting from banks are as below:** Bill discounting facility obtained by Holding Company from IDBI Bank	Bill discounting facility sanctioned amounting to INR 950 Million	-	-	-
	The above facility is secured by way of following: (i) First pari passu charge over entire current assets of the Holding Company, both present and future and over the factory land and building/ movable and immovable fixed assets of the Holding Company loacted at Karakhadi and Dahej Plant. (ii) Personal gaurantee of Rakesh Agrawal & Vishal Agrawal (Promoters) and corporate guarantee of M/s Tash Investment Pvt Ltd				
	Bill discounting facility obtained by Holding Company from HDFC Bank	Bill discounting facility sanctioned amounting to INR 300 Million	-	-	-
	The above facility is secured by way of following: (i) First pari passu charge over entire current assets of the Holding Company, both present and future and over the factory land and building/ movable and immovable fixed assets of the Holding Company loacted at Luna plant excluding assets specifically charged to Standard Chartered Bank for ECB	Rate of Interest - 31st March 2020: 2.57% p.a. to 4.60% p.a.			

All amounts are in INR Millions unless otherwise stated

	Nature of Security	Repayment Terms and Rate of Interest	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
	(ii) Personal gaurantee of Rakesh Agrawal & Vishal Agrawal (Promoters)				
	Bill discounting facility obtained by Holding Company from Citi Bank	Bill discounting facility sanctioned amounting to INR 500 Million	-	-	-
	The above facility is secured by way of following: (i) First pari passu charge over entire current assets of the Holding Company, both present and future and over the factory land and building/ movable and immovable fixed assets of the Holding Company loacted at Luna plant excluding assets specifically charged to Standard Chartered Bank for ECB (ii) Personal gaurantee of Rakesh Agrawal & Vishal Agrawal (Promoters) and demand promissory note and letter of continuity for INR 500 Million	Rate of Interest - 31st March 2020: 2.25% p.a. to 5.35% p.a.			
(C)	**The details of rate of interest and nature of securities provided in respect of PCFC from banks are as below:** PCFC facility obtained by Holding Company from Standard Chartered Bank	PCFC facility sanctioned amounting to INR 250 Million	-	-	73.12
	The above facility is secured by way of following: (i) First pari passu charge over entire current assets of the Holding Company, both present and future and over the factory land and building/ movable and immovable fixed assets of the Holding Company loacted at Luna plant excluding assets specifically charged to Term Lenders. (ii) Personal gaurantee of Rakesh Agrawal & Vishal Agrawal (Promoters)	Rate of Interest - 31st March 2021: 3.26% p.a. to 7.09% p.a., 31st March 2020: 2.91% p.a. to 3.41% p.a. PCFC facility obtained by Holding Company from IDBI Bank PCFC facility sanctioned amounting to INR 950 Million	960.72	546.27	126.17
	The above facility is secured by way of following: (i) First pari passu charge over entire current assets of the Holding Company, both present and future and over the factory land and building/ movable and immovable fixed assets of the Holding Company loacted at Karakhadi and Dahej Plant. (ii) Personal gaurantee of Rakesh Agrawal & Vishal Agrawal (Promoters) and corporate guarantee of M/s Tash Investment Pvt Ltd	Rate of Interest - 1.15% p.a. to 5.22% p.a. (31st March 2022: 0.95% p.a. to 1.204% p.a., 31st March 2021: 2.76% p.a. to 3.36% p.a., 31st March 2020: 4.624% p.a. to 5.674% p.a.) PCFC facility obtained by Holding Company from HDFC Bank PCFC facility sanctioned amounting to INR 300 Million	98.60	265.29	256.48
	The above facility is secured by way of following: (i) First pari passu charge over entire current assets of the Holding Company, both present and future and over the factory land and building/ movable and immovable fixed assets of the Holding Company loacted at Luna plant excluding assets specifically charged to Standard Chartered Bank for ECB (ii) Personal gaurantee of Rakesh Agrawal & Vishal Agrawal (Promoters)	Rate of Interest - 1.11% p.a. to 4.97% p.a. (31st March 2022: 0.95% p.a. to 2.054% p.a., 31st March 2021: 2.76% p.a. to 6.95% p.a., 31st March 2020: 3.2254% p.a. to 9.25% p.a.) PCFC facility obtained by Holding Company from Citi Bank PCFC facility sanctioned amounting to INR 500 Million	390.95	156.81	121.05

All amounts are in INR Millions unless otherwise stated

	Nature of Security	Repayment Terms and Rate of Interest	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
	The above facility is secured by way of following: (i) First pari passu charge over entire current assets of the Holding Company, both present and future and over the factory land and building/ movable and immovable fixed assets of the Holding Company loacted at Luna plant excluding assets specifically charged to Standard Chartered Bank for ECB	Rate of Interest - 2.55% p.a. to 6.47% p.a. (31st March 2022: 1.0712% p.a. to 1.154% p.a., 31st March 2021: 2.41% p.a. to 2.76% p.a., 31st March 2020: 2.53% p.a. to 5.63% p.a.)			
	(ii) Personal gaurantee of Rakesh Agrawal & Vishal Agrawal (Promoters) and demand promissory note and letter of continuity for INR 500 Million	PCFC facility obtained by Holding Company from Federal Bank PCFC facility sanctioned amounting to INR 500 Million	438.45	439.61	263.19
	The above facility is secured by way of following:	Rate of Interest - 1.15% p.a. to 6.01% p.a. (31st March 2022: 0.95% p.a. to 1.354% p.a., 31st March 2021: 2.91% p.a. to 3.41% p.a., 31st March 2020: 5.374% p.a.)			
	(i) First pari passu charge over entire current assets of the Holding Company, both present and future and over the factory land and building/ movable and immovable fixed assets of the Holding Company loacted at Luna plant excluding assets specifically charged to Term Lenders				
	(ii) Personal gaurantee of Rakesh Agrawal & Vishal Agrawal (Promoters)				
(D)	**The details of rate of interest and nature of securities provided in respect of overdraft facility from banks are as below:** Overdraft facility obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from	Overdraft facility sanctioned amounting to HUF 68.01 Million	13.84	14.26	66.24
	Erste Bank Hungary	Rate of Interest - Floating Interest Rate of 7.95% p.a. calculated by 1 m BUBOR + 1.75%			
	The above facility is secured by way of following: (i) Mortgage Right on Land; (ii) Lien (pledge) on Moveable Assets;				
	Overdraft facility obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from K&H Bank Hungary	Overdraft facility sanctioned amounting to EUR 1.14 Million of Interest - Floating Interest Rate of 1.30% p.a. calculated by EONIA + 1.30%	99.78	44.53	29.24
	The above facility is secured by way of following: (i) Mortgage Right on Land; (ii) Lien (pledge) on Moveable Assets;				
	Overdraft facility obtained by Subsidiary Company (SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)) from K&H Bank Hungary	Rate of Interest - Floating Interest Rate of 7.20% p.a. calculated by 1 m BUBOR + 0.85%	113.62	45.61	55.70
	The above facility is secured by way of following: (i) Mortgage Right on Land; (ii) Lien (pledge) on Moveable Assets;				

(E) Loan from related parties are interest free loans and are repayable on demand

(F) Loan from others are repayable on demand

All amounts are in INR Millions unless otherwise stated

	Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
24	**Current Lease Liability**			
	Lease liabilty Dahej Land	0.05	0.02	0.02
	Total	**0.05**	**0.02**	**0.02**
25	**Trade Payables**			
	(A) Total Outstanding dues of micro enterprises and small enterprises			
	For Goods	73.25	75.69	90.23
	For Services / Other expenses	-	-	-
	(B) Total Outstanding dues of creditors other than micro enterprises and small enterprises			
	(i) Payable for Goods			
	Due to Related Parties	-	-	-
	Due to Others	1,149.77	1,379.31	956.13
	(ii) Payable for Expenses			
	Due to Related Parties	-	-	-
	Due to Others	-	6.75	5.41
	Total	**1,223.01**	**1,461.75**	**1,051.76**

25.1 Trade Payables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment				
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years
As at 31st March 2023					
(i) MSME	31.96	39.70	1.53	0.06	-
(ii) Others	284.55	860.51	3.68	1.46	-
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-
As at 31st March 2022					
(i) MSME	50.43	24.08	1.11	0.12	-
(ii) Others	408.88	972.25	1.85	1.01	1.63
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-
As at 31st March 2021					
(i) MSME	63.56	35.23	1.05	-	-
(ii) Others	238.16	707.62	2.41	0.74	2.57
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-

25.2 Disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period/year end	73.25	75.69	99.97
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period/year end on above amount	0.50	0.13	0.19
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period/year	-	-	-
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period/year	-	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period/year	-	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
(vii) Further interest remaining due and payable for earlier years	-	-	-

*The above has been determined to the extent such parties could be identified on the basis of information available with the Group regarding the status of suppliers under MSME.

All amounts are in INR Millions unless otherwise stated

	Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
26	**Short Term Provisions**			
	Provision for employee benefits			
	Gratuity & Leave Encashment (Refer Note 40)	24.63	25.24	20.81
	Provision others			
	Provisions for Expenses	88.07	74.90	63.25
	Provisions for Unrealised Forex Loss	-	-	23.92
	Provisions for Expenses (Stock in Transit)	105.29	65.91	85.66
	Total	**218.00**	**166.06**	**193.64**
27	**Liability for Current Tax**			
	Provision for Income Tax	415.32	314.26	204.21
	Total	**415.32**	**314.26**	**204.21**
28	**Other Current Liabilities**			
	TDS Payable	4.35	6.62	6.96
	TCS Payable	0.01	0.03	0.14
	GST Payable	2.53	4.60	1.36
	ESI Payable	0.07	0.08	0.11
	Providend Fund Payable	5.26	5.91	4.43
	Professional Tax Payable	-	0.02	-
	Other Liabilties			
	Advance from Trade Receivables	75.17	55.35	31.64
	Deferred costs and expenditures	92.21	113.90	64.74
	Deferred revenues	359.76	295.20	274.59
	Deferred FX Loss (unrealized) pertaining to the change of Business Year	-	(27.05)	-
	Retention Money	-	1.71	1.22
	Other payables	28.08	20.58	23.59
	Total	**567.45**	**476.96**	**408.77**

	Particulars	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
29	**Revenue from Operations**			
	Sale of Products	10,704.86	9,996.13	7,457.82
	Sale of Services	89.81	163.77	143.35
	Total	**10,794.66**	**10,159.90**	**7,601.17**
29.1	**Disaggregated Revenue Information**			
(a)	**Type of Goods/ Services**			
	Chemical Products	10,704.86	9,996.13	7,457.82
	Consultancy Income	89.81	163.77	143.35
	Total	**10,794.66**	**10,159.90**	**7,601.17**
(b)	**Geographical Information**			
	Sale of Products and Services Comprises of:			
	Within India	2,019.80	2,794.88	1,806.24
	Outside India			
	(i) Export Sales	8,322.59	6,871.85	5,438.67
	(ii) Deemed Export Sales	452.28	493.17	356.27
	Total	**10,794.66**	**10,159.90**	**7,601.17**
(c)	**Timing of Revenue Recognition**			
	Goods transferred at a point in time	10,704.86	9,996.13	7,457.82
	Services transferred over time	89.81	163.77	143.35
	Total	**10,794.66**	**10,159.90**	**7,601.17**

All amounts are in INR Millions unless otherwise stated

	Particulars	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
30	**Other Income**			
	Interest Income			
	Interest from banks on deposits	0.07	0.27	0.08
	Other Interest	0.59	8.74	25.14
	Interest Income - Preference Shares (Financial Assets)	0.43	-	-
	Other Income (Including Operating Income)			
	Gain on foreign currency transaction and translation (Net)	91.37	62.11	58.70
	Medical Reimbursement	-	0.00	(0.05)
	Dividend Income	-	0.00	0.00
	Profit on Sale of Assets(net)	1.43	0.84	0.48
	Export Promotion Benefits	3.73	48.35	69.11
	Expected Credit Loss Allowance Reversal	1.99	-	-
	Gain_Loss Investment Shares	1.78	-	-
	Rent Income	3.41	-	0.20
	Insurance Claim Received - Employees	0.46	0.64	-
	Insurance Claim Received - FG	1.40	3.96	-
	Sundry balance and excess provision of Expenses W/back	0.00	0.96	0.02
	Excess Provision of Income Tax Expense W/back	-	0.30	-
	Reversed Impairement	-	-	0.22
	Grants	14.35	20.39	53.38
	Compensation	1.10	0.07	7.63
	Miscellaneous Income (Including Sundry Recoveries)	7.04	4.92	1.63
	Revenues from Factored receivables (Sales Turnover)	-	0.01	-
	R&D project revenue	1.89	6.31	-
	Fair value gain - On Mutual fund units held	0.40	0.57	0.59
	Other Income (Empty Tank Recovery Charges)	15.88	-	-
	Total	**147.30**	**158.44**	**217.14**
31	**Cost of Materials Consumed**			
	Opening Stock	743.04	488.35	582.14
	Jobwork Charges	44.86	23.45	39.33
	Purchases	5,760.41	5,589.83	3,924.99
	Total	6,548.31	6,101.63	4,546.46
	Less : Closing Stock	(784.77)	(743.04)	(488.35)
	Total	**5,763.54**	**5,358.59**	**4,058.11**
32	**Purchases of Stock-in-Trade**			
	Purchase of traded goods	78.74	273.54	25.17
	Total	**78.74**	**273.54**	**25.17**
33	**Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress**			
	Closing inventories			
	Finished goods	137.18	56.53	325.72
	Work in Process	305.59	350.11	239.80
	Stock-in-trade	678.86	392.96	203.54
		1,121.63	799.60	769.06
	Opening inventories			
	Finished goods	56.53	325.72	157.86
	Work in Process	350.11	239.80	141.85
	Stock-in-trade	392.96	203.54	101.25
		799.60	769.06	400.96
	Total	**(322.03)**	**(30.54)**	**(368.10)**

All amounts are in INR Millions unless otherwise stated

Particulars		Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
34	**Employee Benefits Expense**			
	Salaries and wages, Bonus and other allowances	860.75	838.98	773.43
	Contribution to provident funds, Family Pension and ESIC	35.90	36.26	31.42
	Managerial Remuneration	0.41	0.41	0.35
	Gratuity & Leave Encashment Expense (Refer Note 40)	17.81	18.10	16.56
	Workmen and Staff welfare expenses	142.63	152.22	150.95
	Total	**1,057.50**	**1,045.97**	**972.71**
35	**Finance Costs**			
	Interest and other borrowing cost on Borrowings from banks	97.25	68.83	67.75
	Bank Charges	14.51	15.72	18.28
	Interest expense - others	5.16	2.43	2.40
	Interest on discounting/forfeiting	21.98	7.35	0.16
	Interest on lease liability	0.18	0.09	0.09
	Financing Service	1.88		
	Total	**140.96**	**94.42**	**88.67**
36	**Depreciation and Amortization Expense**			
	Depreciation on Property, Plant and Equipment	499.46	534.12	413.40
	Depreciation on Investment Property	0.12	-	-
	Amortization on Intangible assets	1.82	2.16	1.68
	Amortization on Right of Use Assets	5.26	5.21	5.21
	Total	**506.66**	**541.49**	**420.29**

All amounts are in INR Millions unless otherwise stated

Particulars		Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
37	**Other Expenses**			
	Godown Rent	0.02	0.05	-
	Retainership Expense	7.80	20.59	11.67
	Direct Expenses / Acquisition Cost	40.13	36.07	39.05
	Technical fees	14.05	24.18	11.76
	Computer Software Charges	3.15	3.45	2.39
	Labour charges	9.40	21.03	17.38
	Freight and packing	0.00	22.66	24.73
	Cost of goods sold	0.01	21.44	0.06
	Cost of (consignment) services	0.39	0.13	1.58
	Administrative Expenses	22.95	21.00	18.86
	Accounting Services	1.84	1.29	0.86
	Balance Written Off	-	0.84	1.86
	Computer Expenses	1.14	1.61	1.22
	CSR Expesnes	23.53	30.01	7.00
	Clearing & Forwarding Charges	40.69	56.31	32.95
	Donation	2.95	4.02	4.25
	Duties & Taxes	2.66	4.35	4.55
	E filling fees	0.00	0.00	-
	EHS Expenses	322.75	184.70	92.03
	Electricity Expense	4.00	2.61	1.84
	ESIC Expense	-	0.04	-
	Exchange Loss (Net)	0.13	2.08	30.97
	Expected Credit Loss Allowance	0.58	-	6.10
	GST Input Credit Written off	-	0.12	-
	Insurance Medical Claim	-	-	0.13
	Insurance Premium	27.87	28.46	20.92
	Interest on Statutory Payments	23.47	10.02	9.50
	Internal Audit Fees	0.55	0.55	0.75
	Laboratory Expenses	7.60	8.16	8.00
	Legal & Professional Expenses	44.67	31.83	34.84
	Misc. Expenses	219.42	72.60	104.46
	Office Expense	0.26	0.76	1.89
	Packing Material	60.06	60.28	48.17
	Plotter & Printer Rent	0.42	0.78	-
	Postage & Telephone	6.07	5.70	4.94
	Power & Fuel	451.10	394.41	234.35
	Property Tax	3.40	3.95	3.91
	Printing & Stationery	1.17	1.60	1.06
	Rent Others	19.21	15.10	13.11
	Rent Expenses - Railway & Car	14.15	15.57	5.12
	Lease Rent - ISO Tank	50.02	41.17	40.87
	Repairs & Maintenance - Building	12.44	11.74	16.11
	Guest House Rent & Maintenance	0.07	0.31	-
	Repairs & Maintenance - ISO Tank	19.12	13.75	9.32
	Repairs & Maintenance - Others	20.61	20.17	18.33
	Repairs & Maintenance - Plant & Machinery	190.74	157.04	160.17
	Carriage Outwards	69.07	73.35	68.06
	Sales Commission	4.01	6.83	2.98
	Sales Promotion Expense	0.34	0.59	0.63
	Security Expenses	33.72	30.40	28.19
	Selling & Distribution Expenses	218.62	292.65	227.71
	Sitting Fees	2.28	1.05	1.30
	Special Discount	-	(0.00)	(0.00)
	Statutory Audit Fees	1.16	1.25	1.59
	Stores & Spares	110.82	107.03	82.94
	Taxes paid to Government Authorities	21.07	24.07	23.98
	TDS Expense	0.12	0.08	-
	Travelling & Conveyance	40.03	23.03	18.16
	Vehicle Expenses	3.04	1.88	1.60
	Visitor s expense	0.08	0.06	0.11
	Housekeeping Expenses	0.10	-	-
	Rounding off	0.00	-	-
	Total	**2,175.05**	**1,914.83**	**1,504.31**

All amounts are in INR Millions unless otherwise stated

Particulars	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
37.1 Payment to Auditor comprises of Auditors' remuneration and expenses:			
For Audit Fees	1.16	1.25	1.59
For Other Services	4.44	0.30	0.19
Total	**5.60**	**1.54**	**1.77**
* Other services expenses is included in Legal & Professional Fees			
38 Income Tax Expense			
Tax expense recognized in the Statement of Profit and Loss			
(i) Current Tax			
Current Tax on Taxable Income for the period/ year	387.34	287.38	243.12
Total Current Tax Expense	**387.34**	**287.38**	**243.12**
(ii) Deferred Tax			
Deferred Tax Charge/(Credit)	(12.17)	3.15	25.36
MAT Credit (Taken)/Utilised	-	-	(13.91)
Total Deferred Income Tax Expense/(Benefit)	**(12.17)**	**3.15**	**11.45**
(iii) Taxes in Respect of Earlier Years			
Taxes in respect of earlier years	(0.09)	(3.67)	-
Total taxes in respect of earlier years	**(0.09)**	**(3.67)**	**-**
Tax expense recognized in Other Comprehensive Income			
Deferred Tax expense on remeasurement of defined benefit plans through OCI	(1.76)	(1.66)	(2.81)
Income Tax Expense charged to OCI	**(1.76)**	**(1.66)**	**(2.81)**
38.1 A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:			
Restated Profit before tax	**1,541.55**	**1,120.05**	**1,117.14**
Income Tax Expenses Calculated at 34.944%	538.68	391.90	390.83
Effect of Income that is exempt from Tax	(92.03)	(70.86)	(81.18)
Effect of expenses that are not deductible in determining taxable profit	9.08	149.08	95.70
Effect of conssession (allowance)	(1.81)	(139.62)	(111.82)
Effect of Income taxed at Lower Rate of Tax	(92.71)	(13.48)	(58.25)
Effect of unabsorbed losses and unabsorbed depreciation on which deferred tax assets not recognized	0.03	0.02	0.02
Effect of Brought Forwarded Losses due Scheme of Merger	-	(27.69)	-
Effect of Consolidation Adjustments	13.37	-	-
Adjustments recognised in current year in relation to the current tax of prior years	(0.09)	(2.36)	-
Others	0.56	(0.13)	19.26
Income tax expense recognised in profit or loss	**375.09**	**286.86**	**254.57**

All amounts are in INR Millions unless otherwise stated

Particulars	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
39 Earnings Per Share			
(a) Basic earnings per share (Rs.)			
From continuing operations (Rs.)	10.62	7.77	7.76
From discontinued operations (Rs.)	-	-	-
Total Basic earnings per share attributable to the owners of the Holding Company (Rs.)	**10.62**	**7.77**	**7.76**
(b) Diluted earnings per share (Rs.)			
From continuing operations (Rs.)	10.62	7.77	7.76
From discontinued operations (Rs.)	-	-	-
Total Diluted earnings per share attributable to the owners of the Holding Company (Rs.)	**10.62**	**7.77**	**7.76**
Footnotes:			
The earnings and weighted average numbers of equity shares used in the calculation of basic and diluted earnings per share are as follows:			
(a) Earnings used in the calculation of basic and diluted earnings per share:			
Profit for the year from continuing operations	1,127.46	825.46	824.34
Profit for the year from discontinued operations			
(b) Weighted average number of equity shares used in the calculation of basic and diluted earnings per share:			
Weighted average number of equity shares used in the calculation of basic earnings per share	10,62,03,000	10,62,03,000	10,62,03,000
Ajustments for calculation of Diluted earnings per Share	-	-	-
Weighted average number of equity shares used in the calculation of diluted earnings per share	10,62,03,000	10,62,03,000	10,62,03,000
(c) Face value of equity share (Rs./share)	2	2	2

Note:
The basic and diluted earning per share for the current period and previous periods presented have been calculated / restated after considering the share split and bonus issue in accordance with the provisions of Ind AS 33. (Refer Note - 17A)

40 Details of Employee Benefits

(A) Defined Contribution Plan

The Group has defined contribution plan in form of Provident Fund, Pension Scheme and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Group is required to contribute a specified rates to fund the schemes

Particulars	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Provident Fund	35.18	35.29	30.15
Employee State Insurance Scheme	0.71	0.96	1.27
Total	**35.90**	**36.26**	**31.42**

(B) Defined Benefit Plans

For defined benefits in the form of Gratuity, Leave Salary, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial Gains and Losses are recognized in the Statement of Profit and Loss in the period which they occur.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

(1) Post Employment Benefit

Employee's Contribution	0%
Employer's Contribution	100%
Salary definition	Last Drawn Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of Rs. 20,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death/disability)
Benefit on Retirement	15/ 26 × Salary × Duration of Service
Benefit on Resignation/Withdrawals	Same as Retirement Benefit based on service up to exit
Benefit on Death	Same as Retirement Benefit but no vesting Condition applies
Retirement age*	58 years

The benefits are governed by the Payment of Gratuity Act,1972 or company scheme rules, whichever is higher.

(2) Other Long term Employee Benefit

Employee's Contribution	0%
Employer's Contribution	100%
Salary Definition for Encashment	Last drawan Basic Salary
Salary Definition for Availment	Last drawn CTC Salary
Vesting Condition	Not Applicable
Leave Credited Annually	25 days
Leave Denominator	30 days
Maximum Accumulation	120 days
Encashment during the Service	Not allowed
Benefit on Retirement	Leave Days x Encashment Salary / Leave Denominator
Benefit on Resignation/Withdrawals	Same as Retirement Benefit
Benefit on death	Same as Retirement Benefit
Benefit on Availment	Leave Days x Availment Salary / Leave Denominator
Retirement Age*	58 years

*Incase of employees with age above the retirement age mentioned in Plan features,the retirement is assumed to happen immediately and valuation is done accordingly.

Other Long term leave benefits are governed by the entity's leave policy.

Aforesaid post-employment benefit plans typically expose the Group to risks such as: actuarial risk, investment risk, liquidity risk, market risk and legislative risk.

(i) Acturial Risk

It is the risk that benefits will cost more than expected.This can arise due to one of the following reasons:

Adverse Salary Growth Experience

Variability in mortality rates

Variability in withdrawal rates

(ii) Investment Risk

For funded plans that rely on insurers for managing the assets the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases,the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

(iii) Liquidity Risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits.If some of such employees resign/retire from the Group there can be strain on the cashflows.

(iv) Market Risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets.One actuarial assumption that has a material effect is the discount rate.

(v) Legislative Rsik

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act or Shop and Establishment Act thus requiring the companies to pay higher benefits to the employees.

There are no changes in the benefit scheme since the last valuation. There are no special events such as benefit improvements or curtailments or settlements during the inter-valuation period.

All amounts are in INR Millions unless otherwise stated

The following tables summarise the components of defined benefit expense recognised in the Statement of Profit and Loss/Other Comprehensive Income and the funded status and amounts recognised in the Consolidated Balance Sheet for the respective plans:

Reconciliations

Particulars		Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
(a)	**Gratuity**			
	Change in Defined Benefit Obligation			
	Defined Benefit Obligation at the beginning	65.54	56.94	45.53
	Current Service Cost	7.86	7.82	7.73
	Interest Expense	3.80	3.39	2.74
	Remeasurements - Actuarial (gains) / losses	0.27	0.43	2.39
	Benefits paid by the Group	(3.87)	(3.03)	(1.45)
	Transfer on account of demerger with Shiva Performance Materials Pvt Ltd (Refer Note 51)	-	-	-
	Transfer on account of disposal of subsidiary (Refer Note 52)	(5.46)	-	-
	Defined Benefit Obligation at the end	**68.14**	**65.54**	**56.94**
(b)	**Leave Encashment**			
	Change in Defined Benefit Obligation			
	Defined Benefit Obligation at the beginning	47.62	41.84	35.27
	Current Service Cost	3.43	4.46	4.01
	Interest Expense	2.72	2.43	2.09
	Remeasurements - Actuarial (gains) / losses	4.71	4.18	5.21
	Benefits paid by the Group	(8.24)	(5.28)	(4.74)
	Transfer on account of demerger with Shiva Performance Materials Pvt Ltd (Refer Note 51)	-	-	-
	Transfer on account of disposal of subsidiary (Refer Note 52)	(2.68)	-	-
	Defined Benefit Obligation at the end	**47.56**	**47.62**	**41.84**
Components of Defined Benefit Cost recognized in the Consolidated Statement of Profit and Loss under Employee Benefit Expenses:				
(a)	**Gratuity**			
	Current Service Cost	7.86	7.82	7.73
	Net Interest Cost	3.80	3.39	2.74
	Defined Benefit Cost recognised in the Statement of Profit and Loss	**11.66**	**11.21**	**10.47**
(b)	**Leave Encashment**			
	Current Service Cost	3.43	4.46	4.01
	Net Interest Cost	2.72	2.43	2.09
	Defined Benefit Cost recognised in the Statement of Profit and Loss	**6.15**	**6.89**	**6.10**
Components of Defined Benefit Cost recognized in the Statement of Other Comprehensive Income:				
(a)	**Gratuity**			
	Actuarial (gains) / losses on Defined Benefit Obligation			
	Due to Change in financial assumptions	0.82	(0.71)	0.31
	Due to experience adjustments	(0.55)	1.13	2.08
	Defined Benefit Cost recognised in the Statement of Other Comprehensive Income	**0.27**	**0.43**	**2.39**
(b)	**Leave Encashment**			
	Actuarial (gains) / losses on Defined Benefit Obligation			
	Due to Change in financial assumptions	0.95	(0.52)	0.23
	Due to experience adjustments	3.76	4.70	4.98
	Defined Benefit Cost recognised in the Statement of Other Comprehensive Income	**4.71**	**4.18**	**5.21**

****The Defined benefits cost recogninzed in the profit and loss or other comprehensive income include portion of the employee benefit cost of SES Engineering Pvt Ltd upto the date of loss of control.**

All amounts are in INR Millions unless otherwise stated

The assumptions used to determine net periodic benefit cost are set out below:

Discount Rate	7.45% - 7.50% p.a.	6.70% - 7.65% p.a.	6.50% - 7.65% p.a.
Salary Escalation	7.00% p.a.	6.00% p.a.	6.00% p.a.
Withdrawal Rates	25.00% p.a at younger ages reducing to 1.00% p.a% at older ages	25.00% p.a at younger ages reducing to 1.00% p.a% at older ages	25.00% p.a at younger ages reducing to 1.00% p.a% at older ages

Amount, timing and uncertainty of future cash flows

Sensitivity Analysis

(a) Gratuity			
Discount Rate Sensitivity			
Increase by 0.5% (% change)	66.28	63.93	55.25
Decrease by 0.5% (% change)	70.12	67.79	58.72
Salary growth rate Sensitivity			
Increase by 0.5% (% change)	69.75	67.49	58.38
Decrease by 0.5% (% change)	66.59	64.22	55.46
Withdrawal rate (W.R.) Sensitivity			
W.R. x 110% (% change)	68.18	65.88	56.99
W.R. x 90% (% change)	68.11	65.71	56.86
(b) Leave Encashment			
Discount Rate Sensitivity			
Increase by 0.5% (% change)	46.53	46.41	40.62
Decrease by 0.5% (% change)	48.91	49.18	43.13
Salary growth rate Sensitivity			
Increase by 0.5% (% change)	48.93	49.19	43.13
Decrease by 0.5% (% change)	46.51	46.40	40.61
Withdrawal rate (W.R.) Sensitivity			
W.R. x 110% (% change)	47.84	47.84	41.91
W.R. x 90% (% change)	47.52	47.67	41.76

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

The Effect of the Plan on the Group's Future Cash Flows

(i) The Description on funding arrangements and funding policy

The Group do not have any funding arrangement. They settle the Gratuity and Leave encashment on Pay-N-Go basis.

(ii) The Expected Contributions to the Plan for the next annual reporting period.

The Gratuity Benefits Scheme and Previlege Leave Benefits scheme is manged on unfunded basis so expected Contribution is shown as Nil.

All amounts are in INR Millions unless otherwise stated

(iii) The Maturity Profile of Defined Benefit Obligation

(a) Gratuity

Particulars	**Year ended 31st March 2023**	**Year ended 31st March 2022**	**Year ended 31st March 2021**
The Weighted Average Duration (Years) as at valuation date	**5.96 Years**	**6.2 - 7.42 Years**	**6.47 - 7.88 Years**
Year 1 Cashflow	12.81	13.47	10.95
Year 2 Cashflow	8.96	4.27	5.32
Year 3 Cashflow	7.92	8.09	3.63
Year 4 Cashflow	9.63	7.51	6.74
Year 5 Cashflow	4.40	8.38	6.41
Year 6 to 10 Cashflow	27.64	25.83	23.77

(b) Leave Encashment

The Weighted Average Duration (Years) as at valuation date	**5.87 Years**	**6.15 -7.35 Years**	**6.35 - 7.7 Years**
Year 1 Cashflow	11.83	11.77	9.87
Year 2 Cashflow	5.13	3.12	4.13
Year 3 Cashflow	4.06	5.48	2.59
Year 4 Cashflow	4.36	3.99	4.43
Year 5 Cashflow	2.95	4.21	3.45
Year 6 to 10 Cashflow	27.75	14.38	13.72

41 Leases

The Group has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). The Group has taken lease hold land on lease. Management has exercised judgement in determining whether extension and termination options are reasonably certain to be exercised. The Group has used discounting rate of 8% to arrive at the present value of its future cash flows towards lease liabilities.

Particulars	**As at 31st March 2023**	**As at 31st March 2022**	**As at 31st March 2021**
(A) Lease Liabilities - Maturity Analysis			
Less than 1 year	0.05	0.02	0.02
1 - 5 years	0.30	0.13	0.10
More than 5 years	1.82	0.96	1.01
Total	**2.17**	**1.11**	**1.13**
(B) Movement of Lease Liabilities			
Addition	1.11	-	-
Interest on Lease Liability	0.18	0.09	0.09
Payment towards Lease Liability	(0.22)	(0.11)	(0.11)
Total	**2.17**	**1.11**	**1.13**
(C) Rental Expenses recorded for Long Term Leases are as follows:			
Depreciation Expense of Right-of-Use Assets (Refer Note 36)	5.26	5.21	5.21
Interest Expense on Lease Liability (Refer Note 35)	0.18	0.09	0.09
Total	**5.44**	**5.30**	**5.30**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

All amounts are in INR Millions unless otherwise stated

	Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
42	**Contingent Liabilities and Commitments**			
	(A) Contingent Liabilities			
	(i) In respect of Bank Guarantees & LC's issued by Banks on behalf of the Group*	147.44	232.40	523.67
	(ii) In respect of Income Tax Liability that may arise for which the Group is in Appeal	114.50	110.43	33.69
	(iii) In respect of Sales Tax/VAT/GST	101.20	-	4.90
	(iv) In respect of Corporate Guarantees	1,541.70	1,541.70	-
	(v) Claims against the Group not acknowledged as debt	-	4.17	5.54
	(v) In respect of Others	-	-	-
	(B) Commitments			
	(i) Capital Commitments			
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-	-
	(ii) Other Commitments	-	-	-

Note:

(i) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. Future cash outflows in respect of the above are determinable only on receipt of judgments / decisions pending with various forums/ authorities.

(ii) The amounts represent the best possible estimates arrived at on the basis of available information.

(iii) The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

Details of Disputed Liability that may arise for which the Group is in Appeal:

	Name of Statute	Nature of Dues	Amount	Period to which the amount relates
	As at 31st March 2021			
1	Income Tax Act 1961	Income Tax	3.12	AY 2016-2017
2	Income Tax Act 1961	Income Tax	2.66	AY 2017-2018
3	Income Tax Act 1961	Income Tax	16.54	AY 2018-2019
4	Income Tax Act 1961	Penalty U/s. 271(1)(c)	10.62	AY 2011-2012
5	Income Tax Act 1961	Penalty U/s. 271(1)(c)	17.29	AY 2012-2013
6	Gujarat VAT Act, 2003	CST	4.90	F.Y. 2016-2017
	As at 31st March 2022			
1	Income Tax Act 1961	Income Tax	3.12	AY 2016-2017
2	Income Tax Act 1961	Income Tax	2.66	AY 2017-2018
3	Income Tax Act 1961	Penalty u/s 271(1)(c)	10.62	AY 2011-2012
4	Income Tax Act 1961	Penalty u/s 271(1)(c)	17.29	AY 2012-2013
5	Income Tax Act 1961	Income Tax	14.53	AY 2010-2011
6	Income Tax Act 1961	Income Tax	5.56	AY 2011-2012
7	Income Tax Act 1961	Income Tax	5.56	AY 2011-2012
8	Income Tax Act 1961	Income Tax	8.48	AY 2013-2014
9	Income Tax Act 1961	Income Tax	14.50	AY 2015-2016
10	Income Tax Act 1961	Income Tax	5.30	AY 2016-2017
11	Income Tax Act 1961	Income Tax	2.24	AY 2017-2018
12	Income Tax Act 1961	Income Tax	4.04	AY 2018-2019
13	Income Tax Act 1961	Income Tax	16.54	AY 2018-2019

All amounts are in INR Millions unless otherwise stated

	Name of Statute	Nature of Dues	Amount	Period to which the amount relates
As at 31st March 2023				
1	Income Tax Act 1961	Income Tax	2.66	AY 2017-2018
2	Income Tax Act 1961	Income Tax	1.01	AY 2021-2022
3	Income Tax Act 1961	Penalty u/s 271(1)(c)	10.62	AY 2011-2012
4	Income Tax Act 1961	Penalty u/s 271(1)(c)	17.29	AY 2012-2013
5	Income Tax Act 1961	Income Tax	14.53	AY 2010-2011
6	Income Tax Act 1961	Income Tax	5.56	AY 2011-2012
7	Income Tax Act 1961	Income Tax	5.56	AY 2011-2012
8	Income Tax Act 1961	Income Tax	8.48	AY 2013-2014
9	Income Tax Act 1961	Income Tax	14.50	AY 2015-2016
10	Income Tax Act 1961	Income Tax	5.30	AY 2016-2017
11	Income Tax Act 1961	Income Tax	2.24	AY 2017-2018
12	Income Tax Act 1961	Income Tax	4.04	AY 2018-2019
13	Income Tax Act 1961	Income Tax	16.54	AY 2018-2019
14	Income Tax Act 1961	Income Tax	0.00	AY 2012-2013
15	Income Tax Act 1961	Income Tax	0.00	AY 2012-2013
16	Income Tax Act 1961	Income Tax	0.00	AY 2015-2016
17	Income Tax Act 1961	Income Tax	0.00	AY 2016-2017
18	Income Tax Act 1961	Income Tax	6.17	AY 2017-2018
19	Goods & Service Tax 2017	IGST	101.20	23/10/2017-09/10/2018

43 Related Party Disclosures

(A) The list of related parties as identified by the Management is as under:

Nature of Relationship	Name of Related Party
Key Managerial Personnel (KMP)	Mr. Vishal R. Agrawal (Managing Director)
	Mr. Rahul R. Agrawal (Joint Managing Director - Till 9th November 2022) (Non - Executive Director w.e.f 10th November 2022)
	Mr. Rakesh Agrawal (Whole Time Director - Till 14th November 2022) (Non - Executive Chairman w.e.f. 15th November 2022)
	Mr. Jagmohan Zalani (Executive Director)
	Mr. Thakorbhai D Patel (Whole Time Director - Till 1st April 2022)
	Mr. Tarang Maru (Company Secretary)
	Mr. Anil Inani (Chief Financial Officer w.e.f 1st August 2022)
	Mr. Chirag Patel (Chief Financial Officer w.e.f 31st March 2022 - Till 31st July 2022)
	Mr. Milin K Mehta (Independent Director - Till 17th August 2022)
	Mr. Purshottamdas Dhumal (Independent Director - Till 17th February 2022)
	Mr. Sivarman Narayanswanu (Independent Director)
	Mrs. Naina Krishnamurthy (Independent Director - w.e.f. 8th April 2022 - Till 1st February 2023)
	Mr. Premkumar Taneja (Independent Director - w.e.f. 30th March 2022)
	Mr. Dukhbandhu Rath (Independent Director - w.e.f. 1st October 2022)
	Mrs. Rati Desai (Independent Director - w.e.f 01st March 2023.)
Relatives of Key Managerial Personnel	Mrs.Uma Rakesh Agrawal
	Mrs. Madhavi Agrawal
	Mrs. Ruchika Agrawal
Enterprise under Control or Enterprise over which Key Managerial Personnel have Significant Influence	Ankshree Investment & Trading Co. Limited
	Shiva Foundation
	Geetganga Investment Private Limited
	Red Earth Art Galleries LLP

	Uttarayan Foundation & Museum for Arts (Section 8 Company) Geetganga Properties Private Limited Uttarayan Art Foundation Shiva Performance Materials Private Limited Shiva Performance Speciality Private Limited Shiva Performance Solutions Private Limited Styrenix Performance Materials Limited Styrenics Polymers Private Limited Monet Properties LLP Uttarayan Investment Private Limited Rodin Properties Private Limited Uma Retail Private Limited Messina Properties LLP Rembrandt Properties LLP Barcello Properties LLP Donatello Properties LLP Jaspur Properties LLP Agrawal Vishal Trusteeship Private Limited RA Trusteeship Private Limited
Subsidiaries	SES Engineering Private Limited (Till 29th September 2022) Shiva Pharmachem AG Shiva Pharmachem International Inc Sidhan Specialty Chemicals Private Ltd (Till 29th September 2022) VR Finechem Private Ltd (Merged with Shiva Pharmachem Ltd w.e.f. 1st April 2021) SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) Sisley Properties LLP

All amounts are in INR Millions unless otherwise stated

(B) Transactions and Balances as at and for the years ended 31st March 2023, 31st March 2022 and 31st March 2021

(I) Details of transactions with related parties (in accordance with Ind AS 24 - Related Party Disclosures)

Amount in Million

Name of Related Party	Nature of Transaction	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
(a) Transactions with Key Managerial Personnel and Directors *:				
(i) Mr. Rakesh Agrawal	Remuneration	18.04	18.04	18.04
	Conveyance	0.24	0.10	-
	Sitting Fees	0.23		
	Loan Taken	-	-	13.50
	Loan Repaid	-	6.10	48.40
	Interest Expense	-	0.13	1.63
(ii) Mr. Vishal Agrawal	Remuneration	44.12	44.12	33.13
	Conveyance	0.97	0.85	0.68
	Loan Taken	-	-	-
	Loan Given (Sisley Properties LLP)	0.10	-	-
	Interest Expense	-	-	0.10
(iii) Mr. Rahul Agrawal	Remuneration	6.00	9.91	-
(iv) Mr. Tarang Maru	Salary	0.93	0.88	0.66
(v) Mr. Chirag Patel	Salary	1.24	0.02	-
	Conveyance	0.02	0.00	-
(vi) Mr. Jagmohan Zalani	Salary	7.02	6.77	6.47
	Conveyance	0.33	0.24	0.21
(vii) Mr. Thakorbhai D Patel	Salary	-	-	-
	Conveyance	-	-	-
(viii) Mr. Anil Inani	Salary	4.00	-	-
	Conveyance	0.05	-	-
(ix) Mr. Milin K Mehta	Sitting Fees	0.13	0.28	0.33
(x) Mr. Purshottamdas Dhumal	Sitting Fees	-	0.29	0.46
(xi) Mr. Sivarman Narayanswanu	Sitting Fees	0.70	0.43	0.36
(xii) Mrs. Naina Krishnamurthy	Sitting Fees	0.20	-	-
(xiii) Mr. Premkumar Taneja	Sitting Fees	0.68	-	-
(xiv) Mr. Dukhbandhu Rath	Sitting Fees	0.35	-	-
(b) Transactions with Relatives of Key Managerial Personnel:				
(i) Mrs. Umadevi Agrawal	Sitting Fees	-	0.05	0.15
	Loan Repaid	-	-	42.50
	Interest Expense	-	-	0.62

All amounts are in INR Millions unless otherwise stated

Amount in Million

Name of Related Party	Nature of Transaction	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
(c) Transactions with enterprises under control or enterprises over which Key Managerial Personnel have significant influence:				
(i) Shiva Foundation	Donation	0.80	0.80	0.60
(ii) Geetganga Investment Pvt.Ltd.	Rent Expense	11.63	6.50	-
	Loan Taken	-	0.70	103.70
	Interest Expense	4.71	14.44	14.66
(iII) Red Earth Art Galleries LLP	Rent Expense	0.48	0.96	0.96
(Iv) Uttarayan Foundation & Museum for Arts (Section 8 Company)	Donation	-	0.20	0.50
(v) Geetganga Properties Pvt. Ltd.	Rent Expense	0.48	0.48	0.16
	Loan Given	-	-	-
	Loan Repayment Received	-	-	0.24
(vi) Uttarayan Art Foundation	Donation	6.00	8.30	5.40
(vii) Shiva Performance Materials Pvt Ltd	Sale of Goods	-	211.83	-
	Purchase of Goods	1.47	1.45	-
	Rent Income	3.01		
	Recovery	0.03	-	-
(viii) Styrenix Performance Materials Limited	Receipts of capital advances	15.00		
(ix) Monet Properties LLP	Maintenance service	0.96		
(x) Sisley Properties LLP	Loan Taken	0.10		
(xi) SES Engineering Pvt Ltd	Rent Income	0.40	-	-

*Consideration of benefits payable to Key Managerial Personnel are in respect of Holding Company

(II) Details of balances with related parties (in accordance with Ind AS 24 - Related Party Disclosures)

Amount in Million

Name of Related Party	Nature of Transaction	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
(a) Balances with Key Managerial Personnel:				
(i) Mr. Rakesh Agrawal	Loan Taken	-	-	6.10
(b) Balances with enterprises under control or enterprises over which Key Managerial Personnel have significant influence:				
(i) Geetganga Investment Pvt.Ltd.	Loan Taken	-	152.20	151.50
	Interest Accrued	-	32.31	19.32
(ii) Red Earth Art Galleries LLP	Rent Payable	-	0.43	0.22

“Pursuant to Scheme 2, the details of which have been set out under Note 51(1)(b) (Business Combinations), all the assets, liabilities, contracts, arrangements, employees, Permits, licenses, records, approvals, etc. relating to demerged unit of Shiva Pharmachem Limited have been transferred to Shiva Performance Materials Private Limited. The joint operations continued till 31st May 2021 & w.e.f. 1st June 2021 demerged unit started its own functioning after receiving all the statutory approvals. The amount outstanding as at 31st March 2023, 31st March 2022 and 31st March 2021 was a result of joint operations and the same have been apportioned as per approval of Hon’ble NCLT Order. Accordingly, the receivables from Shiva Performance Materials Pvt Ltd as set out under Note 16 “Receivables from Related Party” is not required to be treated as loan transaction in the Financial Statements. Given that there was no transaction between the parties and the said receivables is on account of the Scheme 2, the same is not required to be reported as a related party transaction.”

All amounts are in INR Millions unless otherwise stated

(III) Details of transactions eliminated during consolidation

Amount in Million

Name of Related Party	Nature of Transaction	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
(a) Shiva Pharmachem Ltd				
(i) Shiva Pharmachem AG	Sale of Goods	2,404.17	1,546.83	1,369.23
	Advances for Purchases Given	-	153.10	-
(ii) Shiva Pharmachem International Inc	Sale of Goods	1,170.36	824.12	530.93
(iii) SES Engineering Pvt Ltd	Purchase of Services	-	-	0.55
	Interest on Preference Shares	0.43	0.80	0.74
(b) SES Engineering Pvt Ltd				
(i) SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)	Sale of Services	2.40	-	-
(ii) Shiva Pharmachem Ltd	Sale of Services	-	-	0.55
	Interest on Preference Shares	-	0.80	0.74
	Loan Repaid	-	-	-
(c) Shiva Pharmachem AG				
(i) Shiva Pharmachem Ltd	Purchase of Goods	2,404.17	1,546.83	1,369.23
	Advances for Sales Received	-	153.10	-
(ii) SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)	Loan Given	254.39	198.07	36.56
(d) Shiva Pharmachem International Inc				
(i) Shiva Pharmachem Ltd	Purchase of Goods	1,170.36	824.12	530.93
(e) SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)				
(i) SES Engineering Pvt Ltd	Purchase of Services	2.40	-	-
(ii) Shiva Pharmachem AG	Loan Taken	254.39	198.07	36.56

All amounts are in INR Millions unless otherwise stated

(IV) Details of balances eliminated during consolidation

Amount in Million

Name of Related Party	Nature of Transaction	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
(a) Shiva Pharmachem Ltd				
(i) Shiva Pharmachem AG	Trade Receivables	1,014.01	536.91	447.79
	Advances for Purchases Given	-	153.10	-
(ii) Shiva Pharmachem International Inc	Trade Receivables	566.98	310.72	139.96
(iii) SES Engineering Pvt Ltd	Liability Component of Investment in Preference Shares	11.61	10.75	9.95
	Equity Component of Investment in Preference Shares	33.74	33.74	33.74
(b) SES Engineering Pvt Ltd				
(i) Shiva Pharmachem Ltd	Liability Component of Investment in Preference Shares	11.61	10.75	9.95
	Equity Component of Investment in Preference Shares	33.74	33.74	33.74
(c) Shiva Pharmachem AG				
(i) Shiva Pharmachem Ltd	Trade Payables	1,014.01	536.91	447.79
	Advances for Sales Received	-	153.10	-
(ii) SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and	Loan Given	254.39	234.62	36.56
Mercantile LLC)	Interest Receivables	3.68		
(d) Shiva Pharmachem International Inc				
(i) Shiva Pharmachem Ltd	Trade Payables	566.98	310.72	139.96
(e) SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)				
(i) Shiva Pharmachem AG	Loan Taken	254.39	234.62	36.56
	Interest Payables	3.68		

44 Corporate Social Responsibility Expenses

As per provision of Section 135 of the Companies Act, 2013 read with Companies Amendment Act, 2019, the Group has to spend at least 2% of the average profits of the preceding three financial years towards CSR. Accordingly, a CSR committee has been formed for carrying out the CSR activities as per Schedule VII of the Companies Act, 2013.

Particulars	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Amount required to be spent by the Group during the year/period	23.48	21.49	15.43
Actual expenditure related to CSR spent during the year/period	3.13	4.51	7.00
Shortfall in spending related to CSR activities during the year/period	20.36	1.70	0.84
Total of previous years shortfall	10.98	2.54	1.44

Note:

(i) The Group’s CSR Activities primarily involve promoting Education, Health, Art and Rural Development activities.

(ii) The shortfall has arisen due to the lack of eligible projects due to the impact of the Covid Pandemic.

(iii) Unspent amount pertains to year as on 31st March 2023 is INR 20.36 Millions. Company has opened separate CSR Account and transferred INR 20.40 Millions for its Art ongoing project, which is going to be utilized in next three years.

All amounts are in INR Millions unless otherwise stated

45 Segment Reporting

(A) Description of Segment and Principal Activities

As per Ind AS-108, "Operating Segment" (specified under the section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provision of the Act the Group's Chief Operating Decision Maker, i.e. Board of Directors ('CODM') have identified Manufacturing of Speciality Chemicals as the reportable segment. Since the Group is having only one reportable segment hence disclosure requirement as per Ind AS 108 is not applicable.

(B) Geographical Information

(i) Sale of Goods and Services Comprises of:

Particulars	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Within India	2,019.80	2,794.88	1,806.24
Outside India	8,774.87	7,365.02	5,794.94
Total	**10,794.66**	**10,159.90**	**7,601.17**

(ii) Non - Current Assets:

Particulars	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Within India	2,770.76	2,338.55	2,233.62
Outside India	2,884.78	2,446.00	1,965.68
Total	**5,655.54**	**4,784.55**	**4,199.29**

*Non - Current assets for this purpose excludes non-current investments and investments in associates and joint ventures, non-current financial assets, income tax and deferred tax assets and goodwil on consolidation.

(C) The Company is not reliant on revenues from transactions with any single external customer. One customer contributed more than 10% of the Group's revenue for the years ended 31st March 2023, 31st March 2022 and 31st March 2021 amounting INR 1,991.56 million, INR 1,515.33 million and INR 1,356.09 million respectively.

46 Fair Value Measurements

(A) Accounting classification and fair values

As at 31st March, 2023

Amount in Million

Particulars	Fair Value through P&L	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets					
Investments (Other than Investment in Subsidiaries, Assoicates & Joint Ventures (Refer Note 6)	-	9.53	-	9.53	9.53
Other Financial Assets (Non - Current)	-	-	11.61	11.61	11.61
Trade Receivables	-	-	2,451.55	2,451.55	2,451.55
Cash and cash equivalents	-	-	293.79	293.79	293.79
Bank Balances other than Cash and Cash Equivalents	-	-	3.83	3.83	3.83
Loans & Advances	-	-	7.35	7.35	7.35
Total Financial assets	**-**	**9.53**	**2,768.14**	**2,777.67**	**2,777.67**
Financial Liabilities					
Borrowings (Non-Current)	-	-	451.19	451.19	451.19
Lease Liabilities (Non-Current)	-	-	2.12	2.12	2.12
Other Financial Liabilities (Non-Current)	-	-	-	-	-
Borrowings (Current)	-	-	3,019.95	3,019.95	3,019.95
Lease Liabilities (Current)	-	-	0.05	0.05	0.05
Trade payables	-	-	1,223.01	1,223.01	1,223.01
Total Financial liabilities	**-**	**-**	**4,696.33**	**4,696.33**	**4,696.33**

Amount in Million

Particulars	Fair Value through P&L	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
As at 31st March, 2022					
Investments (Other than Investment in Subsidiaries, Assoicates & Joint Ventures (Refer Note 6)	17.56	9.53	-	27.09	27.09
Other Financial Assets (Non - Current)	-	-	41.80	41.80	41.80
Trade Receivables	-	-	2,771.16	2,771.16	2,771.16
Cash and cash equivalents	-	-	142.10	142.10	142.10
Bank Balances other than Cash and Cash Equivalents	-	-	16.43	16.43	16.43
Loans & Advances	-	-	6.20	6.20	6.20
Total Financial assets	**17.56**	**9.53**	**2,977.68**	**3,004.77**	**3,004.77**
Financial Liabilities					
Borrowings (Non-Current)	-	-	624.07	624.07	624.07
Lease Liabilities (Non-Current)	-	-	1.08	1.08	1.08
Other Financial Liabilities (Non-Current)	-	-	55.00	55.00	55.00
Borrowings (Current)	-	-	2,582.14	2,582.14	2,582.14
Lease Liabilities (Current)	-	-	0.02	0.02	0.02
Trade payables	-	-	1,461.75	1,461.75	1,461.75
Total Financial liabilities	**-**	**-**	**4,724.07**	**4,724.07**	**4,724.07**

Amount in Million

Particulars	Fair Value through P&L	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
As at 31st March, 2021					
Investments (Other than Investment in Subsidiaries, Assoicates & Joint Ventures (Refer Note 6)	16.99	0.52	-	17.51	17.51
Other Financial Assets (Non - Current)	-	-	41.80	41.80	41.80
Trade Receivables	-	-	1,918.61	1,918.61	1,918.61
Cash and cash equivalents	-	-	185.72	185.72	185.72
Bank Balances other than Cash and Cash Equivalents	-	-	24.22	24.22	24.22
Loans & Advances	-	-	6.01	6.01	6.01
Total Financial assets	**16.99**	**0.52**	**2,176.36**	**2,193.88**	**2,193.88**
Financial Liabilities					
Borrowings (Non-Current)	-	-	1,277.76	1,277.76	1,277.76
Lease Liabilities (Non-Current)	-	-	1.11	1.11	1.11
Other Financial Liabilities (Non-Current)	-	-	55.00	55.00	55.00
Borrowings (Current)	-	-	1,374.66	1,374.66	1,374.66
Lease Liabilities (Current)	-	-	0.02	0.02	0.02
Trade payables	-	-	1,051.76	1,051.76	1,051.76
Total Financial liabilities	**-**	**-**	**3,760.31**	**3,760.31**	**3,760.31**

The Group has assessed that trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans and advances other assets, borrowings, trade payables and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(B) Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Financial Assets and Financial Liabilities measured at fair value in the Balance sheet are grouped into three levels of a fair value heirarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observabe for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of the Group's financial assets and financial liabilities are measured at fair value on a recurring basis

(a) The Group uses the following hierarchy for determining and/or disclosing the fair value of financial assets by valuation techniques

Amount in Million

Particulars	Date of Valuation	Fair Value as at 31st March 2023	Quoted prices in Active Markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at 31st March, 2023					
Financial Assets					
Investments	31st March, 2023	9.53	-	-	9.53
As at 31st March, 2022					
Financial Assets					
Investments	31st March, 2022	27.09	-	17.56	9.53
As at 31st March, 2021					
Financial Assets					
Investments	31st March, 2021	17.51	-	16.99	0.52

*There is no movement from between Level 1, Level 2 and Level 3

(b) Financial Instruments amortised at cost

The carrying amount of financial assets and liabilities measured at amortised cost in the financial statements are a resonable approximation of their fair values since the Group does not anticipate that the carrying amounts will be significantly different from the values that would eventually be received or settled.

47 Financial Risk Management, Objective and Policies

The Group's principal financial liabilities comprises of trade and other payables. The Group's financial assets include trade and other receivables, and cash & cash equivalents that it derives directly from its operations.

The Group is exposed to a variety of risks namely market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by the Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the Group. This provides assurance to the Group's senior management that the Groups's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amounts of financial assets represent the maximum credit risk exposure. Credit risk assessment on various components is described below:

(i) Trade Receivables

The exposure to credit risk on accounts receivables and amounts due from related parties is monitored on an ongoing basis by the management and these are considered recoverable by the Group's management. Accounts

All amounts are in INR Millions unless otherwise stated

receivables were outstanding from few customers and hence the Group has concentration of accounts receivables and cosequent risk to that extent. The Group measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the Group operates. Loss rates are based on actual credit loss experience and past trends.

The following year/period end trade receivables though overdue, are expected to be realised in the normal course of business and hence, are not considered impaired as at 31st March 2023, 31st March 2022 and 31st March 2021:

Amount in Million

Particulars	31st March 2023	31st March 2022	31st March 2021
Neither impaired nor past due			
Past due but not impaired			
0-6 Months	2,420.06	2,701.97	1,868.43
6 Months - 12 Months	30.16	65.07	47.63
More than 12 Months	1.33	4.12	2.55
Total	**2,451.55**	**2,771.16**	**1,918.61**
Details of allowances for expected credit losses are provided hereunder:			
At the beginning of the period/year	6.10	6.10	-
Additions during the period/year	0.58	-	6.10
Adjustments during the period/year	(3.55)	-	-
Transfer on account of disposal of subsidiary (Refer Note 52)	(1.51)	-	-
Total	**1.61**	**6.10**	**6.10**

(ii) Cash and Cash Equivalents, Bank Deposits and Investments

The Group maintains its cash and cash equivalents, bank deposits and investment with reputed banks, financial institutions, and corporates. The credit risk on these instruments is limited because the counterparties are banks and high credit rated financial institutions and corporates assigned by credit rating agencies.

(iii) Other Financial Assets

This consists of loans and advances given to Employees and Security Deposits given to lessors as well as to utility providers like Electricity companies. These carries limited credit risk based on the financial position of parties and Group's historical experience of dealing with these parties.

(b) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

(i) Interest Rate Risk

Interest rate 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 exposure of the Group's fixed rate financial liabilities to interest rate risk is as follows:

The exposure of the Group's financial liabilities to interest rate risk is as follows:

Amount in Million

Particulars	31st March 2023	31st March 2022	31st March 2021
Closing Balance of Borrowings	**3,471.14**	**3,206.21**	**2,652.42**
Sensitivity analysis of impact on profit or loss due to change in interest rate:			
Increase by 1%	(34.71)	(32.06)	(26.52)
Decrease by 1%	34.71	32.06	26.52

(ii) Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables for investments in debt oriented mutual funds and other financial instruments caused by factors specific to an individual investments, its issuer and market. The Group's exposure to price risk arises from diversified investments in mutual funds, preference shares and other equity instruments and classified in the balance sheet at fair value.

All amounts are in INR Millions unless otherwise stated

The exposure of the Group's investments to price risk is as follows:

Amount in Million

Particulars	31st March 2023	31st March 2022	31st March 2021
Closing Balance of Investments at Fair Value through Profit or Loss (Investment in Unquoted Mutual Funds)	**-**	**17.56**	**16.99**
Sensitivity analysis of imapct on profit or loss due to changes in prices of investments			
Increase by 5%	-	0.88	0.85
Decrease by 5%	-	(0.88)	(0.85)
Closing Balance of Investments at Fair Value through Other Comprehensive Income (Investment in Unquoted Preference Shares and Other Equity Instruments)	**9.53**	**9.53**	**0.52**
Sensitivity analysis of imapct on other comprehensive income due to changes in prices of investments			
Increase by 5%	0.48	0.48	0.03
Decrease by 5%	(0.48)	(0.48)	(0.03)

(iii) Commodity Risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of pharmaceutical ingredients, including the raw material components for such pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. Cost of raw materials forms the largest portion of the Group's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of 31st March 2023, 31st March 2022 and 31st March 2021 the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

(iv) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

Sensititvity Analysis

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities at the end of the respective reporting periods

Amount in Million

Particulars	Currency	Foreign Currency in Millions	INR in Millions Impact on Profit	1% Increase in Lakhs	1% Decrease in Lakhs
Year ended 31st March, 2023					
Financial Assets	US Dollar (USD)	20.61	1,693.63	16.94	(16.94)
Financial Assets	Euro (EUR)	-	-	-	-
Financial Assets	Hungarian Florint (HUF)	2,017.43	474.10	4.74	(4.74)
Financial Liabilities	US Dollar (USD)	24.88	2,044.49	(20.44)	20.44
Financial Liabilities	Euro (EUR)	0.04	3.43	(0.03)	0.03
Financial Liabilities	Hungarian Florint (HUF)	10,155.17	2,386.46	(23.86)	23.86
Year ended 31st March, 2022					
Financial Assets	US Dollar (USD)	18.41	1,395.36	13.95	(13.95)
Financial Assets	Euro (EUR)	-	-	-	-
Financial Assets	Hungarian Florint (HUF)	3,318.31	758.90	7.59	(7.59)
Financial Liabilities	US Dollar (USD)	22.34	1,693.61	(16.94)	16.94
Financial Liabilities	Euro (EUR)	0.10	8.66	(0.09)	0.09
Financial Liabilities	Hungarian Florint (HUF)	9,356.51	2,139.83	(21.40)	21.40
Year ended 31st March, 2021					
Financial Assets	US Dollar (USD)	13.96	1,020.41	10.20	(10.20)
Financial Assets	Euro (EUR)	-	-	-	-
Financial Assets	Hungarian Florint (HUF)	1,786.46	423.39	4.23	(4.23)
Financial Liabilities	US Dollar (USD)	14.11	1,031.95	(10.32)	10.32
Financial Liabilities	Euro (EUR)	0.00	0.29	(0.00)	0.00
Financial Liabilities	Hungarian Florint (HUF)	7,051.17	1,671.13	(16.71)	16.71

All amounts are in INR Millions unless otherwise stated

(c) Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group follows a Conservative policy of ensuring sufficient liquidity at all times through a strategy of profitable growth, efficient liquidity at all times through a strategy of profitable growth, efficient working capital management as well as prudent capital expenditure. The Group has a overdraft facility with banks to support any temporary funding requirements.

The Group has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of Financial Liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

Amount in Million

Particulars	Less than 1 Year	More than 1 Year	Total
As at 31st March, 2023			
Borrowings	3,019.95	451.19	3,471.14
Lease Liabilities	0.05	2.12	2.17
Trade payables	1,223.01	-	1,223.01
Other Financial Liabilities	-	-	-
Total	**4,243.01**	**453.31**	**4,696.33**
As at 31st March, 2022			
Borrowings	2,582.14	624.07	3,206.21
Lease Liabilities	0.02	1.08	1.11
Trade payables	1,461.75	-	1,461.75
Other Financial Liabilities	-	55.00	55.00
Total	**4,043.91**	**680.15**	**4,724.07**
As at 31st March, 2021			
Borrowings	1,374.66	1,277.76	2,652.42
Lease Liabilities	0.02	1.11	1.13
Trade payables	1,051.76	-	1,051.76
Other Financial Liabilities	-	55.00	55.00
Total	**2,426.44**	**1,333.87**	**3,760.31**

48 Capital Management

For the purpose of Group's capital management, Capital includes equity attributable to the equity holders of the Group and all other equity reserves. The primary objective of the Group's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented in the balance sheet. The funding requirements are predominately met through equity and revenue generated from operations.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell non-core assets to reduce the debt.

The following table summarizes the capital of the Group:

Amount in Million

Particulars	31st March 2023	31st March 2022	31st March 2021
Debt (a)	3,471.14	3,206.21	2,652.42
Cash and cash equivalents (b)	293.79	142.10	185.72
Net debt (c)=(a)-(b)	**3,177.35**	**3,064.11**	**2,466.70**
Total Equity/ Net Worth	**5,387.04**	**4,470.41**	**3,686.46**
Gearing Ratio	**58.98%**	**68.54%**	**66.91%**

*Lease liability arising on account of implementation of Ind AS 116 is not considered in the above working, as it is a liability.
*No changes were made in the objectives, policies or processes for managing capital during the current and previous period/ year.

49 First-Time Adoption of Ind AS

The Group had adopted Indian Accounting Standards as notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable and had prepared the First Ind AS Consolidated Financial Statements for the financial year ended 31st March 2022. For periods up to and including the year ended 31st March 2021, the Holding Company prepared its Consolidated Financial Statements in accordance with Accounting Standards ("Indian GAAP") notified under section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

Accordingly, the Holding Company had prepared Consolidated Financial Statements which comply with Ind AS applicable for the year ended on 31st March 2022, together with the comparative period data as at and for the year ended 31st March 2021 and Opening Ind AS Consolidated Balance Sheet as at 1st April 2020 (the 'first-time transition date') in accordance with accounting policies as set out in Note 1 - Significant Accounting Policies.

The information for the year ended 31st March 2021 included in these Restated Consolidated Financial Information has been compiled from Special Purpose Ind AS Consolidated Financial Statement being prepared by the management in accordance with the Indian Accounting Standards by making Ind AS adjustments to the Audited Consolidated Financial Statements of the Group as at and for the year ended 31st March 2021 prepared in accordance with Indian GAAP. Suitable restatement adjustments (both re-measurements and reclassifications) to the accounting heads from their Indian GAAP values are made in the Special Purpose Ind AS Consolidated Financial Statements as at and for the year ended 31st March 2021 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the first-time transition to Ind AS date i.e. 1st April 2020.

This note explains the principal adjustments made by the Group in restating its Indian GAAP Consolidated Financial Statements for the year ended 31st March 2021.

(A) Exemptions and Exceptions Applied

Ind AS 101 First-time Adoption of Indian Accounting Standards allows first-time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following optional and mandatory exemptions:

(I) Mandatory Exceptions

The Group has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101.

(a) Estimates:

As per Ind AS 101 an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Group's Ind AS estimates as at the transition date are consistent with the estimates as at the same date made in conformity with the Indian GAAP.

(b) Classification and Measurement of Financial assets and Financial Liabilities:

In accordance with Ind AS 101, the Group has assessed the classification and measurement of financial assets on the basis of facts and circumstances that existed at the date of transition to Ind AS.

(II) Optional Exemptions

(a) Property Plant and Equipment and Intangible Assets:

In accordance of Para D7AA, the Group has opted to continue with the carrying amount of all its Property Plant and Equipment and Intangible assets measured in accordance with the Indian GAAP as deemed cost on the date of transition to Ind AS.

(b) Leases:

The Group has recognised Lease Liability and Right of Use asset, as required by Ind AS 116, on date of transition to Ind AS. In accordance with Para D9B of Ind AS 101, the Group has recognised lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS and right-of-use asset at its carrying amount as if Ind AS 116 had been applied since the commencement date of the lease, but discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS measure a right-of-use asset at the date of transition to Ind AS.

(c) Goodwill:

As the goodwill (on acquisition of subsidiary company) does not meet the definition of intangible asset as per Ind AS 38, the Group has opted to de-recognise goodwill as the transition date as per para 10 of Ind AS 101.

(d) Investments in Subsidiaries, Associates and Joint Venture:

In accordance with Para D14 and D15 Ind AS 101, the Group has opted to continue with the carrying amount of its investments as deemed cost as at the date of transition to Ind AS.

(e) Classification of Equity Instruments:

In accordance with Para D19B of Ind AS 101, the Group has opted to classify its equity investments at Fair Value Through Other Comprehensive Income (FVTOCI) on the basis of facts and circumstances at the date of transition to Ind AS.

(f) Business Combinations

The Group has elected to apply Ind AS 103 - Business Combinations prospectively to Business Combinations occurring subsequent to transition date. Hence, the Group has not restated its past business combinations that have an acquisition date prior to transition date.

(B) Explanatory notes to the transition from Indian GAAP to Ind AS:

(a) Property Plant and Equipment and Intangible Assets:

In accordance of Para D7AA, the Group has opted to continue with the carrying amount of all its Property, Plant and Equipment and Intangible Assets measured in accordance with the Indian GAAP as deemed cost on the date of transition to Ind AS.

(b) Lease Liability and Right of Use Asset:

In accordance with Para D9B of Ind AS 101, the Holding Company has recognised lease liability pertaining to SEZ Unit at Dahej, at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at the date of transition to Ind AS and right-of-use asset at its carrying amount as if Ind AS 116 had been applied since the commencement date of the lease, but discounted using the lessee’s incremental borrowing rate at the date of transition to Ind AS measure a right-of-use asset at the date of transition to Ind AS.

The Holding Company has entered into Lease Agreement with M/s. Shruti Marine Services to take on lease ISO tanks for 12 Months (i.e. Rent Agreement will be renewed on Year on Year basis). Due to Lease Agreement validity for 12 Months falling under the criteria of “Short Term Lease” the ROU assets and liability not created as per Ind AS 116.

Also, the Holding Company has entered into Lease Agreement with M/s. Eurotainer to take on lease ISO tanks for 36 months but the Rent Agreement will be renewed on Year on Year basis. Due to Lease Agreement’s validity for 12 Months falling under the criteria of “Short Term Lease” the ROU assets and liability not created as per Ind AS 116.

(c) Goodwill:

As goodwill on acquisition has been derecognised on date of transition, the amortization amount in statement of Profit and Loss has been added back to profit and Goodwill has been derecognised resulting into reduction in Retained Earnings.

(d) Investment Property:

As per Para 7 of Ind As 40 - “Investment Property”, properties held to earn rentals or for capital appreciation or both is to be classified as investment property. However, as on date of transition to Ind AS the Group does not have any Investment Property.

(e) Investments in Subsidiaries, Associates and Joint Venture:

In accordance with Para D14 and D15, the Group has opted to continue with the carrying amount of its investments as deemed cost as at the date of transition to Ind AS.

Further as per Ind AS 27 Separate financial statements When an entity prepares separate financial statements, it shall account for investments in subsidiaries, joint ventures and associates either:

(i) at cost, or

(ii) in accordance with Ind AS 109

The Group has opted to account for investments in subsidiaries, joint ventures and associates at cost.

(f) Fair Valuation of Financial Instruments:

Under Indian GAAP, the Group accounted for long term investments in quoted and unquoted financial instruments as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Group has designated such investments as FVTOCI or FVTPL investments. Ind AS requires FVTOCI and FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount (after adjusting the provision for diminution in value of investment) has been recognised in Other Comprehensive Income or Statement of Profit and Loss (as applicable).

As on the date of transition to Ind AS, the Group has taken carrying amount of investment of M/s. Enviro infrastructure Co Limited as its Fair Value in absence of availability of Fair Value per share.

(g) Compound Financial Instruments

Under the Indian GAAP Investment in subsidiary in the nature of Preference shares is classified as investment under the head non-current investments and the same is valued as cost.

However, Ind AS 32 Financial Instruments presentation requires an entity to split a compound financial instrument at inception into separate liability and equity component. An entity recognises separately the components of a financial instrument that (a) creates a financial liability of the entity and (b) grants an option to the holder of the instrument to convert it into an equity instrument of the entity.

Ind AS 109 deals with the measurement of financial assets and financial liabilities. Equity instruments are instruments that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Therefore, when the initial carrying amount of a compound financial instrument is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

(h) Borrowings (Part of Financial Liabilities)

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

As on the date of transition the Holding Company has carried out the calculation of effective rate of interest in case of HDFC Term Loan. As there was no material difference arising between the ROI as per Sanction Letter (Market Rate) and calculated Effective Interest Rate, the Holding Company has decided to continue the treatment & presentation as per original repayment schedule.

(i) Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 “Income Taxes” requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

(j) Expected Credited Loss Allowances:

Under Ind AS, expected life time credit provision is made on trade receivables. Under Indian GAAP, the provision for doubtful debts was made using ageing analysis and an individual assessment of recoverability.

(k) Re-measurement Cost and Past Service Cost of Net Defined Liability

Under Indian GAAP and Ind AS, both, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis.

(i) Re-measurement Cost

Under Indian GAAP, the entire cost, including actuarial gains and losses, is charged to profit or loss. Under Ind AS, re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

(ii) Past Service Cost

Under the Indian GAAP, past service cost is recognised as an expense on a straight line basis over average period until the benefits become vested. However, as per Ind AS past service cost are recognized immediately, following the introduction of, or changes to a defined plan regardless of whether the benefits thereunder are vested.

(l) Other Comprehensive Income

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

(m) Other Adjustments

Under Indian GAAP, the Group used closing exchange rate as at the reporting date for translation of financial statements of its foreign subsidiaries. However, under Ind AS, the Group has translated the financial statements of such subsidiaries as per the policies as set out in Note 1.14 and the resulting exchange differences arising due to such conversion are transferred to foreign currency translation reserve.

All amounts are in INR Millions unless otherwise stated

(C) Transition to Ind AS - Reconciliations

The following reconciliations provide the explanation of the differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:

(C1) Reconciliation of Consolidated Balance Sheet as reported under Indian GAAP to Ind AS As at 31st March 2021

Amount in Million

Particulars	Explanatory Notes	Indian GAAP Values	Effects of transition to Ind AS	Ind AS Values
I Assets				
1 Non - Current Assets				
(a) Property, Plant and Equipment	(a), 51	1,737.09	1,461.78	3,198.86
(b) Capital Work - in - Progress	(a), 51	355.00	491.88	846.88
(c) Goodwill on Consolidation	(l), 51	1.42	54.80	56.22
(d) Intangible Assets	(a), (c), 51	40.88	(27.98)	12.89
(e) Right-Of-Use Assets	(b)	112.66	1.89	114.55
(f) Financial Assets				
(i) Investments	(e), (f), 51	92.69	(75.18)	17.51
(ii) Others Financial Assets	51	78.36	(36.56)	41.80
(g) Deferred Tax Assets (Net)	(i)	72.82	(57.87)	14.95
(h) Other Non - Current Assets	51	26.04	0.06	26.10
Total Non - Current Assets		**2,516.95**	**1,812.82**	**4,329.78**
2 Current assets				
(a) Inventories	51	870.39	462.65	1,333.04
(b) Financial Assets				
(i) Trade Receivables	(j), 51	1,517.88	400.73	1,918.61
(ii) Cash and Cash Equivalents	51	168.55	17.17	185.72
(iii) Bank Balances other than Cash and Cash Equivalents		24.22	-	24.22
(iv) Loans & Advances	51	47.37	(41.36)	6.01
(c) Other Current Assets	51	607.60	127.21	734.81
Total Current Assets		**3,236.01**	**966.41**	**4,202.42**
Total Assets		**5,752.96**	**2,779.23**	**8,532.19**
II Equity and Liabilities				
A Equity				
(a) Equity Share Capital		70.80	-	70.80
(b) Other Equity		3,263.17	369.23	3,632.41
Equity Attributable to Owners of the Holding Company		**3,333.98**	**369.23**	**3,703.21**
Non Controlling Interest		0.35	174.29	174.64
Total Equity		**3,334.33**	**543.52**	**3,877.85**
B Liabilities				
1 Non - Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	51	354.63	923.13	1,277.76
(ii) Lease Liabilities	(b)	-	1.11	1.11
(iii) Other Financial Liabilities	51	-	55.00	55.00
(b) Long Term Provisions	(k)	71.32	6.64	77.96
(c) Other Non - Current Liabilities	51	13.97	19.40	33.37
Total Non - Current Liabilities		**439.92**	**1,005.28**	**1,445.20**
2 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	51	986.47	388.19	1,374.66
(ii) Lease Liabilities	(b)	-	0.02	0.02
(iii) Trade Payables				
(A) total outstanding dues of micro enterprises and small enterprises; and		90.23	-	90.23
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	(l), 51	493.24	468.30	961.53
(b) Short Term Provisions	(k)	168.94	0.78	169.72
(c) Liability for Current Tax (Net)	51	193.85	10.36	204.21
(d) Other Current Liabilities	51	45.99	362.79	408.77
Total Current Liabilities		**1,978.72**	**1,230.43**	**3,209.14**
Total Liabilities		**5,752.96**	**2,779.23**	**8,532.19**

All amounts are in INR Millions unless otherwise stated

As at 01st April 2020

Amount in Million

Particulars	Explanatory Notes	Indian GAAP Values	Effects of transition to Ind AS	Ind AS Values
I Assets				
1 Non - Current Assets				
(a) Property, Plant and Equipment	(a), 51	1,078.41	877.00	1,955.41
(b) Capital Work - in - Progress	(a), 51	519.09	408.76	927.85
(c) Goodwill on Consolidation	(l), 51	1.42	54.80	56.22
(d) Intangible Assets	(a), (c), 51	45.98	(34.20)	11.79
(e) Right-Of-Use Assets	(b)	118.61	1.15	119.76
(f) Financial Assets		-	-	-
(i) Investments	(e), (f), 51	93.14	(75.77)	17.38
(ii) Others Financial Assets		41.80	-	41.80
(g) Deferred Tax Assets (Net)	(i)	98.96	(61.46)	37.50
(h) Other Non - Current Assets	51	24.22	0.06	24.27
Total Non - Current Assets		**2,021.63**	**1,170.34**	**3,191.97**
2 Current assets				
(a) Inventories	51	735.76	325.43	1,061.20
(b) Financial Assets				
(i) Trade Receivables	51	2,019.84	239.52	2,259.36
(ii) Cash and Cash Equivalents	51	146.79	108.57	255.36
(iii) Bank Balances other than Cash and Cash Equivalents		44.49	-	44.49
(iv) Loans & Advances	51	6.58	0.11	6.69
(c) Other Current Assets	51	897.01	190.96	1,087.97
Total Current Assets		**3,850.47**	**864.60**	**4,715.07**
Total Assets		**5,872.10**	**2,034.94**	**7,907.04**
II Equity and Liabilities				
A Equity				
(a) Equity Share Capital		69.50	-	69.50
(b) Other Equity		2,596.82	314.06	2,910.88
Equity Attributable to Owners of the Holding Company		**2,666.32**	**314.06**	**2,980.38**
Non Controlling Interest		0.35	247.34	247.69
Total Equity		**2,666.67**	**561.39**	**3,228.06**
B Liabilities				
1. Non - Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	51	564.70	603.43	1,168.13
(ii) Lease Liabilities	(b)	-	1.13	1.13
(iii) Other Financial Liabilities	51	-	55.00	55.00
(b) Long Term Provisions	(k)	56.36	7.62	63.98
(c) Other Non - Current Liabilities	51	3.49	5.76	9.25
Total Non - Current Liabilities		**624.54**	**672.94**	**1,297.48**
2 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	51	1,663.30	115.94	1,779.25
(ii) Lease Liabilities	(b)	-	0.02	0.02
(iii) Trade Payables				
(A) total outstanding dues of micro enterprises and small enterprises; and		37.45	-	37.45
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	(l), 51	476.59	331.84	808.43
(b) Short Term Provisions	51	91.85	0.08	91.92
(c) Liability for Current Tax (Net)	51	256.38	15.70	272.08
(d) Other Current Liabilities	51	55.32	337.04	392.35
Total Current Liabilities		**2,580.88**	**800.62**	**3,381.50**
Total Liabilities		**5,872.10**	**2,034.94**	**7,907.04**

All amounts are in INR Millions unless otherwise stated

(C2) Reconciliation of Consolidated Statement of Profit and Loss as reported under Indian GAAP to Ind AS

For the year ended 31st March 2021

Amount in Million

Particulars	Explanatory Notes	Indian GAAP Values	Effects of transition to Ind AS	Ind AS Values
I Income				
(a) Revenue from Operations	(l), 51	5,440.40	2,160.77	7,601.17
(b) Other Income	(f), (l), 51	153.43	63.71	217.14
Total Income		**5,593.83**	**2,224.48**	**7,818.31**
II Expenses				
(a) Cost of Materials Consumed	51	2,833.20	1,224.91	4,058.11
(b) Purchases of Traded Goods	(l)	(71.67)	96.83	25.17
(c) Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	(l), 51	(129.69)	(238.41)	(368.10)
(d) Employee Benefits Expense	(k), (l), 51	626.26	346.45	972.71
(e) Finance Costs	(b), (l), 51	54.24	34.43	88.67
(f) Depreciation and Amortization Expense	(b), (c), 51	232.88	187.42	420.29
(g) Other Expenses	(b), (j), (l) 51	1,041.73	438.66	1,480.39
Total Expenses		**4,586.95**	**2,090.29**	**6,677.25**
III Profit/ (Loss) before Exceptional Items and Tax		**1,006.88**	**134.19**	**1,141.07**
IV Exceptional Item		**-**	**-**	**-**
V Profit/ (Loss) before Tax		**1,006.88**	**134.19**	**1,141.07**
VI Tax Expense				
(a) Current Tax	(l), 51	242.65	0.47	243.12
(b) Deferred Tax Charge/(Credit)	(i)	12.06	(0.62)	11.45
(c) Tax in Respect of Earlier Years		-	-	-
Total Tax Expense		**254.71**	**(0.14)**	**254.57**
VII Profit/(Loss) for the Period from Continuing Operations		**752.17**	**134.33**	**886.50**
VIII Other Comprehensive Income				
(a) Items that will not be Reclassified to Profit & Loss				
(i) Remeasurements of Net Defined Benefit Plans (k)		-	(7.60)	(7.60)
(ii) Income Tax Relating to Above Items	(i)	-	2.81	2.81
(b) Items that will be Reclassified to Profit & Loss				
(i) Difference due to changes in				
IX Total Comprehensive Income for the year		**752.17**	**122.99**	**875.15**

All amounts are in INR Millions unless otherwise stated

(C3) Reconciliation of Total Equity as reported under Indian GAAP to Ind AS

Particulars	Explanatory Notes	As at 31st March 2021	As at 01 st April 2020
Equity as per Indian GAAP Financial Statements:			
(i) Shareholder's Equity		3,333.98	2,666.32
(ii) Non - Controlling Interests		0.35	0.35
Total Equity		**3,334.33**	**2,666.67**
Adjustments for Transition to Ind AS:			
(i) Finance Cost of Lease Liability	(b)	(0.09)	-
(ii) Reduction in Amortization of Right-Of-Use Asset	(b)	0.75	-
(iii) Lease Rentals reduced from Lease Liability	(b)	0.11	-
(iv) Reduction on Amortization on Goodwill charged to P&L	(c)	10.00	5.00
(v) Derecognition of Goodwill on Date of Transition	(c)	(50.00)	(50.00)
(vi) Provision for Expected Credit Losses	(j)	(6.10)	-
(vii) Deferred Tax Assets	(i)	(57.87)	(61.32)
(viii) Provision for Retirement Benefits	(k)	(7.42)	(7.62)
(ix) Fair Value Gain on Mutual Funds through P&L	(f)	0.99	0.40
(x) Adjustments for common control business combinations as per Ind AS 103	51	646.25	666.72
(xi) Other Adjustments	(l)	6.91	8.20
Equity as per Ind AS Financial Statements:			
(i) Shareholder's Equity		3,703.21	2,980.38
(ii) Non - Controlling Interests		174.64	247.69
Total Equity		**3,877.85**	**3,228.06**

Note: Until 31st March 2021, SES Engineering Pvt Ltd i.e. subsidiary of Shiva Pharmachem Ltd was recognising the expenditure of Gratuity and Leave Encashment on payment basis which was not in accordance with the relevant accounting standard. The subsidiary company has during the period, complied with the relevant Ind AS and has now recorded the appropriate adjustments.

(C4) Adjustments to Consolidated Statement of Cash Flows as reported under Indian GAAP to Ind AS for the year ended 31st March 2021

The transition from Indian GAAP to Ind AS does not have material impact on the statement of cash flows, except for payment of lease liabilities, which were forming part of operating activity under Indian GAAP and are now included under financing activity.

50 Statement of Restatement Adjustments to Restated Consolidated Financial Information

Part A: Statement of Restatement Adjustments

(A) Reconciliation of Total Equity between Indian GAAP and Ind AS and Audited Total Equity and Restated Total Equity

Amount in Million

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Total Equity as reported under Indian GAAP (as per audited financial statements)	**5,578.55**	**4,640.21**	**3,334.33**
Adjustment for conversion from Indian GAAP to Ind AS (Refer Note 49)	-	-	543.52
Total Equity as per Ind AS (as per audited financial statements)	**5,578.55**	**4,640.21**	**3,877.85**
Audit Qualifications	-	-	-
Restatement Adjustments (Refer Note 60)	-	23.92	(23.92)
Total Equity as per Restated Consolidated Financial Information	**5,578.55**	**4,664.14**	**3,853.93**

All amounts are in INR Millions unless otherwise stated

(B) Reconciliation of Total Comprehensive Income between Indian GAAP and Ind AS and Audited Total Comprehensive Income and Restated Comprehensive Income

Amount in Million

Particulars	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Profit/(Loss) as reported under Indian GAAP (as per audited financial statements)	**1,053.67**	**868.75**	**752.17**
Adjustment for conversion from Indian GAAP to Ind AS (Refer Note 49)	-	-	122.99
Total Comprehensive Income as per Ind AS (as per audited financial statements)	**1,053.67**	**868.75**	**875.15**
Audit Qualifications	-	-	-
Restatement Adjustments (Refer Note 60)	-	23.92	(23.92)
Total Comprehensive Income as per Restated Consolidated Financial Information	**1,053.67**	**892.67**	**851.23**

(C) Notes on Restatement Adjustments

(i) The Group has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101), while preparing the Ind AS Consolidated Financial Satements for the year ended 31st March 2023, 31st March 2022 and 31st March 2021.

(D) Material Re-groupings

Appropriate regroupings have been made in the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows, wherever required, by the reclassification of corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Restated Consolidated Financial Information of the Group for the year ended 31st March 2023 respectively prepared in accordance with Schedule III of the Act, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

Part B: Non-Adjusting Events

Audit qualifications which do not require any adjustments in the Restated Consolidated Financial Information

(i) There are no audit qualifications in Auditor's Report for the years ended 31st March 2023, 31st March 2022 and 31st March 2021.

(ii) There were no qualifications in the Annexure to the Auditor's Reports issued under Companies (Auditor's Report) Order, 2016 on the financial statements of the Group for the year ended 31st March 2021. Other matters reported in the Annexure to the Auditor's Reports issued under Companies (Auditor's Report) Order, 2020 (herein after referred as "CARO 2020 Order") on the financial statements of the Group for the year ended 31st March 2023 and 31st March 2022 which do not require any adjustments in the restated consolidated financial information are as follows:

Shiva Pharmachem Ltd

<u>For the year ended 31st March 2023</u>

Clause ii(b) of CARO 2020 Order

According to the information and explanations given to us, the Holding Company has been sanctioned working capital limits in excess of Rs. 50 Million, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly return and statements comprising (stock statements, book debt statements and statements on ageing analysis of the debtors and other stipulated financial information) filed by the Holding Company with such banks or financial institutions are in agreement with the books of account of the Holding Company, of the respective quarters, except for the following:

Nature of Current Assets/ Current Liabilities	Quarter ended	Value as per Books of Accounts (A)	Value as per quarterly return/ statement (B)	Difference (A-B)	Reason for Difference
Inventory	30th June 2022	978.53	985.87	(7.35)	Due to Revision in Purchase Invoice booking at later date.
	31st March 2023	1,026.55	920.73	105.81	Stock in Transit amounting to Rs. 105.81 Lakhs booked at later date.
Creditors	30th June 2022	348.03	355.23	(7.21)	Due to booking of provisions of expenses at the time of book closing
	30th September 2022	288.30	288.10	0.19	Due to booking of provisions of expenses at the time of book closing
	31st March 2023	515.81	516.38	(0.57)	Due to booking of provisions of expenses at the time of book closing

All amounts are in INR Millions unless otherwise stated

For the year ended 31st March 2022

Clause ii(b) of CARO 2020 Order

According to the information and explanations given to us, the Holding Company has been sanctioned working capital limits in excess of Rs. 50 Million, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly return and statements comprising (stock statements, book debt statements and statements on ageing analysis of the debtors and other stipulated financial information) filed by the Holding Company with such banks or financial institutions are in agreement with the books of account of the Holding Company, of the respective quarters, except for the following:

Amount in Million

Nature of Current Assets/ Current Liabilities	Quarter ended	Value as per Books of Accounts (A)	Value as per quarterly return/ statement (B)	Difference (A-B)	Reason for Difference
Inventory	31st March 2022	1,017.50	1,018.66	(1.17)	Some outdated inventories have been written off
Trade Receivables	31st March 2022	2,338.80	2,311.93	26.87	Due to Mark to Market booking at the time of book closing
Creditors	30th June 2021	479.09	477.36	1.73	Due to booking of provisions of expenses at the time of book closing
	30th September 2021	418.44	418.32	0.13	Due to booking of provisions of expenses at the time of book closing
	31st December 2021	364.13	360.52	3.61	Due to booking of provisions o expenses at the time of book closing
	31st March 2022	615.02	604.89	10.13	Due to booking of provisions of expenses at the time of book closing

51 Business Combinations

(1) During the FY 2019-20, Shiva Pharmachem Limited has entered into two Scheme of Arrangement u/s. 230 to 232 of the Companies Act, 2013:

Scheme 1 related to merger of remaining business of Tash Investment Private Limited with Shiva Pharmachem Limited and Scheme 2 related to demerger of Karakhadi Unit of Shiva Pharmachem Limited and subsequent merger into Shiva Performance Material Private Limited.

(a) Note on Scheme 1 – Merger of Tash Investment Private Limited

Tash Investment Private Limited (“TIPL”), Geetganga Investment Private Limited (“GIPL”), Geetganga Properties Private Limited (“GPPL”), Shiva Pharmachem Limited (the “Company”) and their respective shareholders and creditors entered into a scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013 (“Scheme 1”) for the demerger of TIPL by transferring and vesting its: (i) business of investing in shares and other securities of listed as well as unlisted companies (excluding strategic investment in manufacturing companies) (“Investment Business”) to GIPL; (ii) business of investing in real estates (“Real Estate Business”) to GPPL; and (iii) amalgamating the remaining business of direct and indirect investment by way of strategic investments in shares and loans or advances to manufacturing companies and connected rights or securities (“Remaining Business”) to the Company, on a going concern basis and the consequent issue of shares by the GIPL, GPPL and the Company. Scheme 1 was approved by the Honourable NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH via its Order No. CP(CAA) 31 of 2020 34/NCLT/AHM 2020 on 10th September 2020 and became effective on 8th October 2020, the date on which the Holding Company had filed the order approved by the NCLT with Registrar of Companies, Ahmedabad (ROC). The appointed date as per Scheme 1 was 1st April 2019. Accordingly, Scheme 1 has been given effect in the Standalone, Consolidated and Restated Financial Statements of Shiva Pharmachem Ltd from the appointed date as per the scheme i.e. 1st April 2019.

All amounts are in INR Millions unless otherwise stated

Pursuant to the effect of this scheme, Shiva Pharmachem Limited has accepted following List of assets and Liabilities.

Particulars	Amount
List of Assets Merged as at 1st April 2019	
Office Building - ABS Tower	2.34
Call option Agreement	41.80
Loan to Shiva Pharmachem	125.40
Deferred Tax Asset	0.09
Cash in hand	0.01
Bank balance - current account	3.11
Advance Tax &TDS - AY 2012-2013	1.24
Advance Tax Self Assess &TDS - AY 2013-2014	0.22
Advance Tax &TDS - AY 2014-2015	0.06
Advance Tax &TDS - AY 2015-2016	0.98
Advance Tax &TDS - AY 2016-2017	1.58
Advance Tax &TDS - AY 2017-2018	1.91
S K non trading	0.05
Advance Tax &TDS - AY 2018-2019	1.49
Advance Tax - AY 2019-2020	6.05
Tax on Regular Assessment AY 2010-11	1.02
MAT Credit Entitlement - AY 2015-2016	9.78
MAT Credit Entitlement - AY 2010-2011	0.98
MAT Credit Entitlement - AY 2011-2012	1.96
MAT Credit Entitlement - AY 2013-2014	6.34
MAT Credit Entitlement - AY 2017-18	0.66
Equity share capital investment by Tash	58.70
Total	**265.76**
List of Liabilities & Reserves Merged as at 1st April 2019	
TDS Payable 94A - FY 2018-19	0.03
Provision for IT AY 2019-20	3.01
Provision for Audit Fees	0.10
Provision for Expenses FY 2016-17	0.02
Profit & Loss Account (representing Special Reserve as per Section 45 IC of the RBI Act)	251.53
Surplus	0.63
Total	**255.32**

Furthermore, as per the scheme, two call option agreements held by TIPL for shares of VR Finechem Private Limited (76% stake of capital) were transferred to Shiva Pharmachem Limited as at 1st April 2019. Under the Indian GAAP, VR Finechem Private Limited was not required to be treated as a subsidiary to prepare Consolidated Financial Statements of Shiva Pharmachem Limited. However, as Shiva Pharmachem Limited gained control (76% through Call Option Agreement) over VR Finechem Private Limited as defined under Ind AS 110, it is accordingly treated as a subsidiary wef 1st April 2020 (being the transition date for adoption of Ind AS by the Group at the time of first time transition to Ind AS for the purpose of preparation of statutory consolidated Ind AS financial statements as required under Companies Act, 2013, as amended).

Also, VR Finechem Private Limited held 60% equity shares and Shiva Pharmachem Limited held 10% equity shares of SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) as at 1st April 2019, being the appointed date of Scheme 1. Therefore, SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) is treated as a step down subsidiary of Shiva Pharmachem Limited and is also included for the purpose of preparation of consolidated financial statements of the Company under Ind AS and in the Restated Consolidated Financial Information of the Group for all the three Fiscals (FY2020-21, FY2021-22, FY2022-23).

(b) Note on Scheme 2 - Demerger of Shiva Performance Division:

Pursuant to the implementation of Scheme 2, the business of manufacturing polymers and polymer compounds being performance chemicals of Shiva Pharmachem Limited located at Karakhadi (Performance Division), Vadodara was demerged with the appointed date of 1st October 2019 and subsequently merged with Shiva Performance Materials Private Limited. The said arrangement was approved by the Ahmedabad bench of Hon'ble NCLT vide its order no. CP (CAA) No. 60/NCLT/AHM/2020 dated 18th December 2020. The scheme became effective on 1st February 2021 , the date on which the Holding Company had filed the order approved by the NCLT with Registrar of Companies, Ahmedabad (ROC). The scheme has accordingly been given effect in the Standalone Financial Statements of Shiva Pharmachem Ltd from the appointed date of the scheme i.e. 1st October 2019 and the same has been considered in the Consolidated Financial Statements and Restated Financial Statements of the Group for all the three Fiscals (FY2020-21, FY2021-22, FY2022-23).

All amounts are in INR Millions unless otherwise stated

Under the said scheme, all the assets, liabilities, contracts, arrangements, employees, Permits, licenses, records, approvals, etc. relating to demerged unit of Shiva Pharmachem Limited have been transferred to Shiva Performance Materials Private Limited.

Particulars	Amount
Total Fixed Assets	422.61
Total Current Assets	507.03
Total Assets	**929.65**
Total Loan Liability	37.66
Total Current Liability	368.80
Total Liabilities	**506.46**
Net Assets	**423.18**
Purchase Consideration	**423.18**

As per Clause 13 of the Scheme, “All costs, Payments & Other Liabilities that the Demerged Company shall be required to bear to give effect to this clause 13 shall be borne solely by the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.”

As a result of Demerger, the following joint liabilities as at 1st October 2019 have been demerged/separated as per Clause 13 of the Scheme to Shiva Performance Materials Pvt Ltd and reflected as Current Assets under the Balance Sheet of Shiva Pharmachem Ltd.

Amount in Million

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Shiva Performance Materials Pvt Ltd	163.27	173.27	185.38
Total	**163.27**	**173.27**	**185.38**

Moreover, clause 13 of the Scheme has also stated as follows:

“It is clarified that till entry is made in the records of the appropriate authority(ies) and till such time as may be mutually agreed by the Demerged Company and the Resulting Company, the Demerged Company will continue to hold the property and / or asset license, permission approval, contract or agreement and rights and benefits arising there from as the case may be, in trust for and on behalf of the Resulting Company”

The joint operations continued till 31st May 2021 & w.e.f. 1st June 2021 demerged unit started its own functioning after receiving all the statutory approvals. The amount outstanding as at 31st March 2023, 31st March 2022 and 31st March 2021 was a result of joint operations and the same have been apportioned as per approval of Hon’ble NCLT Order. Accordingly, it is not treated as loan transaction in the Financial Statements

(2) During the FY 2021-22, Shiva Pharmachem Limited has entered into the Scheme of Arrangement with VR Finechem Pvt Ltd in the nature of Amalgamation u/s. 230 to 232 of the Companies Act, 2013:

The Company and VR Finechem Private Limited (“VFPL”) and their respective shareholders and creditors have entered into a scheme of arrangement, under Section 230 to 232 of the Companies Act, 2013, which was approved by the National Company Law Tribunal, Ahmedabad Bench on September 26, 2022 (“Scheme 3”) for the merger of VFPL by transferring and vesting of all the assets and liabilities of VFPL into the Company from the appointed date in the scheme i.e. 1st April 2021. Under the said scheme, all the assets, liabilities, contracts, arrangements, employees, Permits, licenses, records, approvals, etc. relating to VR Finechem Private Limited have been transferred to Shiva Pharmachem Limited from the appointed date in the scheme i.e. 1st April 2021. The scheme became effective on 30th September 2022, the date on which the Holding Company had filed the order approved by the NCLT with Registrar of Companies, Ahmedabad (ROC). As consideration, the Company issued and allotted one fully paid-up 8.5%, non-cumulative, compulsorily convertible, unsecured preference share of Rs. 100 each of the Company, for every 10 equity shares of Rs. 10 each of VFPL held by any such shareholder whose names were recorded in the register of members of VFPL on the record date. The Company held potential equity for 76% stake in VFPL by way of call option shares obtained against the loan given to the shareholders to purchase the call shares.

Owing to the fact that the merger as mentioned above meets the definition of Common Control Business Combination as stated under Appendix C to Ind AS 103 since the combining entity (namely "VFPL") is ultimately controlled by the Holding Company both before and after the business combination (Refer Significant Accounting Policy Note 1.3 – “Common Control Business Combinations”), the comparative financial information in respect of prior periods has been restated as if the business combination had occurred from the beginning of the earliest preceding period (i.e. 1st April 2020) presented in the Restated Consolidated Financial Information.

All amounts are in INR Millions unless otherwise stated

Pursuant to the effect of said scheme of arrangement, the following Assets, Liabilities & Reserves have been transferred to Shiva Pharmachem Limited as at 1st April 2021

Particulars	Amount
List of Assets Merged as at 1st April 2021	
Investments - SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)	166.09
Deposits - Rent	0.04
HDFC Bank (IIFL)	0.00
IDBI Bank C/A	0.67
Deposits - Govt.	0.02
Total	**166.82**
List of Liabilities & Reserves Merged as at 1st April 2021	
Unsecured Loan - GIPL	151.50
Unsecured Loan - SPL	41.40
Interest Payable - GIPL	19.32
Interest Payable - SPL	2.43
Provisions for Audit Fees	0.08
Creditors	0.03
TDS Payable - 94A @7.5%	0.35
TDS Payable - 94J @7.5%	0.00
Reserves & Surplus - P&L Balance	(103.29)
Total	**111.82**

*Since pooling of interest method is follwed as per Ind AS 103, book value of assets is considered

52 Loss of Control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.

(ii) Derecognises the carrying amount of any non-controlling interests.

(iii) Derecognises the cumulative translation differences recorded in equity.

(iv) Recognises the fair value of the consideration received.

(v) Recognises the fair value of any investment retained.

(vi) Recognises any surplus or deficit in profit or loss.

(vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Shiva Pharmachem Ltd ('Holding Company') had entered into an agreement to sell its investment in SES Engineering Pvt Ltd and Sidhan Specialty Chemicals Pvt Ltd for a total consideration of Rs. 40.63 Million. Accordingly the associated assets and liabilities of SES Engineering Pvt Ltd and Sidhan Specialty Chemicals Pvt Ltd along with goodwill on acquisition of Rs. 0.36 Million were derecognised and the resultant gain on such sale of Rs. 1.78 Million was recognised during the year ended 31st March 2023. Consequently, with effect from 30th September 2022, SES Engineering Pvt Ltd and Sidhan Specialty Chemicals Pvt Ltd ceased to be the subsidiaries of the Holding Company.

All amounts are in INR Millions unless otherwise stated

53 Disclosure of Interest in Subsidiaries and Non - Controlling Interest

(a) Details of Subsidiaries:

The Group has following subsidiaries held directly or indirectly by the Holding Company i.e. Shiva Pharmachem Ltd. Following are the details of shareholding in the subsidiaries:

Sr. No.	Name of the Company	Principal Activities	Country of Incorporation	Proportion of Ownership Interest held by the Holding Company (%)		
				As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
(i)	Shiva Pharmachem AG	Trading of Chemicals	Switzerland	100.00	100.00	100.00
(ii)	Shiva Pharmachem International Inc	Trading of Chemicals	USA	100.00	100.00	100.00
(iii)	SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)	Manufacturing of Chemicals	Hungary	70.00	70.00	70.00
(iv)	SES Engineering Pvt Ltd	Providing Engineering Services	India	-	100.00	100.00
(v)	Sisley Properties LLP	Real Estate Business	India	99.70	99.70	99.70
(vi)	Sidhan Specialty Chemicals Pvt Ltd	Manufacturing of Chemicals	India	-	100.00	100.00

Note:

(i) VR Finechem Pvt Ltd merged with Shiva Pharmachem Ltd as at appointed date of the scheme i.e. 1st April 2021 pursuant to the scheme of arrangement becoming effective on 30th September 2022. However, as the merger was pertaining to entities under common control as per Appendix C for Ind AS 103, the accounting impact had been given as if the merger had occurred from the beginning of the comparative period in the Restated Consolidated Financial Information (Refer Note 51). Due to the merger, Shiva Pharmchem Ltd obtained 47,32,00,000 equity shares (Quota) of SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) thereby bringing the effective interest in the subsidiary up to 70%.

(ii) During FY 2022-23 Holding Company i.e. Shiva Pharmachem Ltd has sold equity shares of SES Engineering Pvt Ltd and Sidhan Specialty Chemicals Pvt Ltd (Refer Note 52)

(b) Details of Non - Wholly Owned Subsidiaries that have material Non - Controlling Interest:

Sr. No.	Name of the Company	Proportion of Ownership Interest held by Non - Controlling Interests (%)		
		As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
(i)	SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)	30.00	30.00	30.00

(c) Set out below is summarised financial information of subsidiaries of the Group that have material Non - Controlling Interests before Intra Group eliminations:

(i) Balance Sheet

Particulars	SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)		
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Non - Current Assets	3,048.59	2,605.42	1,965.70
Current Assets	889.97	969.92	1,015.66
Non - Current Liabilities	776.78	511.54	771.63
Current Liabilities	2,192.34	2,095.25	1,296.21
Equity Interest Attributable to the Equity Holders of the Holding Company	678.60	677.98	639.47
Equity Interest Attributable to Non - Controlling Interests	290.83	290.56	274.06

All amounts are in INR Millions unless otherwise stated

(ii) Profit and Loss

Particulars	SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)		
	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from Operations	3,039.60	2,864.58	2,132.25
Other Income	54.38	30.29	63.16
Expenses	2,962.01	2,866.36	2,067.58
Tax Expense	1.97	2.72	0.40
Profit/(Loss) for the period/year	**130.00**	**25.78**	**127.43**
Profit/(Loss) Attributable to the Equity Holders of the Holding Company	91.00	18.05	89.20
Profit/(Loss) Attributable to Non - Controlling Interests	39.00	7.73	38.23
Items that wiil be reclassified to Profit and Loss	(103.40)	61.76	(2.76)
Other Comprehensive Income/(Loss)	**(103.40)**	**61.76**	**(2.76)**
Other Comphrehensive Income/(Loss) Attributable to the Equity Holders of the Holding Company	(72.38)	43.23	(1.94)
Other Comprehensive Income/(Loss) Attributable to Non - Controlling Interests	(31.02)	18.53	(0.83)
Total Comprehensive Income/(Loss)	**26.61**	**87.55**	**124.67**
Total Comphrehensive Income/(Loss) Attributable to the Equity Holders of the Holding Company	18.62	61.28	87.27
Total Comprehensive Income/(Loss) Attributable to Non - Controlling Interests	7.98	26.26	37.40

(iii) Cash Flow

Particulars	SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)		
	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Net Cash Inflow/(Outflow) from Operating Activities	468.71	518.54	121.65
Net Cash Inflow/(Outflow) from Investing Activities	(594.19)	(806.06)	(862.28)
Net Cash Inflow/(Outflow) from Financing Activities	229.44	294.58	648.69
Net Cash Inflow/(Outflow)	**103.96**	**7.06**	**(91.94)**

All amounts are in INR Millions unless otherwise stated

54 Additional Information, as required under Schedule III to the Companies Act, 2013, of Enterprises Consolidated as Subsidiaries

Following is the share of net assets and the profit or loss of the entities which have been consolidated for preparation of the Restated Consolidated Financial Information of the Group:

Sr. No.	Name of the Enterprise	Net Asset i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount	As % of Share in Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Year ended 31st March 2023									
I	**HOLDING COMPANY**								
	Shiva Pharmachem Ltd	83.93	4,521.45	79.04	891.17	4.14	(3.39)	84.90	887.78
II	**SUBSIDIARIES**								
	(A) Indian								
	(i) SES Engineering Pvt Ltd	-	-	0.28	3.19	(0.20)	0.17	0.32	3.35
	(ii) Sidhan Specialty Chemicals Pvt Ltd	-	-	(0.00)	(0.01)	-	-	(0.00)	(0.01)
	(iii) Sisley Properties LLP	2.16	116.60	(0.01)	(0.08)	-	-	(0.01)	(0.08)
	(B) Foreign								
	(i) Shiva Pharmachem AG	6.34	341.35	9.74	109.78	(13.77)	11.26	11.58	121.05
	(ii) Shiva Pharmachem International Inc	3.22	173.34	6.27	70.66	4.87	(3.98)	6.38	66.68
	(iii) SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)	18.00	969.43	11.53	130.00	328.66	(268.77)	(13.27)	(138.77)
III	**Others**								
	(i) Non - Controlling Interests	(3.55)	(191.51)	(3.46)	(39.00)	(37.93)	31.02	(0.76)	(7.98)
	(ii) Adjustments due to Consolidation	(10.09)	(543.61)	(3.39)	(38.25)	(185.76)	151.91	10.87	113.66
	Total	**100.00**	**5,387.04**	**100.00**	**1,127.46**	**100.00**	**(81.78)**	**100.00**	**1,045.68**
Year ended 31st March 2022									
I	**HOLDING COMPANY**								
	Shiva Pharmachem Ltd	81.28	3,633.66	90.51	747.13	(8.19)	(3.36)	85.85	743.78
II	**SUBSIDIARIES**								
	(A) Indian								
	(i) SES Engineering Pvt Ltd	1.54	68.86	0.63	5.16	1.01	0.42	0.64	5.58
	(ii) Sidhan Specialty Chemicals Pvt Ltd	0.00	0.02	(0.00)	(0.03)	-	-	(0.00)	(0.03)
	(iii) Sisley Properties LLP	2.61	116.68	(0.00)	(0.03)	-	-	(0.00)	(0.03)
	(B) Foreign								
	(i) Shiva Pharmachem AG	5.11	228.66	6.42	53.01	2.93	1.20	6.26	54.21
	(ii) Shiva Pharmachem International Inc	2.50	111.77	0.26	2.17	(1.34)	(0.55)	0.19	1.62
	(iii) SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)	21.67	968.55	3.12	25.78	150.84	61.76	10.10	87.55
III	**Others**								
	(i) Non - Controlling Interests	(4.33)	(193.73)	(0.94)	(7.73)	(45.25)	(18.53)	(3.03)	(26.26)
	(ii) Adjustments due to Consolidation	(10.38)	(464.06)	-	-	-	-	-	-
	Total	**100.00**	**4,470.41**	**100.00**	**825.46**	**100.00**	**40.95**	**100.00**	**866.41**
Year ended 31st March 2021									
I	**HOLDING COMPANY**								
	Shiva Pharmachem Ltd	78.39	2,889.88	82.18	677.43	56.48	(5.94)	82.51	671.49
II	**SUBSIDIARIES**								
	(A) Indian								
	(i) SES Engineering Pvt Ltd	1.68	61.89	1.65	13.62	(10.87)	1.14	1.81	14.77
	(ii) Sidhan Specialty Chemicals Pvt Ltd	0.00	0.05	(0.01)	(0.05)	-	-	(0.01)	(0.05)
	(iii) Sisley Properties LLP	3.17	116.70	(0.00)	(0.03)	-	-	(0.00)	(0.03)
	(B) Foreign								
	(i) Shiva Pharmachem AG	4.73	174.45	4.62	38.12	19.88	(2.09)	4.43	36.03
	(ii) Shiva Pharmachem International Inc	2.99	110.15	0.73	6.04	16.11	(1.69)	0.53	4.35
	(iii) SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC)	24.78	913.52	15.46	127.43	26.29	(2.76)	15.32	124.67
III	**Others**								
	(i) Non - Controlling Interests	(4.54)	(167.46)	(4.64)	(38.23)	(7.89)	0.83	(4.60)	(37.40)
	(ii) Adjustments due to Consolidation	(11.20)	(412.73)	-	-	-	-	-	-
	Total	**100.00**	**3,686.46**	**100.00**	**824.34**	**100.00**	**(10.52)**	**100.00**	**813.83**

All amounts are in INR Millions unless otherwise stated

55 Additional Statutory Information - Ratios:

	Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
(a)	**Current Ratio = Current Assets divided by Current Liabilities**			
	Current Assets	5,614.54	5,387.44	4,202.42
	Current Liabilities	5,443.79	5,001.19	3,233.07
	Ratio	**1.03**	**1.08**	**1.30**
	% Change from previous year	(4.26)	(17.12)	(6.78)
	Reason for change more than 25% - Not applicable			
(b)	**Debt Equity Ratio = Total Debt divided by Total Equity**			
	Total Debt	3,471.14	3,206.21	2,652.42
	Total Equity	5,578.55	4,664.14	3,853.93
	Less: Non - Controlling Interests	(191.51)	(193.73)	(167.46)
	Equity attributable to the Owners of the Holding Company	**5,387.04**	**4,470.41**	**3,686.46**
	Ratio	**0.64**	**0.72**	**0.72**
	% Change from previous year	(10.16)	(0.32)	(27.23)
	Reason for change more than 25% - During the FY 2020-21 the total share capital of the Group has increased significantly whereas the debt has reduced resulting in an improved debt-equity ratio of the Group.			
(c)	**Debt Service Coverage Ratio = Earnings available for servicing debt divided by total interest and principal repayments**			
	Profit before tax	1,541.55	1,120.05	1,117.14
	Add: Depreciation	506.66	541.49	420.29
	Add: Finance Cost	140.96	94.42	88.67
	Adjusted Profit	**2,189.17**	**1,755.96**	**1,626.11**
	Interest cost on borrwings	97.25	68.83	67.75
	Principal repayments	219.25	145.97	231.97
	Total of Interest and Principal Repayments	**316.51**	**214.80**	**299.71**
	Ratio	**6.92**	**8.17**	**5.43**
	% Change from previous year	(15.39)	50.67	34.14
	Reason for change more than 25% - During the FY 2021-22 profit available for principal repayment & interest cost has increased by Rs.129.85 million.			
(d)	**Return on Equity Ratio = Profit after tax divided by Average Equity**			
	Profit after tax	1,166.46	833.20	862.57
	Less: Share of Profit /(Loss) of minority interest	(39.00)	(7.73)	(38.23)
	Consolidated Net Profit after tax, for the year/ period attributable to equity shareholders	**1,127.46**	**825.46**	**824.34**
	Total Equity	5,578.55	4,664.14	3,853.93
	Less: Non - Controlling Interests	(191.51)	(193.73)	(167.46)
	Equity attributable to the Owners of the Holding Company	**5,387.04**	**4,470.41**	**3,686.46**
	Average Shareholder's Equity **	4,928.73	4,078.44	3,686.46
	Ratio	**0.23**	**0.20**	**0.22**
	% Change from previous year	13.02	(9.49)	(63.10)

** Return on Equity is computed by considering Average Shareholder's fund for FY23 & FY22 & for FY21 Closing Shareholder's fund is considered.

Reason for change more than 25% -

In FY 2020-21 Due to Covid-19 there is a reduction in sales of the Group due to which the profit of the Group was reduced, resulting in reduction in Retun on Equity Ratio.

All amounts are in INR Millions unless otherwise stated

	Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
(e)	**Trade Receivables Turnover Ratio = Credit Sales divided by Average Trade Receivables**			
	Revenue from Operations	10,794.66	10,159.90	7,601.17
	Average Trade Receivables	2,611.35	2,344.89	2,088.99
	Ratio	**4.13**	**4.33**	**3.64**
	% Change from previous year	(4.59)	19.08	(18.43)
	Reason for change more than 25% - Not applicable			
(f)	**Trade Payables Turnover Ratio = Credit Purchases divided by Average Trade Payables**			
	Credit Purchases	5,839.15	5,863.36	3,950.16
	Average Trade Payables	1,342.38	1,256.76	948.82
	Ratio	**4.35**	**4.67**	**4.16**
	% Change from previous year	(6.77)	12.06	(19.68)
	Reason for change more than 25% -			
(g)	**Inventory Turnover Ratio = Cost of Goods Sold divided by Average Inventory**			
	Cost of Goods Sold	5,520.25	5,601.58	3,715.18
	Average Inventory	1,710.10	1,445.18	1,197.12
	Ratio	**3.23**	**3.88**	**3.10**
	% Change from previous year	(16.72)	24.90	(29.59)
	Reason for change more than 25% -			
	In FY 2020-21, due to Covid-19 there is a reduction in production resulting in a reduced inventory level.			
(h)	**Net Capital Turnover Ratio = Sales divided by Average Working Capital**			
	Revenue from Operations	10,794.66	10,159.90	7,601.17
	Average Working Capital	278.50	677.80	1,151.46
	Ratio	**38.76**	**14.99**	**6.60**
	% Change from previous year	158.58	127.07	(3.47)
	Reason for change more than 25% -			
	In FY 2022-23 Average working capital has increased due to prompt collection & reduction in overdues, better negotiation with vendor on credit days.			
	In FY 2021-22, Average working capital has increased due to prompt collection & reduction in overdues, better negotiation with vendor on credit days.			
(i)	**Profit Ratio = Restated Profit after Tax divided by Revenue from Operations**			
	Profit after Tax	1,166.46	833.20	862.57
	Total Income	10,941.96	10,318.34	7,818.31
	Ratio	**0.11**	**0.08**	**0.11**
	% Change from previous year	32.02	(26.81)	(35.78)

Reason for change more than 25% -

In FY 2022-23 the Sales & Profitability of the Group has significantly improved resulting in improved Profit Ratio of the Group.
In FY 2021-22 the profit of one subsidiary of Shiva Pharmachem Ltd i.e. SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) was significantly reduced due to the crisis in Europe which has resulted in a reduced Profit Ratio of the Group.
In FY 2020-21 due to Covid-19 there is a reduction in Consolidated sales due to which the profit of the Group was reduced.

All amounts are in INR Millions unless otherwise stated

	Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
(j)	**Return on Capital Employed = Adjusted EBIT/ Total Capital Employed**			
	Profit before Tax	1,541.55	1,120.05	1,117.14
	Add: Finance Cost	140.96	94.42	88.67
	Earnings Before Interest and Taxes	**1,682.51**	**1,214.48**	**1,205.81**
	Tangible Net Worth	5,409.43	4,458.00	3,784.81
	Total Debt	3,471.14	3,206.21	2,652.42
	Total Capital Employed	8,880.58	7,664.20	6,437.23
	Average Total Capital Employed **	**8,272.39**	**7,050.72**	**6,437.23**
	Ratio	**0.20**	**0.17**	**0.19**
	% Change from previous year	18.08	(8.05)	(45.02)

** Return on Capital employed is computed by considering Average Total Captial Employed for FY23 & FY22 & for FY21 Closing Capital employed is considered.

Reason for change more than 25% -
In FY 2020-21 due to Covid-19 there is a reduction in sales of the Group due to which the profit of the Group was reduced.

56 Dividend on Equity Shares

	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Dividend on equity shares declared and paid during the period/year			
Dividend per equity share of face value Rs. 2 each (31st March 2023: Nil, 31st March 2022: Nil, 31st March 2021: Nil per equity share of face value Rs.10 each)	-	-	-
Dividend distribution Tax on Dividend	-	-	-
Total	**-**	**-**	**-**

57 COVID - 19 Assessment

Due to outbreak of COVID-19 globally and in India, the Group has considered the impact of COVID-19 pandemic on its business operations and financial results based on its review of current indicators of future economic conditions and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Group’s ability to continue as a going concern and meeting its liabilities as and when they fall due.

However, the impact assessment of this pandemic is a continuing process given the uncertainties associated with its nature and duration. Despite reduced cases of COVID-19 being reported in the world, there have been massive disruptions in supply chain especially from global. Accordingly, the Group will continue to monitor any material changes to future economic conditions.

The management is of the opinion that while the COVID-19 may have minor adverse impact on its business in the short-term, it does not anticipate material medium to long term risks to the business prospects. Further, the impact assessment of Covid-19 is a continuous process given the uncertainties associated with its nature and conditions, accordingly the Group will continue to monitor any material changes to economic conditions and its impact on the business.

58 Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding have been initiated or pending against the Group for holding any Benami property.

(ii) The title deeds of all the immovable properties, (other than immovable properties relating to Right of use assets where the Group is the lessee and the lease agreements are duly executed in favour of the Group) disclosed in the Restated Financial Information included in (Property, Plant and Equipment and capital work-in progress) are held in the name of the Group.

(iii) The Group did not have any transactions with Companies struck off.

(iv) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(v) The Group has not traded or invested in Crypto currency or Virtual Currency during the respective financial years.

(vi) The Group has not advanced or loaned or invested funds to any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) Directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(viii) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(ix) None of the Group entities have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(x) The Group has complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restrictions on Number of Layers) Rules, 2017.

59 Social Security Code

The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules / interpretation have not yet been issued. The Group will assess the impact of the Code when it come into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the Group believes the impact of the change will not be significant.

60 Correction of prior period errors 2020-21 (Restatement Adjustment) :

As per Note 55 of the Special Purpose Consolidated Financial Statements of the Group for FY 2020-21, the Company SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) have not provided the Unrealised Foreign Exchange Loss amounting to Rs. 23.92 Millions.

The Company SPL Europe LLC follows the calendar year for preparation of its Financial Statement. However, for the purpose of Consolidation by the Parent Company “Shiva Pharmachem Limited” for the Financial Year 2020-21, SPL Europe LLC prepared its financials as on 31st March 2021. For preparation of these Financials, few year-end adjustments were not made. These adjustments were:

Particulars	Hungarian Forint (HUF)	Exchange Rate as at 31-03-2021	INR (Rs in Millions)
Calculation of Unrealised Foreign Exchange Loss	100.95	0.237	23.92

Accordingly, in line with the requirements of Ind-AS 8, “Accounting Policies, Changes in Accounting Estimates and Errors”, the Holding Company has adjusted the above Unrealised Foreign Exchange Loss effect pertaining to the year ended March 31, 2021 and its reversal in corresponding Year ended March 31, 2022, included in these consolidated financial statements.

All amounts are in INR Millions unless otherwise stated

In respect of the above matters, the previously reported amounts in the Special Purpose Ind AS Consolidated Financial Statements of the Group included in these Restated Consolidated Financial Information have been restated for the year ended March 31, 2021, as summarised below:

(in Millions)

Sr. No.	Particulars	31st March 2022 (Restated)	31st March 2022 (Previously reported)	Effect on Profits / Variance	31st March 2021 (Restated)	31st March 2021 (Previously reported)	Effect on Profits / Variance	Remarks
	Restatements having effect to Profit & Loss (refer following table below)							
1	Unrealised Forex Loss	2.08	26.01	23.92	30.97	7.04	(23.92)	Unrealised Foreign Exchange Loss now provided in RFS. (Having Effect in P&L)
2	Total Effect on Profit before tax	1,120.05	1,096.13	23.92	1,117.14	1,141.07	(23.92)	
3	Total effect on Profit after tax	833.20	809.27	23.92	862.57	886.50	(23.92)	
4	Total Comprehensive Income	892.67	868.75	23.92	851.23	875.15	(23.92)	
5	Basic Earnings per share (Rs)	7.77	7.61	0.16	7.76	7.92	(0.16)	
6	Diluted earnings per share (Rs)	7.77	7.61	0.16	7.76	7.92	(0.16)	
	Restatements having effect to Balance Sheet							
7	**Short Term Provisions**							
	Short Term Provisions (including Provisions for Unrealised Forex Loss)	166.06	189.98	(23.92)	193.64	169.72	23.92	Unrealised Foreign Exchange Loss now provided in RFS. (Having Effect in BS)
8	**Total Equity**							
	Equity Attributable to Owners of the Holding Company	**4,470.41**	**4,453.66**	**16.75**	**3,686.46**	**3,703.21**	(16.75)	
	Non Controlling Interest	193.73	186.55	**7.18**	167.46	174.64	(7.18)	
	Total Equity	4,664.14	4,640.21	23.92	3,853.93	3,877.85	(23.92)	

61 Events after Balance Sheet Date

(i) There are no events that occurred after the Balance Sheet date that require adjustment or disclosure in the Restated Financial Statements.

62 The previous year's figures have been regrouped/reclassified wherever considered necessary to make them comparable with those of current period's classification.

As per our Report of even date
For Talati & Talati LLP
Chartered Accountants
FRN: 110758W/W100377

For and on behalf of Board of Directors

CA Manish Baxi
Partner
Membership No. 045011
Place: Vadodara
Date : 14-08-2023

Rakesh Agrawal
Chairman
DIN:00057955
Place : Vadodara
Date : 14-08-2023

Anil Inani
Chief Financial Officer
Place : Vadodara
Date : 14-08-2023

Tarang Maru
Company Secretary
Place : Vadodara
Date : 14-08-2023

OTHER FINANCIAL INFORMATION

Accounting ratios

The accounting ratios derived from Restated Consolidated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Basic EPS (*in ₹*)	10.62	7.77	7.76
Diluted EPS (*in ₹*)	10.62	7.77	7.76
Return on Net Worth (%)	20.93	18.47	22.36
NAV per Equity Share (*in ₹*)	50.72	42.09	34.71
Gross Profit (*in ₹ million*)	5,274.42	4,558.31	3,885.99
Gross Margin (%)	48.86	44.87	51.12
EBITDA (*in ₹ million*)	2,041.87	1,597.52	1,408.97
EBITDA Margin (%)	18.92	15.72	18.54
Profit after tax (PAT) (*in ₹ million*)	1,166.46	833.20	862.57
PAT Margin (%)	10.66	8.07	11.03
Return on Average Capital Employed (RoACE) (%)	20.34	17.22	18.73

Notes:

(1) The ratios on the basis of Restated Consolidated Financial Information have been computed as below:

(i) Basic Earnings per share = Restated Profit attributable to the owners of the holding company / Weighted average number of equity shares outstanding during the year.

(ii) Diluted Earnings per share = Restated Profit attributable to the owners of the holding company / Weighted average number of equity shares considered for deriving the basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

(iii) Earnings per share calculations are in accordance with Ind AS – 33 (Earnings per share) prescribed by the Companies (Indian Accounting Standards) Rules, 2015.

(iv) Return on Net Worth (%) = Restated Profit attributable to the owners of the holding company / Net worth excluding non-controlling interest. Net worth means the aggregate value of our paid-up share capital and all reserves created out of profits and securities premium account attributable to Owners of the Holding Company as per Restated Consolidated Financial Statement of Assets and Liabilities of the Company. It excludes NCI.

(v) Net asset value per share= Net worth excluding non-controlling interest / Number of Equity Shares outstanding as at the end of year. The number of equity shares have been adjusted for sub-division of shares and bonus issuance.

(vi) Gross Profit is calculated as Revenue from Operations less Cost of Materials consumed, Purchase of Traded Goods, Changes in Inventories of finished goods and work-in-progress

(vii) Gross Margin (%) is calculated as Gross Profit divided by Revenue from Operations

(viii) EBITDA is calculated as Profit before tax for the year, plus finance costs and depreciation and amortisation expenses, less other income

(ix) EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations

(x) Profit after tax (PAT) refers to Restated Profit/(Loss) for the year from Continuing Operations as appearing in the Restated Consolidated Financial Information

(xi) PAT Margin (%) is calculated as Profit for the year as a percentage of Total Income

(xii) RoACE is calculated as Earnings before interest and taxes (EBIT) divided by Average Capital Employed. EBIT is calculated as Profit before tax plus finance costs. Average Capital Employed is calculated as average of the capital employed at the beginning of the year and at the end of the year. Capital Employed is sum total of Tangible Net Worth and Total Debt.

Note: For calculation of average capital employed for Fiscal 2021, capital employed at the beginning of the year has not been considered since it does not form part of Restated Consolidated Financial Information.

Other financial information

The audited standalone financial statements of our Company and Material Subsidiaries (namely, Shiva Pharmachem AG, Shiva Pharmachem International Inc. and SPL Europe LLC, identified as per SEBI ICDR Regulations) as at and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, together with all the annexures, schedules and notes thereto ("**Standalone Financial Statements**") are available on our website at https://www.shivapharmachem.com/financial-information.aspx. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Standalone Financial Statements and the reports thereon 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 Standalone Financial Statements and reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of our Company or any entity in which our Shareholders have significant influence 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 Standalone Financial Statements, or the opinions expressed therein.

Non-GAAP measures

In addition to our results determined in accordance with Ind AS, we believe the non-GAAP measures such as Net asset value per Equity Share, Gross Profit, Gross Profit Margin, EBITDA, EBITDA Margin, and Return on Average Capital Employed, among others are useful to Bidders in evaluating our operating performance and liquidity. We use such non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively with financial measures disclosed in financial statements and prepared in accordance with Ind AS, may be helpful to Bidders because it provides an additional tool for Bidders to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures of our performance and liquidity that is not required by, or presented in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. Further, these non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information disclosed in financial statements and presented in accordance with Ind AS. Non-GAAP financial information are not standardised terms, hence a direct comparison of these non-GAAP Measures between companies may not be possible and these measures may be different from similarly titled non-GAAP measures used by other companies. Other companies may calculate these non-GAAP measures differently from us, limiting its usefulness as a comparative measure. Non-GAAP financial measures are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Our non-GAAP financial measures are not a measurement of financial performance or liquidity under these accounting standards and should not be construed in isolation or construed as an alternative to cash flows, restated loss for the period or any other measures of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated from our operating, investing or financing activities, derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. For further details, see "*Risk Factors – We have in this Draft Red Herring Prospectus included certain Non-GAAP Measures that may vary from any standard methodology that is applicable across the industry and may not be comparable with financial information of similar nomenclature computed and presented by other companies*" on page 60.

RELATED PARTY TRANSACTIONS

For details of related party transactions as per the requirements under applicable accounting standards, i.e., *Ind AS 24 – Related Party Disclosures*, read with the SEBI ICDR Regulations, of our Company, for the years ended March 31, 2023, March 31, 2022 and March 30, 2021 and as reported in Restated Consolidated Financial Information, see "*Restated Consolidated Financial Information – Note 43 – Related Party Disclosures* on page 313.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2023, on the basis of our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Position and Results of Operations*", "*Financial Information*" and "*Risk Factors*" on pages 349, 253 and 28, respectively.

(₹ in million, except ratios)

Particulars	As at March 31, 2023	As adjusted for the proposed Offer#
Borrowings		Refer notes below
Current borrowings*	3,019.95	
Non-current borrowings*	451.19	
Total Borrowings	3,471.14	
Equity		
Equity share capital*	212.41	
Other Equity*	5,174.63	
Equity attributable to the owners of the holding company	**5,387.04**	
Total equity	**5,578.55**	
Non-current borrowings / Total equity	0.08	
Total borrowings / Total equity	0.62	

* *These terms shall carry the meaning as per Schedule III of the Companies Act, 2013*

There will be no change in post-Offer paid-up Equity Share capital of the Company as the Company is proposing initial public offer by way of an Offer for Sale by the Selling Shareholders.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is intended to convey management's perspective on our financial condition and results of operations for Fiscals 2023, 2022 and 2021. This discussion and analysis is based on, and should be read in conjunction with, our Restated Consolidated Financial Information (including the schedules, notes and significant accounting policies thereto) included in the section titled "Restated Consolidated Financial Information" beginning on page 253.

Our Restated Consolidated Financial Information have been derived from our audited consolidated financial statements for Fiscal 2023, Fiscal 2022 and Fiscal 2021 and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance. Our financial statements are prepared in accordance with Ind AS, notified under the Companies (Indian Accounting Standards) Rules, 2015, and read with Section 133 of the Companies Act, 2013 to the extent applicable. Ind AS differs in certain material respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which the financial statements prepared in accordance with Ind AS included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS accounting policies. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to IFRS or U.S. GAAP. Any reliance by persons not familiar with Ind AS accounting policies on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Please also see "Risk Factors – Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the Restated Consolidated Financial Information prepared and presented in accordance with Ind-AS contained in this Draft Red Herring Prospectus", on page 63.

Unless otherwise indicated or the context requires otherwise, (i) the financial information for Fiscal 2023, Fiscal 2022 and Fiscal 2021 included herein have been derived from our restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, and restated consolidated statements of profit and loss, cash flows and changes in equity for the fiscal years ended March 31, 2023, March 31, 2022 and March 31, 2021 of the Company, together with the statement of significant accounting policies, and other explanatory information thereon.

Unless otherwise indicated, the industry-related information contained in this section is derived from a report titled "Independent Market Report-India Chemical & Specialty Chemical Market Overview" dated August, 2023, prepared by Frost & Sullivan, which has been prepared exclusively for the purpose of understanding the industry in connection with the Offer and commissioned and paid for by our Company in connection with the Offer (the "F&S Report"), pursuant to a letter of agreement dated July 29, 2022. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year, refers to such information for the relevant year. For more information, see the sections titled "Industry Overview" on page 119 and also the section titled "Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from the F&S Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 60 for a discussion on certain risks involved with reliance on information contained in the F&S Report.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the 12 months ended March 31 of that year. All references to a year are to that Fiscal Year, unless otherwise noted.

Some of the information contained in this section, including information with respect to our strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward-Looking Statements" beginning on page 18 for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" and "Our Business" beginning on pages 28 and 280, respectively, for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of the Company may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise stated, a reference to "the Company", or "our Company" in this section is a reference to Shiva Pharmachem Limited on a standalone basis, while any reference to "the Group", "we", "us" and "our" in this section refers to Shiva Pharmachem Limited and its subsidiaries on a consolidated basis. The scheme of *arrangement of VR Finechem Private Limited ("***VR Finechem***") into the Company (the "Scheme of Arrangement") in the nature of amalgamation with under Sections 230 to 232 of the Companies Act, 2013, was approved by the National Company Law Tribunal, Ahmedabad Court. The Scheme of Arrangement became effective on September 30, 2022. Under the Scheme of Arrangement, all assets, liabilities, contracts, arrangements, employees, permits, licenses, records, approvals, etc. relating to VR Finechem have been transferred to the Company from the appointed date in the Scheme of Arrangement, i.e., April 1, 2021. However, due to the merger meeting the definition of a Common Control Business Combination as per Ind AS 103 "Business Combinations – Method of Accounting for Common Control Business Combinations", since VR Finechem was ultimately controlled by the Company both before and after the business combination, the comparative financial information in respect of prior periods has been restated as if the business combination had occurred from the beginning of the earliest preceding period (i.e., April 1, 2020) presented in the Restated Consolidated Financial Information.*

Overview

We are the largest manufacturer of acid and alkyl chlorides, by volume, in CY 2022 in India and a key player globally. (*Source: F&S Report, August 2023*). We have over 20 years of experience in the Indian specialty chemicals business. Initially, we started our operations with chlorine chemistry as our core competency with a focus on chlorination of acid and alcohols by thionyl chloride. We subsequently developed competencies in advanced intermediates involving complex chemistry and multi-step processes (typically 4 to 5 steps). We manufacture our products at our facilities in Luna (Gujarat), Dahej SEZ (Gujarat) and Sajóbábony (Hungary), and we are backward integrated for most of our key products. We are experienced in handling hazardous chemistries (like chlorination and vapour phase reactions at high temperatures of 400 ºC and above) and, through our R&D team we have developed in-house technology for all of our products including bulk acid chlorides and specialty chemicals that has enabled us to enjoy strategic positioning amongst our reputed customers. (*Source: F&S Report, August 2023*). Our customer base is diverse, and we served 181 multinational and domestic companies in Fiscal 2023. In Fiscal 2023, we sold our products to 22 countries outside India. Some of the key geographies in which we sell our products include Germany, the United States, Switzerland, Italy and Mexico.

In Fiscal 2023, we offered over 100 specialized products. Our product lines include aliphatic and aromatic chlorides, aliphatic and aromatic nitriles, alkoxy ketones, herbicide safeners, thiocarbamates, chloroformates and isocyanates. Our products have diversified applications across a number of industry sectors including agrochemicals, performance materials, disinfectants, pharmaceuticals, polymers, cosmetics and others, which helps protect our business against downturns in a particular industry. We have also entered into a confidential disclosure agreement with a flavours and fragrance company in Europe relating to the custom synthesis business. In addition, we are in the process of entering to a confidential disclosure agreement with a global agrochemical company relating to the custom synthesis of two products, and we aim to commence production of these products in Fiscal 2024. There are strong and sustainable entry barriers in manufacturing our chemical products, which include our technology, our complex chemistries, our backward integration of most of our products, our transportation and storage capabilities in India and Europe, our diverse customer base and our large scale operations. (*Source: F&S Report, August 2023*).

Research and Development ("**R&D**") has been critical to our success by allowing us to develop complex chemistries, cost effective and eco-friendly processes, advanced and complex intermediates and new products to fulfil our customers' requirements. We have adopted a philosophy of in-house and indigenous product and process development with the help of our design and process development protocols. Initially, we started our operations with chlorine chemistry as our core competency with a focus on chlorination of acid and alcohols by thionyl chloride. We subsequently developed competencies in alkylation, acylation, hydrogenation, esterification, oxidation, cyclisation, chlorination by phosgene and molecular chlorine, sulphonation, condensation, Hoffmann reaction and rearrangement, amidation, acid and alkaline hydrolysis, aliphatic and aromatic nitrile formation and vapor phase catalytic reactions. Our chemistry and technology core competencies and all of our products have been developed by our own R&D team, scaled up in our pilot plant, and launched into production employing in-house design and engineering. Our R&D efforts have been important to our success and a differentiating factor enabling us to attain leading market positions for certain products. (*Source: F&S Report, August 2023*). We have launched 20 new products since April 1, 2019, including 3-Chloro Pivaloyl Chloride. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our revenue from these 20 new products was ₹451.50 million, ₹423.41 million and ₹373.32 million, respectively, constituting 4.18%, 4.17% and 4.91% of our revenue from operations for the respective Fiscal Years. We have an R&D centre at our Luna facility in Gujarat, and an R&D centre at our Sajóbábony facility in Hungary. In addition, we have a pilot plant at our Dahej SEZ facility, which acts as a bridge between

R&D trials and commercial production, allowing us to deliver quality products. As of March 31, 2023, we had a team of 54 R&D staff including six PhDs.

We added 31 new customers and served 181 total customers during Fiscal 2023. In Fiscal 2023, over 80% of our revenue from operations was generated from Fortune 500 companies globally. (*Source: F&S Report, August 2023*). Selected examples of our clientele include DuPont Specialty Products USA LLC, Godrej Agrovet Limited, Nouryon Functional Chemicals B.V., Reckitt Benckiser (India) Private Limited, SRF Limited and Syngenta Crop Protection AG.

As of March 31, 2023, we enjoyed relationships in excess of 5 years with 15 of our top 20 customers (of these 15 customers, we enjoyed relationships with 10 of such customers in excess of 10 years and relationships with 5 of such customers in excess of 15 years). In our business, long lead times are required for building customer confidence and relationships, which is due in part to customers' product approval systems with their stringent specifications. (*Source: F&S Report, August 2023*). Our long-term relationships and ongoing active engagements with customers allow us to plan our capital expenditure and enhance our ability to benefit from increasing economies of scale.

Our international customers are an important part of our business. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, we sold our products to 22, 20 and 22 countries outside India. Some of the key geographies in which we sell our products and services include Germany, the United States, Switzerland, Italy and Mexico. The table below sets forth provides our revenue from operations from sales outside of India and such revenue as a percentage of our revenue from operations for the Fiscal Years indicated.

Revenue	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Amount (₹ million)	**% of revenue from operations**	**Amount (₹ million)**	**% of revenue from operations**	**Amount (₹ million)**	**% of revenue from operations**
Sales outside of India	8,774.87	81.29%	7,365.02	72.49%	5,794.94	76.24%

We have three manufacturing facilities, which are located at Luna (Gujarat), Dahej SEZ (Gujarat) and Sajóbábony (Hungary). Our Indian facilities are located strategically in India's chlor-alkali belt in Gujarat, which helps us secure an economic supply of chlorine from domestic suppliers. (*Source: F&S Report, August 2023*). Our manufacturing facilities operate both dedicated and multi-purpose plants. In addition, our manufacturing facilities utilize supervisory control and data acquisition, distributed control systems and basic process control system for process automation. Our plant in Hungary has state-of-the-art phosgenation capabilities and specializes in manufacturing of phosgene-based intermediates. (*Source: F&S Report, August 2023*). The plant is well equipped in handling complex and hazardous phosgenation chemistries which pose a huge entry barrier to new players or existing competition. (*Source: F&S Report, August 2023*).

Principal Factors Affecting Our Results of Operations

Our financial performance and results of operations are influenced by a number of important factors, some of which are beyond our control, including without limitation, intense global and domestic competition, general economic conditions, changes in conditions in the regional markets in which we operate, changes in costs of supplies, COVID-19 or other pandemic-related effects on global and domestic economic conditions, and evolving government regulations and policies. Some of the more important factors are discussed below, as well as in the section titled "*Risk Factors*" beginning on page 28.

Global chemical industry trends

Any developments in the global chemical industry, in particular Europe and North America, could have an impact on our business and revenue. In this regard, in the first quarter of Fiscal 2024, there has been a slowdown in the demand which is impacting the demand-supply trends in the entire sector. (*Source: F&S Report, August 2023).* The key notable points are:

- Weaker demand has been registered in certain key international markets like Europe, North America, and this demand impact has accelerated over the first quarter of Fiscal 2024;

- Temporary over supply scenario has been caused due to inventory liquidation by China as China had a substantial build-up of inventory due to the extended COVID lockdowns and is currently dumping to liquidate their stock; and

- The impact of this market scenario has been widespread as witnessed by the deterioration in the performance of key players industry players in India which have seen their quarter-on-quarter revenue reduce by 15-18% on an average in the first quarter of Fiscal 2024. (*Source: F&S Report, August 2023).*

We have experienced a similar trend to that of the industry, and we expect our business, results of operations and financial condition to be adversely affected in Fiscal 2024. However, Frost & Sullivan understands the current situation is temporary and is likely to improve towards the second half of Fiscal 2024 with demand being driven by end use industries. (*Source: F&S Report, August 2023).*

Predominantly international sales

Our international business is critical to our success as international sales have historically constituted the majority of our sales revenue. During Fiscal 2023, Fiscal 2022 and Fiscal 2021, our consolidated revenue from sales outside India was ₹8,774.87 million, ₹7,365.02 million and ₹5,794.94 million, respectively, which constituted 81.29%, 72.49% and 76.24%, respectively, of our total consolidated revenue from operations. The following table sets forth our consolidated revenue from sales in India and outside India for the Fiscals indicated, including as a percentage of our total consolidated revenue from operations.

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Amount (₹ in millions)	**(% of Revenue from Operations)**	**Amount (₹ in millions)**	**(% of Revenue from Operations)**	**Amount (₹ in millions)**	**(% of Revenue from Operations)**
Revenue from operations:						
Sales outside India	8,774.87	81.29	7,365.02	72.49	5,794.94	76.24
Sales in India	2,019.80	18.71	2,794.88	27.51	1,806.23	23.76
Total revenue from operations	**10,794.66**	**100.00**	**10,159.90**	**100.00**	**7,601.17**	**100.00**

In Fiscal 2023, we sold our products and delivered our services to 22 countries outside India. Some of the key geographies for our products and services include Germany, the United States, Switzerland, Italy and Mexico. We service our international business through our Hungarian subsidiary, SPL Europe LLC, which operates our Hungarian manufacturing facility, and our United States subsidiary, Shiva Pharmachem International, Inc., as well as through our Indian operations. Out of our sales in overseas markets, Europe and North America had a majority contribution to our revenue from operations in each of the last three Fiscals. The table set forth below provides our revenue from sale of our products outside India along with a region wise contribution for the years indicated:

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Amount (₹ in millions)	**(% of Revenue from Operations)**	**Amount (₹ in millions)**	**(% of Revenue from Operations)**	**Amount (₹ in millions)**	**(% of Revenue from Operations)**
Sales outside of India, of which:	**8,774.87**	**81.29**	**7,365.02**	**72.49**	**5,794.94**	**76.24**
- Europe	4,150.98	38.45	2,870.35	28.25	2,439.71	32.10
- North America	2,769.96	25.66	2,478.30	24.39	1,173.96	15.44
- Asia	551.69	5.11	766.94	7.55	965.67	12.70
- Middle East	398.23	3.69	384.67	3.79	404.99	5.33
- South America	102.97	0.96	210.71	2.07	96.29	1.27
- Others	801.04	7.42	654.04	6.44	714.32	9.40

Our future growth depends on expanding our supply chain capabilities, particularly to our markets outside India, through improved and robust sales and distribution network. We intend to continue our geographic expansion and increase the penetration of our products internationally, including by targeting different customer groups and geographies, such as in the Middle East and Africa. Further, our focus will be to ensure that we are able to deliver our products to customers in a timely and desired manner.

As at March 31, 2023, we had an international sales and marketing team of 5 employees that is dedicated to generating business orders and understanding the requirements of our customers. We intend to expand our sales network internationally and in India by additional sales teams and sales offices in selected jurisdictions. In that regard, we may also set up new international subsidiaries as required to support our international sales business as required.

Price fluctuations and availability of raw materials and other inputs

Our Cost of Goods Sold, which is the aggregate of our costs of materials consumed, purchases of traded goods and changes in inventories of finished goods, stock-in-trade and work-in-progress, makes up the largest portion of our operating expenses. For Fiscal 2023, Fiscal 2022 and Fiscal 2021, our Cost of Goods Sold amounted to ₹5,520.25 million, ₹5,601.58 million and ₹3,715.18 million, respectively, which represented 50.45%, 54.29% and 47.52% of our consolidated total income, respectively. The following table sets forth our Cost of Goods Sold for the Fiscals indicated, including as a percentage of our total consolidated income.

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in millions)	(% of Total Income)	Amount (₹ in millions)	(% of Total Income)	Amount (₹ in millions)	(% of Total Income)
Cost of Goods Sold	5,520.25	50.45	5,601.58	54.29	3,715.18	47.52

Our financial condition and results of operations are significantly impacted by the availability and cost of our major raw materials and components, particularly: 3,5 xylenol (for Para Chloro Meta Xylenol (PCMX) (Chloro Xylenol)); Pivalic acid (PVCL) (for Pivaloyl Chloride); Neodecanoic acid (NDCI) (for Neo Decanoyl Chloride); Caprylic acid (OCC) (for Octanoyl Chloride); 5-chloro 8-hydroxy quinoline (CQML) (for Cloquintocet Mexyl); 3,4 / 3,5 DCA (for Diuron/ 3,5 Dichloro Phenyl Isocyanate); DMF (for 2 Cyano Phenol), Di n Propyl Amine (DnPA) (for Thiocarbamates); tert butyl Amine (TBA) (for Tert butyl Isocyanate); and Ethyl Mercapta EPTC. Our raw materials also include crude oil derivatives such as phenol, various carboxylic acids and other commodities such as hydrogen, ethylene oxide and isobutylene gas, mesitylene, GBL, Terephthalic acid, amongst others.

We source our key raw materials used in the manufacturing process from third-party suppliers globally and in India. In addition to India, we also source raw materials from vendors in the United States, Europe, Indonesia, Japan and China. The following table sets forth our cost of imported raw materials expressed as a percentage of total consolidated raw materials purchases for the Fiscals indicated.

Particulars	For the fiscal year ended March 31,		
	2023	2022	2021
	(% of total raw materials purchases)		
Cost of raw materials (imported)	61.78%	59.23%	70.19%

In Fiscal 2023, we had more than 146 suppliers. The table set forth below provides region wise details of raw materials purchased from outside India in each of the Fiscals as indicated:

Region of Raw Materials Supplier	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in millions)	(% of cost of raw materials purchased)	Amount (₹ in millions)	(% of cost of raw materials purchased)	Amount (₹ in millions)	(% of cost of raw materials purchased)
Hungary	1,263.59	21.94	498.29	8.91	504.55	12.85
China	942.63	16.36	772.66	13.82	919.51	23.43
Netherlands	387.81	6.73	626.23	11.20	470.85	12.00
Saudi Arabia	208.25	3.62	239.23	4.28	0.00	0.00
Belgium	124.48	2.16	45.94	0.82	56.44	1.44
United States	106.61	1.85	57.98	1.04	91.36	2.33
Japan	91.50	1.59	149.78	2.68	53.88	1.37
Others	434.13	7.54	920.88	16.47	658.42	16.78
Raw materials purchased from outside India	**3,559.00**	**61.78**	**3,311.00**	**59.23**	**2,755.00**	**70.19**

The prices of our raw materials are based on, or linked to, the global pricing of such raw materials and the variations in pricing beyond certain levels are passed on to the customer. While we are not significantly dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use.

Volatility in commodity prices can significantly affect our raw material costs. For example, commodity components of our raw materials could experience additional levels of volatility due to global supply chain disruptions and may have a relational impact on raw materials pricing. We usually do not enter into long-term supply contracts with our raw material suppliers, and typically source raw materials from third-party suppliers under contracts of shorter period/ purchase order. The absence of long-term supply contracts at fixed prices exposes us to volatility in the prices of raw materials that we require. We do not enter into hedging activities for our foreign currency positions. While we endeavour to pass on all raw material price increases to our customers, we may not be able to compensate for or pass on our increased costs to our customers in all cases. If we are not able to compensate for or pass on our increased raw materials costs to our customers, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows.

We face the risk that suppliers may be unable to provide raw materials in the quantities we ordered or at all or that the market price of raw materials may increase without warning. Where certain raw materials may not be available at all or at commercially acceptable prices, we may be unable to manufacture the products in which such raw materials are components at all until such raw materials become available again. Increases in prices of raw materials, or the unavailability thereof, could have a material adverse effect on our business, financial condition and results of operations.

Capital expenditure

In Fiscal 2023, Fiscal 2022 and Fiscal 2021, we incurred capital expenditure of ₹1,404.77 million, ₹1,024.04 million and ₹1,577.15 million, respectively. We require substantial capital to maintain, expand and upgrade our existing facilities and for our business operations generally. A significant portion of our capital expenditure in the past three Fiscal Years was incurred in connection with our backward integration initiatives. We are currently backward integrated for most of our key products. Through backward integration, we are able to reduce our dependency on external vendors for critical inputs, thereby increasing the viability of our supply chain and reducing the risks from price fluctuations and availability of our inputs. For more information on our capital expenditure, please refer to the sub-section "- *Capital Expenditure*" in this *Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 354.

We rely primarily on internal cash generated from our operations and third-party debt to fund our working capital and capital expenditure requirements. The following table sets forth our finance costs for the Fiscals indicated, including as a percentage of our total consolidated revenue from operations.

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
Finance costs	140.96	1.31	94.42	0.93	88.67	1.17

Operating costs and efficiencies

As we continue to expand the size and scope of our business, optimizing our operating costs and enhancing operating efficiencies will be critical to maintaining our competitiveness and profitability, particularly in view of the competitive environment in which we operate. Our employee benefits expense continues to represent a significant percentage of our revenue from operations. The following table sets forth our employee benefits expense for the Fiscals indicated, including as a percentage of our total consolidated revenue from operations.

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
Employee benefits expense	1,057.50	9.80	1,045.97	10.30	972.71	12.80

Employee costs are semi-fixed in nature. Moreover, our manufacturing facilities in India (Dahej SEZ and Luna) and Hungary (Sajóbábony) have significant installed capacity available for production. The costs of operating our facilities are largely fixed, so any increased capacity utilization will decrease our marginal costs. We are also focused on reducing our wastewater and reusing the byproducts from our manufacturing for other salable products. Therefore, we believe that, as our available capacity becomes increasingly utilized going forward (and our revenue expands accordingly), our employee and other operating costs as a percentage to overall revenue will be under control. Accordingly, our profitability is partially dependent on our ability to spread such costs over higher sales volumes.

Foreign exchange rate risk

Our financial statements are prepared in Indian Rupees. However, our revenue from sales outside India and a portion of our raw materials expenditures are denominated in foreign currencies, largely the U.S. Dollar and the Euro. We sold our products to 22 countries outside India and expect that our revenue from sales outside India will continue to comprise a majority of our consolidated revenue from operations. Accordingly, we have currency exposures relating to buying, selling and financing in currencies other than in Indian Rupees, particularly the U.S. Dollar and the Euro. The following table sets forth our net foreign currency denominated sales (sales in foreign currency) for the Fiscals indicated, including as a percentage of our total consolidated revenue from operations.

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
Net foreign currency denominated sales (sales in foreign currency)	8,774.87	81.29	7,365.02	72.49	5,794.94	76.24

On the expense side, a majority of our raw materials purchases in Fiscal 2023, Fiscal 2022 and Fiscal 2021 were imported. The following table sets forth our cost of imported raw materials expressed as a percentage of total consolidated raw materials purchases for the Fiscals indicated.

Particulars	For the fiscal year ended March 31,		
	2023	2022	2021
	(% of total raw materials purchases)		
Cost of raw materials (imported)	61.78%	59.23%	70.19%

We do not enter into hedging activities for our foreign currency positions. Accordingly, we are affected by fluctuations in exchange rates among the U.S. Dollar, Indian Rupee and other currencies. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, we recorded gains on foreign currency transaction and translation (net) of ₹91.37 million, ₹62.11 million and ₹58.70 million, respectively, due to these fluctuations in foreign currency. There can be no assurance that we will continue to record gains from foreign exchange fluctuations or any hedging measures we take will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies. Since we have both imports and exports in foreign currencies, we enjoy partial natural hedges, to reduce exchange rate fluctuations.

Competition

Our products are used in end-user industries, such as agrochemicals and pharmaceuticals. The broad-spectrum application of our products in the agrochemicals and pharmaceuticals industries and our leadership position in our key products offers us advantages, such as cost efficiency due to economies of scale, competitive product pricing, ability to scale our business, ensure customer loyalty and expand our product pipeline into new end-uses. We also differentiate ourselves from our competitors due to the breadth of our international operations, including our Hungarian manufacturing facility and our overseas subsidiaries, which help us better service our North American and European clients. Despite such advantages and the significant entry barriers to the specialty chemicals industry, it is inevitable that we face competition for different products that we manufacture primarily from international manufacturers, especially generic producers in China and India, on the basis of price, product quality, delivery and credit terms. Some of our competitors may be able to produce specialty chemicals at competitive costs and, consequently, supply their products at cheaper prices. Such competitors may also have greater financial and technological resources and may also have larger sales and marketing teams. They might be in a better position to identify market trends, adapt to changes in industry, innovate new products, offer competitive prices due to economies of scale and ensure product quality and compliance. We are unable to assure you that we will be able to continue to charge pricing at commercially acceptable levels. Any inability to do so will adversely affect our financial condition and results of operation. Some of our competitors may also have greater financial and technological resources and may also have larger sales and marketing teams. Any inability on our part to remain competitive in our markets will adversely affect our financial condition and results of operation. For further details, see "*Business – Competition*" on page 205 and "*Risk Factors – We face competition from both domestic as well as multinational corporations and our inability to compete effectively may have a material adverse impact on our business, results of operations and financial condition."* on page 55.

Statement of Significant Accounting Policies

1. Statement of Compliance and Basis of Preparation

The Restated Consolidated Financial Information of the Group comprises of the Restated Consolidated Statement of Assets and Liabilities at March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, and the Statement of Significant Accounting Policies, and other explanatory information relating to such financial periods (referred to collectively as "Restated Consolidated Financial Information").

The Restated Consolidated Financial Information have been prepared by the management of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI"), in pursuance of the Securities and Exchange Board of India Act, 1992, for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") in connection with the proposed initial public offering of equity shares of face value of ₹2 each of the Company comprising an offer for sale of equity shares held by the selling shareholders (the "Offer"), prepared by the Company in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
(b) SEBI ICDR Regulations; and
(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

The Restated Consolidated Financial Information of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Act, as applicable to the financial statements and other relevant provisions of the Act.

The Restated Consolidated Financial Information of the Group were authorized for issue by the Board of Directors at their meeting held on 14th August 2023.

The Restated Consolidated Financial Information have been compiled from:

(a) Audited Ind AS Consolidated Financial Statements of the Group as at and for the years ended March 31, 2023 and March 31, 2022 prepared in accordance with recognition and measurement principles under Indian Accounting Standards as specified under section 133 of the Act and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013, which have been approved by the Board of Directors at their meeting held on 14th August 2023 and 9th November, 2022 respectively.

(b) Audited Special Purpose Ind AS Consolidated Financial Statements of the Group as at and for the year ended March 31, 2021, which were prepared by the Company after taking into consideration the requirements of the SEBI ICDR Regulations and were approved by the Board of Directors at their meeting held on 14th August 2023.

The Group had adopted March 31, 2022 as reporting date for first-time adoption of Indian Accounting Standards as notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act and consequently 1st April 2020 as the transition date for preparation of its Statutory Ind AS Consolidated Financial Statements the year ended 31st March 2022. For periods up to and including the year ended 31st March 2021, the Company prepared its consolidated financial statements in accordance with Accounting Standards ("Indian GAAP") notified under section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

The Audited Special Purpose Ind AS Consolidated Financial Statements for the year ended 31st March 2021 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following the accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as at the transition date and as per the presentation, accounting policies and grouping/classifications followed as at and for the years ended on 31st March 2023 and 31st March 2022. Adjustments made to the previously issued Indian GAAP Financial Statements to comply with Ind AS have been audited by Talati & Talati LLP. The basis of preparation for specific items where exemptions have been applied and reconciliation between Indian GAAP and Ind AS has been disclosed in Note 48 (A).

In pursuance to the SEBI ICDR Regulations, for the purpose of Audited Special Purpose Ind AS Consolidated Financial Statements of the Group as at and for the year ended 31st March 2021, the transition date is considered as 1st April 2020 which is same as the transition date adopted by the Group at the time of first-time transition to Ind AS (i.e. 1st April 2020) for the purpose of preparation of Statutory Ind AS Consolidated Financial Statements as required under the Act. Accordingly, the Group has applied the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as at 1st April 2020, which were initially adopted on the date of first-time transition to Ind AS i.e. 1st April 2020, for these Special Purpose Ind AS Consolidated Financial Statements as at and for the year ended 31st March 2021.

These Special Purpose Ind AS Financial Statements as at and for the year ended 31st March 2021 are not the statutory consolidated financial statements under the Companies Act, 2013.

The accounting policies have been consistently applied by the Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of Audited Special Purpose Interim Ind AS Consolidated Financial Statements as at and for the year ended 31st March 2023.

The Restated Consolidated Financial Information have been prepared on a going concern basis.

The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the board meeting held for the approval of the Consolidated Financial Statements as at and for the years ended 31st March 2023, 31st March 2022 and 31st March 2021 as mentioned above.

The Restated Consolidated Financial Information:

(a) Have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2023;

(b) Do not require any adjustment for modification as there is no modification in the underlying audit reports; and

(c) Have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.

The Restated Consolidated Financial Information have been prepared on historical cost convention, except for the following assets and liabilities which have been measured at fair value:

(a) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and;

(b) Defined Benefits Plan – Plan Assets are measured at Fair Value.

All amounts included in the Restated Consolidated Financial Information are presented in Indian Rupees ("INR" or "₹"), which is also the Company's functional currency and all values are stated as INR or ₹ million rounded of up to two decimals, except otherwise indicated.

2. Principles of Consolidation

A subsidiary is an entity that is, directly or indirectly, controlled by the Company. Controls exists when the Company, directly or indirectly, has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Consolidation of a subsidiary begins when the Company, directly or indirectly, obtains control over the subsidiary and ceases when the Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Consolidated Statement of Profit and Loss from the date the Company, directly or indirectly, gains control until the date when the Company, directly or indirectly, ceases to control the subsidiary.

The Restated Consolidated Financial Information relating to "Shiva Pharmachem Limited" (the Company) and its subsidiaries have been prepared on the following basis:

(a) The Restated Consolidated Financial Information of the Group are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised Profit/(Loss) in accordance with the Ind AS 110 "Consolidated Financial Statements". The accounting policies of subsidiaries have been harmonised to ensure consistency with the policies adopted by the Company.

(b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory, are eliminated in full.

(c) In the case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).

(d) The Restated Consolidated Financial Information have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's Ind AS Standalone Financial Statements.

(e) The carrying amount of the Company's investment in each subsidiary is offset (eliminated) against the Company's portion of the equity in each subsidiary.

(f) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests that are not owned, directly or indirectly, by the Company.

(g) Loss of Control:

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.
(ii) Derecognises the carrying amount of any non-controlling interests.
(iii) Derecognises the cumulative translation differences recorded in equity.
(iv) Recognises the fair value of the consideration received.

(v) Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.
(vi) Recognises the fair value of any investment retained.
(vii) Recognises any surplus or deficit in profit or loss.

3. Business Combinations – Common Control Transactions

In accordance with Appendix C to Ind AS 103, Business Combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and where that control is not transitory is accounted using the pooling of interest method as enumerated below:

The assets and liabilities of the combining entities are reflected at their carrying amounts.

(a) The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

(b) The financial information presented in respect of prior periods is restated as if the business combination had occurred from the beginning of the earliest period in the financial information, irrespective of the actual date of the combination.

(c) The balance of the retained earnings appearing in the Financial Statements of the transferor is aggregated with corresponding balance appearing in the Financial Statements of the transferee or is adjusted against general reserve.

(d) The identity of the reserves is preserved and are presented in the Financial Statements of the transferee in the same form in which they appeared in the Financial Statements of the transferor.

(e) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserves.

4. Current versus non-current classification

The Group presents assets and liabilities in the restated consolidated statement of assets and liabilities based on current/non-current classification.

An asset is treated as current when it is:

(a) Expected to be realized or intended to be sold or consumed in the normal operating cycle; or
(b) Held primarily for the purpose of trading; or
(c) Expected to be realized within twelve months after the reporting period; or
(d) 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:

(a) It is expected to be settled in the normal operating cycle; or
(b) It is held primarily for the purpose of trading; or
(c) It is due to be settled within twelve months after the reporting period; or
(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

5. Property, Plant and Equipment

Recognition and Measurement:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at its cost. Following the initial recognition, all items of property, plant and equipment are measured at cost, less accumulated depreciation, and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes or levies, directly attributable cost of bringing the item to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Such cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Other Indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The Management of respective companies have carried out the technical review for identification of significant components with different useful life with that of useful life of the original assets to which it belongs. However, based on technical analysis, it has been noticed that the useful life of the significant components are more or less remain the same with that of the original assets to which it belongs so no separate useful life are assigned to significant components. All the significant components are depreciated based on the same useful life with that of original assets to which it belongs.

Subsequent Expenditure:

Subsequent expenditure is recognised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and cost of the item can be measured reliably.

Depreciation:

Depreciation on items of property, plant and equipment is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided by the Company and its domestic group companies based on useful life of the assets as prescribed in Schedule II of the Act except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, and maintenance support, etc.

Sr. No.	Asset Class	Useful Life (Years)
1	Continuous Plant & Machinery from FY 2021-2022	12
2	Continuous Plant & Machinery till FY 2020-2021	8

Freehold land is not depreciated. Useful Life considered for calculation of depreciation for various class of assets are as under:

Sr. No.	Asset Class	Useful Life (Years)
1	Factory Building	30
2	Office Building	60
3	Plant & Machinery	12
4	Plant Pipelines	8
5	R&D Equipment	10

Sr. No.	Asset Class	Useful Life (Years)
6	Lab Equipment	8
7	Electrical Installation	8
8	EHS	8
9	Furniture	10
10	Air Conditioner	10
11	Computers	3
12	Vehicles	8
13	Office Equipment	5
14	Pollution Control Measures	8
15	ISO Tanks	20

The Company has taken over the following fixed assets under the composite scheme of arrangement with Tash Investment Pvt Ltd during the FY 2019-2020, the balance of which have been depreciated on the remaining useful life of that assets under WDV Method. See "*Restated Consolidated Financial Information– Notes to Restated Consolidated Financial Information – Note 51 – Business Combinations*" on page 333.

Sr. No.	Asset Class	Useful Life (Years)
1	Office Building	47 (Remaining Useful Life)

In the case of SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC, i.e., foreign subsidiary of the Company, items of property, plant and equipment are depreciated using Straight-Line Method (SLM) over the estimated useful life as prescribed under their applicable Local GAAP.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each reporting period. If any of these expectations differs from previous estimates, such change is accounted for as a change in an accounting estimate and adjusted prospectively.

De-recognition:

The carrying amount of an item of property, plant and equipment is recognised on disposal or when no future economic benefits are expected from its use or disposal.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the restated consolidated statement of profit and loss when the asset is derecognised.

6. Capital work-in-Progress (CWIP)

Projects under which tangible assets are not yet ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing costs. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets and not included as a part of capital work-in-progress.

Costs incurred during the period of implementation of a project, till it is commissioned, is accounted as capital work-in-progress and after commissioning the same is transferred/allocated to the respective item of property, plant and equipment.

7. Investment Property

Recognition and Measurement:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Policies with respect to depreciation, useful life and derecognition are followed on the same basis as stated for property, plant and equipment above.

Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer.

Transfer of property from investment property to the property, plant and equipment is made when the property is no longer held for long term rental yields or for capital appreciation or both at carrying amount of the property transferred.

8. Intangible Assets

Recognition and Measurement:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent Expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in restated consolidated statement of profit and loss in the period in which expenditure is incurred.

Amortisation
Intangible assets with finite lives are amortised over the estimated useful economic life using the Written-Down Value (WDV) Method. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss. The estimated useful life of intangible assets as determined by the Company and its domestic group companies is mentioned as below:

Sr. No.	Asset Class	Useful Life (Years)
1	Computer Software	3 and 6

In the case of SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) i.e., foreign subsidiary of the Company, intangible assets are amortised using Straight-Line Method (SLM) over the estimated useful life as prescribed under their applicable Local GAAP.

9. Goodwill on Consolidation

Goodwill arising on consolidation is stated at cost less impairment losses, where applicable.

10. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment.

The Group uses judgment in assessing whether a contract (or part of contract) include a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed. The judgment involves assessment of whether the asset included in the contract is a fully or partly identified asset based on the facts and circumstances, whether the contract include a lease and non-lease component and if so, separation thereof for the purpose of recognition and measurement, determination of lease term basis, inter alia the non-cancellable period of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed are variable or a combination of both.
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered prior to 1st April 2020, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Right of Use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of lease.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the lease payment.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of ISO Tanks and Buildings on rent/lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Further the above lease also qualifies for low-value assets recognition exemption as they are of low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

11. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group determines the classification of its financial assets and liabilities at initial recognition. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

A. Financial Assets

Initial Recognition and Measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss (FVTPL), are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

Subsequent Measurement

(a) **Financial Assets measured at Amortised Cost (AC)**

A financial asset is subsequently measured at amortised cost if it meets the following criteria:

(i) the asset is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and
(ii) the contractual terms of the financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal outstanding.

(b) **Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A financial asset is measured at FVTOCI if it meets the following criteria:

(i) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

On de-recognition of such financial assets, cumulative gain or loss previously recognised in other comprehensive income is not reclassified from the equity to restated consolidated statement of profit and loss.

(c) **Financial Assets measured at Fair Value through Profit or Loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets are reclassified subsequent to their recognition, if the Group changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

(d) **Investment in Subsidiaries, Associates and Joint Ventures**

The respective Group accounted for its investments in subsidiaries, associates and joint venture at cost less impairment loss (if any). The investments in preference shares with the right of surplus assets which are in nature of equity in accordance with Ind AS 32 are treated as separate category of investment and measured at FVTOCI.

(e) **Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in restated consolidated statement of profit and loss, except for those equity investments for which the Group has elected to present the value changes in other comprehensive income. However, dividend on such equity investments is recognised in restated consolidated statement of profit and loss when the Group's right to receive payment is established.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables the Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Group uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is a significant increase in credit risk, full lifetime ECL is used.

B. Financial Liabilities

Initial Recognition and Measurement

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the statement of profit and loss as finance cost.

Subsequent Measurement

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C. De-recognition of Financial Instruments

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognize the financial asset and also recognizes a borrowing for the proceeds received.

A financial liability (or a part of a financial liability) is derecognised from the Group's restated consolidated statement of assets and liabilities when the obligation specified in the contract is discharged or cancelled or expired.

D. Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the restated consolidated statement of assets and liabilities when, and only when, the Group has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

12. Fair Value Measurement

The Group measures financial instruments, such as investments, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability,
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, which gives highest priority to quoted prices in active markets and the lowest priority to unobservable inputs.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for inputs other than quoted prices included within Level 1 that are observable for the asset or Liability either directly or indirectly.
Level 3 — Valuation techniques for inputs that are unobservable for the asset or liability.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

13. Impairment of Non-Financial Assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the restated consolidated statement of profit and loss except for properties previously revalued with the revaluation surplus taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation surplus. An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

14. Foreign Currencies Transactions and Translation

Functional and Presentation Currency:

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's Restated Financial Information are presented in Indian Rupee (INR) which is also the Group's functional and presentation currency.

Transactions and Balances:

On initial recognition, transactions in foreign currencies entered by the Group are recorded in the functional currencies, by applying to the foreign currency rate, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the statement of profit and loss.

Foreign currency monetary items (Monetary assets and liabilities) outstanding of the Group as at the reporting date are translated using the exchange rates prevailing at such reporting dates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured.
In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

Exchange Differences:

Exchange differences arising out of these translations are recognised in the statement of profit and loss in the period which they arise with exception of exchange differences arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or statement of profit and loss are also recognised in other comprehensive income or statement of profit and loss, respectively).

Translation of Financial Statements of Foreign Entities:

On consolidation, the results and financial position of foreign operations that have a functional currency different from the presentation currency (INR) are translated to the presentation currency (INR) in the following manner:

(a) Assets and Liabilities for each reporting date presented are translated at the closing rate at the date of that reporting date.

(b) Income and expenses are translated at exchange rates at the dates of relevant transaction; for practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions.

(c) All resulting exchange differences are recognised in other comprehensive income and are presented in a separate component of equity (generally referred to as the foreign currency translation reserve) until the disposal of foreign operation.

(d) On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to the statement of profit and loss.

Cash flows are translated at appropriate average exchange rates.

15. Cash and Cash Equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

16. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or;

(b) a present obligation that arises from past events but is not recognised because:

  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or

  (ii) the amount of the obligation cannot be measured with sufficient reliability.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more of uncertain future events not wholly within the control of the entity. Contingent assets are disclosed in the Restated Consolidated Financial Information by way of notes to accounts when an inflow of economic benefits is probable.

17. Revenue Recognition (Revenue from Contracts with Customers)

The Group derives revenue primarily from sale of manufactured products being "Chemicals". Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(a) **Sale of Goods:**

Revenue from sale of goods is recognised at the point of time when control of the goods is transferred to the customer, generally on dispatch/delivery of the goods except in case of export Sales, which are recognised on the basis of bill of lading on satisfaction of performance obligation and transfer of control.

Sale of goods is recognised net of sales returns and trade discounts. Sales excludes amounts of indirect taxes on sales.

(b) **Sale of Services:**

Shiva Pharmachem Limited's subsidiary "SES Engineering Private Limited" derives revenue primarily from sale of services and engineering consultancy of construction project. The revenue from contracts with customers is recognised when the performance obligation in accordance with the pre-determined terms of the contract with the customer are satisfied which confine with satisfaction of performance obligation criteria in accordance with the IND AS -115 Revenue from the Contract with Customer. The revenue is recognised on the basis of satisfaction of performance over the period of time in accordance with the terms of contract.

(c) **Dividend and Interest Income:**

Dividend income from investments is recognised when the Group's right to receive the payment has been established, which is generally when shareholders approve the dividend.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the Effective Interest Rate (EIR), which 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 amortised cost of a financial liability. Interest income is included in other income in the restated consolidated statement of profit and loss.

(d) **Rental Income:**

Rental income from investment property is recognised in the statement of profit and loss over the term of the lease.

(e) **Insurance Claims:**

Claims receivable on account of insurance are accounted for to the extent no significant uncertainty exists for the measurement and realisation of the amount.

Insurance Claims, other than claim filed against fire accident, have been booked on receipt basis.

(f) **Miscellaneous Income:**

All other income is recognized on an accrual basis, when there is no uncertainty in its ultimate realization/collection.

18. **Inventories**

Inventories have been valued on the following basis:

Nature of Inventories	Basis of Inventories Valuation
Raw Material Stock	Inventories of Raw Materials are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average basis. Cost of raw material excludes all taxes and duties.
Semi-Finished (WIP) Goods Stock	Semi-Finished (WIP) Goods Stocks are valued at cost plus appropriate overheads directly attributable to manufacturing activity.
Finished Goods Stock	Inventories of Finished Goods are valued at the lower of cost and net realisable value. Cost represents material, labour and manufacturing expenses and other incidental costs to bring the inventory in present location and condition.
Packing Material Stock	Packing Material stocks are valued at cost.
Stores & Spares Stock	Stores & Spares stocks are valued at cost.
Stock in Transit	Stock in transit stocks is valued at material cost.

As management is of the view that the goods are mainly intended to be exported and hence GST has not been added in valuation of finished goods.

Further imported goods received and laying at port as at restated consolidated statement of assets and liabilities date and the same is received in factory during the subsequent month has been included in Inventories as goods in transit as at restated consolidated statement of assets and liabilities date.

The comparison of cost and net realisable value is made on an item-by item basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

19. Employee Benefits Expense

Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognised in the period in which the employee renders the related services. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

The Group's contribution paid/payable during the period to Provident Fund, Pension Scheme and Employee State Insurance Scheme are considered as defined contribution plans.

Recognition and Measurements of Defined Contribution Plan

The contribution paid/payable under those plans are recognised as an expense, in the restated consolidated statement of profit and loss during the period in which the employee renders the services.
If the contribution payable to the scheme for service received before the restated consolidated statement of assets and liabilities date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the restated consolidated statement of assets and liabilities date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Defined Benefit Plans

The Group pays gratuity to the employees who have completed five years of service with the Group at the time of resignation superannuation. The gratuity is paid at 15 days' basic salary for every completed year of service as per the Payment of Gratuity Act, 1972.

Recognition and Measurements of Defined Benefit Plan

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Actuarial gains and losses are recognised immediately in the restated consolidated statement of profit and loss and other comprehensive income in the period which they occur.

20. Tax Expenses

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in restated consolidated statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income, in which case, the tax is also recognised in other comprehensive income.

(a) **Current Tax**

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the restated consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Indian Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the restated consolidated statement of assets and liabilities date.

(b) **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Restated Consolidated Financial Information and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilised.

(c) **Minimum Alternate Tax (MAT):**

Minimum Alternate Tax (MAT) credit are recognised if there is convincing evidence that the Group will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The excess tax paid under MAT provisions, being over and above regular tax liability, can be carried forward for a period of the years from the year of recognition and is available for set off against future tax liabilities computed under regular tax provisions, to the extent MAT liability.

(d) **Presentation of Current and Deferred Tax:**

Current and deferred tax are recognised as income or an expense in the restated consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax income/expense are recognised in other comprehensive income.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

21. Borrowing Costs

Borrowing costs includes interest & exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they occur.

22. Earnings per share

Basic earnings per share is computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving the basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

23. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Group identifies operating segments based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The CODM monitors the operating results of the segments for the purpose of making decisions about resource allocation and performance assessment.

The operating segment has been identified and reported taking into account its internal financial reporting, performance evaluation and organizational structure of its operations. Operating segment is reported in the manner evaluated by Board, considered as Chief Operating Decision Maker under Ind AS 108 "Operating Segment".

The Group has only one segment of activity, namely "Manufacturing of Chemicals", in accordance with the definition of "Segment" covered under Indian Accounting Standards (Ind AS) 108 on Operating Segments.

24. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

25. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Restated Consolidated Financial Information in conformity with Ind AS 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 Restated Consolidated Financial Information and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Restated Consolidated Financial Information have been disclosed in the notes below.

A. Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the Restated Consolidated Financial Information.

(a) **Leases**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

B. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, are described below. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Restated Consolidated Financial Information in the period in which changes are made and if material, then effects are disclosed in the notes to the Restated Consolidated Financial Information.

(a) **Taxes**

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

(b) **Defined Benefit Plans**

The cost of defined benefit plans (i.e. gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The same is disclosed in Note 40, 'Employee Benefit Expense' to the Restated Consolidated Financial Information.

(c) **Fair Value Measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the Discounted Cash Flow (DCF) model, which involve various judgements and assumptions.

(d) **Property, Plant and Equipment**

Property, plant and equipment represents significant portion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of Group's assets are determined by management at the time asset is acquired and reviewed periodically including at the end of each reporting period. The useful life is based on historical experience with similar assets, in anticipation of future events, which may have impact on their life such as change in technology or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

26. Events after balance sheet date:

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

Changes in the accounting policy, if any, in the last three years and their effect on our profits and reserves

None.

Key Performance Indicators and Non-GAAP Financial Measures

In addition to our financial results determined in accordance with Ind AS, we consider and use those certain non-GAAP financial measures and key performance indicators that are presented below as supplemental measures to review and assess our operating performance. Our management does not consider these non-GAAP financial measures and key performance indicators in isolation or as an alternative to the Restated Consolidated Financial Information. We present these non-GAAP financial measures and key performance indicators because we believe they are useful to our Company in assessing and evaluating our operating performance, and for internal planning and forecasting purposes. We believe these non-GAAP financial measures and key performance indicators, when taken collectively with the Restated Consolidated Financial Information, prepared in accordance with Ind AS, may be helpful to investors as an additional tool to evaluate our ongoing operating results and trends and to compare our financial results to prior periods.

Non-GAAP financial information are not recognized under Ind AS and do not have standardized meanings prescribed by Ind AS. In addition, non-GAAP financial measures and key performance indicators used by us may differ from similarly titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

Set forth below are certain non-GAAP measures derived from our Restated Consolidated Financial Information for the fiscal years ended March 31, 2023, March 31, 2022, and March 31, 2021.

(₹ in millions, except for ratios and percentages)

Particulars	As at, or for the fiscal year ended, March 31,		
	2023	2022	2021
EBITDA[(1)]	2,041.87	1,597.52	1,408.97
EBITDA Margin (%)[(2)]	18.92	15.72	18.54
PAT Margin (%)[(3)]	10.66	8.07	11.03
Fixed Asset Turnover Ratio[(4)]	1.99	2.26	1.88
Debt-Equity Ratio[(5)]	0.64	0.72	0.72
Net Debt / EBITDA Ratio[(6)]	1.55	1.91	1.73
Return on Equity (%)[(7)]	22.88	20.24	22.36
Return on Capital Employed (%)[(8)]	20.34	17.22	18.73
Net Worth [(9)]	5,387.04	4,470.41	3,686.46
Return on Net Worth (%)[(10)]	20.93	18.47	22.36

Notes:

(1) EBITDA is calculated as the sum of (i) profit for the year from continuing operations, (y) total tax expense, (iii) finance costs, and (iv) depreciation and amortization expenses, less other income.

(2) EBITDA Margin is calculated as EBITDA divided by total revenue from operations.

(3) PAT Margin is calculated as profit for the year from continuing operations divided by total income for the year.

(4) Fixed Asset Turnover Ratio is calculated as revenue from operations divided by the sum of (i) net block of tangible fixed assets (excluding right of use assets), and (ii) CWIP.

(5) Debt-Equity Ratio is calculated as Total Debt divided by equity attributable to owners of the Company. Total Debt is calculated as the sum

of (i) non-current borrowings and (ii) current borrowings (including the current maturities of non-current borrowings).

(6) *Net Debt / EBITDA Ratio is calculated as Net Debt divided by EBITDA. Net Debt is calculated as Total Debt less cash and cash equivalents and bank balances other than cash and cash equivalents at the end of the year.*

(7) *Return on Equity is calculated as restated profit attributable to owners of the Company divided by average equity attributable to owners of the Company for the year.*

(8) *Return on Capital Employed is calculated as (1) the sum of (i) profit before tax and (ii) finance cost, divided by (2) Average Capital Employed. Capital Employed is calculated as the sum of Total Debt and Tangible Net Worth. Tangible Net Worth is calculated as the sum of equity attributable to owners of the Company and non-controlling interest as at the end of the fiscal year, less goodwill on consolidation and intangible assets.*

(9) *Net Worth is calculated as the sum of equity share capital and other equity as at the end of the fiscal year.*

(10) *Return on Net Worth is calculated as profit for the year from continuing operations divided by Net Worth.*

EBITDA and EBITDA Margin

The following table sets forth our earnings before interest, taxes, depreciation and amortization expenses, less other income ("**EBITDA**"), and EBITDA Margin, including a reconciliation of each such financial measure to the Restated Consolidated Financial Information for Fiscal 2023, Fiscal 2022 and Fiscal 2021.

(₹ in millions, except percentages)

Particulars	For the fiscal year ended March 31,		
	2023	**2022**	**2021**
Revenue from operations (A)	10,794.66	10,159.90	7,601.17
Profit for the year from continuing operations (B)	1,166.46	833.20	862.57
Add: Tax expense (C)	375.08	286.86	254.57
Add: Finance costs (D)	140.96	94.42	88.67
Add: Depreciation and amortization expense (E)	506.66	541.49	420.29
Less: Other income (F)	147.30	158.44	217.14
EBITDA (G=B+C+D+E-F)	**2,041.87**	**1,597.52**	**1,408.97**
EBITDA Margin (H=G/A)	**18.92%**	**15.72%**	**18.54%**

Our EBITDA on a consolidated basis was ₹2,041.87 million, ₹1,597.52 million, and ₹1,408.97 million in Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Our EBITDA Margins on a consolidated basis for Fiscal 2023, Fiscal 2022 and Fiscal 2021 were 18.92%, 15.72% and 18.54%, respectively. Our consolidated profit for the year from continuing operations has increased from ₹862.57 million in Fiscal 2021 to ₹1,166.46 million in Fiscal 2023.

Fixed Asset Turnover Ratio

The following table sets forth our Fixed Asset Turnover Ratio, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for Fiscal 2023, Fiscal 2022 and Fiscal 2021. Fixed Asset Turnover Ratio is calculated as revenue from operations divided by the Net Block as at the end of the year. Net Block is calculated as the sum of (i) net block of fixed assets (excluding right of use assets), and (ii) capital work in progress.

(₹ in millions, except ratios)

Particulars	As at, or for the fiscal year ended, March 31,		
	2023	**2022**	**2021**
Net block of fixed assets (1)	3,461.66	3,351.19	3,198.86
Capital work in progress (2)	1,956.88	1,142.99	846.88
Net Block (A = (1)+(2))	5,418.54	4,494.18	4,045.75
Revenue from operations (B)	10,794.66	10,159.90	7,601.17
Fixed Asset Turnover Ratio (C=B/A)	**1.99**	**2.26**	**1.88**

Debt-Equity Ratio and Net Debt / EBITDA Ratio

The following table sets forth our Debt-Equity Ratio and Net Debt/EBITDA Ratio, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for Fiscal 2023, Fiscal 2022 and Fiscal 2021. Debt-Equity Ratio is calculated as Total Debt divided by equity attributable to the owners of the Company. Total Debt is calculated as the sum of (i) non-current borrowings and (ii) current borrowings including current maturities of non-current borrowings. Net Debt / EBITDA Ratio is calculated as Net Debt divided by EBITDA. Net Debt is calculated as Total Debt less cash and cash equivalents and bank balances (including investment in mutual funds) as at the end of the year.

(₹ in millions, except percentages and ratios)

Particulars	As at, or for the fiscal year ended, March 31,		
	2023	2022	2021
Non-current borrowings (1)	451.19	624.07	1,277.76
Current borrowings including current maturities of non-current borrowings (2)	3,019.95	2,582.14	1,374.66
Total Debt (A=(1)+(2))	**3,471.14**	**3,206.21**	**2,652.42**
Equity attributable to owners of the Company (B)	5,387.04	4,470.41	3,686.46
Debt-Equity Ratio (C=A/B)	**0.64**	**0.72**	**0.72**
Cash and cash equivalents (3)	293.79	142.10	185.72
Bank balances other than above (4)	3.83	16.43	24.22
Net Debt (D=A-(3)-(4))	3,173.52	3,047.68	2,442.48
EBITDA (E)	2,041.87	1,597.52	1,408.97
Net Debt / EBITDA Ratio (F=D/E)	**1.55**	**1.91**	**1.73**

PAT Margin

The following table sets forth our PAT Margin, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for Fiscal 2023, Fiscal 2022 and Fiscal 2021. PAT Margin is calculated as profit for the year from continuing operations divided by total income.

(₹ in millions, except percentages)

Particulars	For the fiscal year ended March 31,		
	2023	2022	2021
Profit for the year from continuing operations (A)	1,166.46	833.20	862.57
Total income (B)	10,941.96	10,318.34	7,818.31
PAT Margin (C=A/B)	**10.66%**	**8.07%**	**11.03%**

Our profit after tax margins (PAT Margin) on a consolidated basis were 10.66%, 8.07% and 11.03% in Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Return on Equity

The following table sets forth our Return on Equity, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for Fiscal 2023, Fiscal 2022 and Fiscal 2021. Return on Equity is calculated as restated profit attributable to owners of the Company divided by average equity attributable to the owners of the Company for the year.

(₹ in millions, except percentages)

Particulars	For the fiscal year ended March 31,		
	2023	2022	2021
Restated profit attributable to owners of the Company (A)	1,127.46	825.46	824.34
Average equity attributable to owners of the Company (B)	4,928.73*	4,078.44*	3,686.46**
Return on Equity (C=A/B)	**22.88%**	**20.24%**	**22.36%**

** For Fiscal 2023 and Fiscal 2022, average equity attributable to the owners of the Company for the year is the sum of the equity attributable to the owners of the Company as at the beginning of the Fiscal Year and the equity attributable to the owners of the Company as at the end of the Fiscal Year, divided by 2.*

*** For Fiscal 2021, average equity attributable to owners of the Company is equal to the closing balance of the equity attributable to the owners of the Company as at March 31, 2021.*

Our Return on Equity on a consolidated basis was 22.88%, 20.24% and 22.36% in Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Return on Capital Employed

The following table sets forth our Return on Capital Employed, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for Fiscal 2023, Fiscal 2022 and Fiscal 2021. Return on Capital Employed is calculated as (1) the sum of (i) profit before tax and (ii) finance cost, divided by (2) Average Capital Employed. Total Debt is calculated as the sum of (i) non-current borrowings and (ii) current borrowings including current maturities of non-current borrowings. Tangible Net Worth is calculated as the sum of equity attributable to owners of the Company and non-controlling interest as at the end of the fiscal year, less goodwill on consolidation and intangible assets.

(₹ in millions, except percentages)

Particulars	As at, or for the fiscal year ended, March 31,		
	2023	2022	2021
Profit before tax (A)	1,541.55	1,120.05	1,117.14
Add: Finance costs (B)	140.96	94.42	88.67
EBIT (C=A+B)	**1,682.51**	**1,214.48**	**1,205.81**
Non-current borrowings (1)	451.19	624.07	1,277.76
Current borrowings including current maturities of non-current borrowings (2)	3,019.95	2,582.14	1,374.66
Total Debt (D=(1)+(2))	**3,471.14**	**3,206.21**	**2,652.42**
Equity attributable to owners of the Company (3)	5,387.04	4,470.41	3,686.46
Add: Non-controlling interest (4)	191.51	193.73	167.46
Less: Goodwill on consolidation (5)	55.87	56.22	56.22
Less: Intangible assets (6)	113.25	149.92	12.89
Tangible Net Worth (E=(3)+(4)-(5)-(6))	**5,409.43**	**4,458.00**	**3,784.81**
Average Capital Employed (F)	**8,272.39***	**7,050.72***	**6,437.23****
Return on Capital Employed (G=C/F)	**20.34%**	**17.22%**	**18.73%**

** For Fiscal 2023 and Fiscal 2022, average Capital Employed is calculated as the sum of Total Debt and Tangible Net Worth at the beginning of the Fiscal Year and Total Debt and Tangible Net Worth at the end of the Fiscal Year, divided by 2.*
*** For Fiscal 2021, average capital employed is equal to the sum of Total Debt and Tangible Net Worth as at March 31, 2021.*

In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our Return on Capital Employed on a consolidated basis was 20.34%, 17.22% and 18.73%, respectively.

Net Worth

The following table sets forth our Net Worth, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, as at March 31, 2023, March 31, 2022, and March 31, 2021. Net Worth is calculated as the sum of equity share capital and other equity.

(₹ in millions)

Particulars	As at March 31,		
	2023	2022	2021
Equity share capital (A)	212.41	70.80	70.80
Other equity (B)	5,174.63	4,399.61	3,615.66
Net Worth (C=A+B)	**5,387.04**	**4,470.41**	**3,686.46**

Return on Net Worth

The following table sets forth our Return on Net Worth, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for Fiscal 2023, Fiscal 2022 and Fiscal 2021. Return on Net Worth is calculated as profit for the year from continuing operations divided by Net Worth as at the end of the fiscal year.

(₹ in millions, except percentages)

Particulars	As at, or for the fiscal year ended, March 31,		
	2023	2022	2021
Profit for the year from continuing operations (A)	1,127.46	825.46	824.34
Net Worth (B)	5,387.04	4,470.41	3,686.46
Return on Net Worth (C=A/B)	**20.93%**	**18.47%**	**22.36%**

Overview of Income and Expenses

The following descriptions set forth information with respect to key components of our profit and loss statement.

Income

Total income consists of revenue from operations and other income.

Revenue from operations. Revenue from operations is mainly comprised of revenue from sales of products manufactured by us, including our chemical products, and revenue from sales of services provided by us, including consultancy income. Our consultancy income is generated through the provision of engineering services by our former subsidiary, SES Engineering Private Limited, which ceased to be a subsidiary with effect from September 28, 2022.

Set forth below is a breakdown of our revenue from operations for the Fiscals indicated as per the Restated Consolidated Financial Information.

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in millions)	**(% of Revenue from Operations)**	**Amount (₹ in millions)**	**(% of Revenue from Operations)**	**Amount (₹ in millions)**	**(% of Revenue from Operations)**
Revenue from operations:						
Sales of products	10,704.86	99.17	9,996.13	98.39	7,457.82	98.11
Sales of services	89.81	0.83	163.77	1.61	143.35	1.89
Total revenue from operations	**10,794.66**	**100.00**	**10,159.90**	**100.00**	**7,601.17**	**100.00**

For management's purposes, our Company's business is considered to constitute one reporting segment. See "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 45 – Segment Reporting*" on page 319.

Other Income. Other income primarily comprises of recurring non-operating income, such as interest income and other non-recurring income such as gain on foreign currency transaction and translation (net), capitalized value of self-produced assets, export promotion benefits, and grants.

Expenses

Total expenses comprise of cost of materials consumed, purchases of traded goods, changes in inventories of finished goods, stock-in-trade and work-in-progress, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

Cost of Materials Consumed, Purchases of Traded Goods and Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress. Cost of materials consumed comprises costs incurred in connection with consumption of various kinds of raw materials required for manufacturing our products, and includes all direct costs incurred in the course of such procurement, such as customs duties, freight and clearing and forwarding charges, for the reporting period. Changes in inventories of finished goods, stock-in-trade and work-in-progress comprise of the difference in closing balance vis-à-vis opening balance of finished goods, stock-in-trade and work-in-progress.

Employee Benefits Expense. Employee benefits expense comprises of salaries and wages, bonus and other allowances, contribution to provident funds, family pension and ESIC, managerial remuneration, gratuity & leave encashment expense, and workmen and staff welfare expenses.

Finance Costs. Finance costs comprise of interest and other borrowing costs on borrowings from banks, bank charges and other interest expenses.

Depreciation and Amortization Expenses. Depreciation and amortization expenses comprise of depreciation on property, plant and equipment, depreciation on investment property, amortization of intangible assets, and amortization on right-of-use assets.

Other Expenses. Other expenses primarily comprise of power & fuel, stores and spares, selling & distribution expenses, environmental, health and safety (EHS) expenses, repairs & maintenance and other general expenses.

Set forth below is a breakdown of our total expenses as percentage of our revenue from operations for the Fiscals indicated, as per the Restated Consolidated Financial Information.

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in millions)	**(% of Revenue from Operations)**	**Amount (₹ in millions)**	**(% of Revenue from Operations)**	**Amount (₹ in millions)**	**(% of Revenue from Operations)**
Expenses:						
Cost of materials consumed	5,763.54	53.39	5,358.59	52.74	4,058.11	53.39
Purchases of traded goods	78.74	0.73	273.54	2.69	25.17	0.33
Changes in inventories of finished	(322.03)	(2.98)	(30.54)	(0.30)	(368.10)	(4.84)

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
goods, stock-in-trade and work-in-progress						
Employee benefits expense	1,057.50	9.80	1,045.97	10.30	972.71	12.80
Finance costs	140.96	1.31	94.42	0.93	88.67	1.17
Depreciation and amortization expense	506.66	4.70	541.49	5.33	420.29	5.53
Other expenses	2,175.05	20.15	1,914.83	18.85	1,504.31	19.79
Total expenses	**9,400.42**	**87.08**	**9,198.30**	**90.54**	**6,701.16**	**88.16**

Tax Expense

Our tax expense represents the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by income tax payable for earlier years and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Tax expense for Fiscal 2023, Fiscal 2022 and Fiscal 2021 amounted to ₹375.08 million, ₹286.86 million and ₹254.57 million, respectively, as per the Restated Consolidated Financial Information.

Deferred tax charges or credits and the corresponding deferred tax liabilities or assets are recognized using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled or the asset realized. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax is reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain, as the case may be, to be realized.

Profit after tax

Profit after tax is calculated after reducing the total tax expense from the profit before tax.

Comprehensive Income

Comprehensive income is calculated after including other comprehensive income (net of taxes) to the restated profit after tax.

Operating Segment

Our Company is exclusively engaged in the business of manufacturing of specialty chemicals. As such, in accordance with Ind AS, our Company's business is considered to constitute one reportable segment.

Geographic information

The geographic information analyses our revenues that are attributable to the Company's country of domicile and external customers outside India for the Fiscals indicated. The following is the distribution of our consolidated revenues by geographical market, regardless of where the goods are produced, for the Fiscals indicated, as per the Restated Consolidated Financial Information:

(₹ in millions, except percentages)

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
Revenue from operations:						
India	2,019.80	18.71	2,794.88	27.51	1,806.24	23.76
Outside India	8,774.87	81.29	7,365.02	72.49	5,794.94	76.24

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
Total revenue from operations	**10,794.66**	**100.00**	**10,159.90**	**100.00**	**7,601.17**	**100.00**

Non-Current Assets

Non-current assets used by the operating segment mainly consist of property, plant and equipment, and excludes non-current investments and investments in associates and joint ventures, non-current financial assets, income tax and deferred tax assets and goodwill on consolidation. The following table sets out the total carrying amount of our non-current assets for the Fiscals indicated, broken down by the location of the assets, as at the relevant balance sheet date:

(₹ in millions)

Particulars	As at March 31,		
	2023	2022	2021
Non-Current Assets			
India	2,770.76	2,338.55	2,233.62
Outside India	2,884.78	2,446.00	1,965.68
Total	**5,655.54**	**4,784.55**	**4,199.29**

Results of Operations based on the Restated Consolidated Financial Information

The following table sets forth select financial information based on the Restated Consolidated Financial Information for Fiscal 2023, Fiscal 2022 and Fiscal 2021, the components of which are also expressed as a percentage of total income for such Fiscals:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount *(₹ in millions)*	*(% of Total Income)*	Amount *(₹ in millions)*	*(% of Total Income)*	Amount *(₹ in millions)*	*(% of Total Income)*
Income:						
Revenue from operations	10,794.66	98.65	10,159.90	98.46	7,601.17	97.22
Other income	147.30	1.35	158.44	1.54	217.14	2.78
Total Income	**10,941.96**	**100.00**	**10,318.34**	**100.00**	**7,818.31**	**100.00**
Expenses:						
Cost of materials consumed	5,763.54	52.67	5,358.59	51.93	4,058.11	51.91
Purchases of traded goods	78.74	0.72	273.54	2.65	25.17	0.32
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(322.03)	(2.94)	(30.54)	(0.30)	(368.10)	(4.71)
Employee benefits expense	1,057.50	9.66	1,045.97	10.14	972.71	12.44
Finance costs	140.96	1.29	94.42	0.92	88.67	1.13
Depreciation and amortization expense	506.66	4.63	541.49	5.25	420.29	5.38
Other expenses	2,175.05	19.88	1,914.83	18.56	1,504.31	19.24
Total Expenses	**9,400.42**	**85.91**	**9,198.28**	**89.15**	**6,701.17**	**85.71**
Profit before tax	**1,541.55**	**14.09**	**1,120.05**	**10.85**	**1,117.14**	**14.29**
Tax expense:						
Current tax	387.34	3.54	287.38	2.79	243.12	3.11
Deferred tax charge/(credit)	(12.17)	(0.11)	3.15	0.03	11.45	0.15
Tax in respect of earlier years	(0.09)	0.00	(3.67)	(0.04)	-	-
Total tax expense	**375.08**	**3.43**	**286.86**	**2.78**	**254.57**	**3.26**
Profit for the year from continuing operations	**1,166.46**	**10.66**	**833.20**	**8.07**	**862.57**	**11.03**
Profit attributable to owners of the parent	1,127.46	10.30	825.46	8.00	824.34	10.54
Profit attributable to non-controlling interests	39.00	0.36	7.73	0.07	38.23	0.49
Other comprehensive income:						
Items that will not be reclassified to profit & loss:						
Remeasurement of the net defined benefit plans	(4.98)	(0.05)	(4.60)	(0.04)	(7.60)	(0.10)

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount *(₹ in millions)*	***(% of Total Income)***	**Amount *(₹ in millions)***	***(% of Total Income)***	**Amount *(₹ in millions)***	***(% of Total Income)***
Income tax relating to above items	1.76	0.02	1.66	0.02	2.81	0.04
Items that will be reclassified to profit & loss:						
Differences due to changes in foreign exchange reserves	(109.58)	(1.00)	62.41	0.60	(6.55)	(0.08)
Total other comprehensive income for the year	**(112.80)**	**(1.03)**	**59.47**	**0.58**	**(11.34)**	**(0.15)**
Total comprehensive income for the year from continuing operations	**1,053.67**	**9.63**	**892.67**	**8.65**	**851.23**	**10.89**
Total comprehensive income for the year attributable to owners of the parent	1,045.68	9.56	866.41	8.40	813.83	10.41
Total comprehensive income for the year attributable to non-controlling interests	7.98	0.07	26.26	0.25	37.40	0.48

Fiscal 2023 compared to Fiscal 2022

(₹ in millions, except percentages)

Particulars	Fiscal 2023	Fiscal 2022	Change (%)
Income:			
Revenue from operations	10,794.66	10,159.90	6.25
Other income	147.30	158.44	(7.03)
Total Income	**10,941.96**	**10,318.34**	**6.04**
Expenses:			
Cost of Goods Sold (=A+B+C)	5,520.25	5,601.59	(1.45)
Cost of materials consumed (A)	*5,763.54*	*5,358.59*	*7.56*
Purchase of traded goods (B)	*78.74*	*273.54*	*(71.21)*
Changes in inventories of finished goods, stock-in-trade and work-in-progress (C)	*(322.03)*	*(30.54)*	*954.45*
Employee benefits expense	1,057.50	1,045.97	1.10
Finance costs	140.96	94.42	49.29
Depreciation and amortization expense	506.66	541.49	(6.43)
Other expenses	2,175.05	1,914.83	13.59
Total Expenses	**9,400.42**	**9,198.28**	**2.20**
Profit before tax	**1,541.55**	**1,120.05**	**37.63**
Tax expense:			
Current tax	387.34	287.38	34.78
Deferred tax charge/(credit)	(12.17)	3.15	(486.88)
Tax in respect of earlier years	(0.09)	(3.67)	(97.68)
Total tax expense	**375.08**	**286.86**	**30.75**
Profit for the year from continuing operations	**1,166.46**	**833.20**	**40.00**
Other comprehensive income for the year:			
Items that will not be reclassified to profit & loss:			
Remeasurement of the net defined benefit plans	(4.98)	(4.60)	8.26
Income tax on the above	1.76	1.66	6.02
Items that will be reclassified to profit & loss:			
Differences due to changes in foreign exchange reserves	(109.58)	62.41	(275.58)
Total other comprehensive income / (loss) for the year	**(112.80)**	**59.47**	**(289.68)**
Total comprehensive income for the year from continuing operations	**1,053.67**	**892.67**	**18.04**

Income

Our total income increased by 6.04% to ₹10,941.96 million for Fiscal 2023 from ₹10,318.34 million for Fiscal 2022, primarily due to the following:

Revenue from Operations. Our revenue from operations increased by 6.25% to ₹10,794.66 million for Fiscal 2023 from ₹10,159.90 million for Fiscal 2022. This increase can be primarily attributed to a 7.09% increase in revenue from sales of products, which was partially offset by a 45.16% decrease in revenue from sales of services. The increase in revenue from the sales of products was largely due to the appreciation of the US dollar against the

Indian Rupee. The following table sets forth the breakdown in revenue from operations for Fiscals 2023 and 2022:

Particulars	Fiscal 2023		Fiscal 2022		Percentage Increase / (Decrease)
	Amount (*₹ in millions)*	*(% of total revenue from operations)*	Amount (*₹ in millions)*	*(% of total revenue from operations)*	
Revenue from operations					
Sale of products	10,704.86	99.17	9,996.13	98.39	7.09%
Sale of services	89.81	0.83	163.77	1.61	(45.16)%
Total revenue from operations	**10,794.66**	**100.00**	**10,159.90**	**100.00**	6.25%

The table set forth below provides our revenue from operations for Fiscals 2023 and 2022, broken down by customer segment:

Customer Segment	Fiscal 2023		Fiscal 2022	
	Amount (₹ in millions)	*% of revenue from operations*	*Amount (₹ in millions)*	*% of revenue from operations*
Agrochemicals	4,755.53	44.05	4,468.79	43.98
Organic Peroxides	1,745.67	16.17	1,264.23	12.44
Performance Materials	404.77	3.75	876.90	8.63
Disinfectants	603.64	5.59	743.94	7.32
Pharmaceuticals	1,420.26	13.16	746.60	7.35
Polymers	622.49	5.77	841.24	8.28
Cosmetics	134.41	1.25	358.26	3.53
Other	1,107.91	10.26	859.93	8.46
Revenue from operations	**10,794.66**	**100.00**	**10,159.90**	**100.00**

Revenue from sales to our largest customer segment, agrochemicals, increased 6.42% to ₹4,755.53 million in Fiscal 2023 from ₹4,468.79 million in Fiscal 2022, largely due to the introduction of new products to the portfolio and an increase in demand for certain agrochemical products that lead to better pricing. In respect of our organic peroxides customer segment, our sales revenue increased by 38.08% to ₹1,745.67 million in Fiscal 2023 from ₹1,264.23 million in Fiscal 2022. In respect of our pharmaceuticals customer segment, our sales revenue increased by 90.23% to ₹1,420.26 million in Fiscal 2023 from ₹746.60 million in Fiscal 2022 as demand for existing products increased.

Revenue from sales outside India increased by 19.14% to ₹8,774.87 million in Fiscal 2023 from ₹7,365.02 million in Fiscal 2022, primarily as a result of an increase in sales to customers in the United States, Germany and Mexico. As a percentage of revenue from operations, revenue from sales outside India represented 81.29% and 72.49% in Fiscal 2023 and Fiscal 2022, respectively.

Revenue from sales in India decreased by 27.73% to ₹2,019.80 million in Fiscal 2023 from ₹2,794.88 million in Fiscal 2022, primarily as a result of a general decrease in demand, along with a significant reduction in sales prices, in the market. We believe that such demand and price decreases are likely to improve in the second half of Fiscal 2024.

Revenue from sales of services decreased by 45.16% to ₹89.81 million in Fiscal 2023 from ₹163.77 million in Fiscal 2022. Engineering services were provided by our former subsidiary, SES Engineering Private Limited, which ceased to be a subsidiary with effect from September 28, 2022.

Other income. Our other income decreased by 7.03% to ₹147.30 million in Fiscal 2023 from ₹158.44 million in Fiscal 2022, primarily due to a decrease in grants received to ₹14.35 million in Fiscal 2023 from ₹20.39 million in Fiscal 2022. SPL Europe LLC had recognized the entire grant amount in Fiscal 2023 amounting ₹283.84 million, but later on account of loss of SME status, was required to reduce grant income by ₹269.49 million. Such decrease was offset by an increase in gain on foreign currency transaction and translation (net) to ₹91.37 million in Fiscal 2023 from ₹62.11 million in Fiscal 2022 as SPL Europe LLC had net foreign exchange gain of ₹31.91 million in Fiscal 2023 while in Fiscal 2022, it had net foreign exchange loss of ₹26.00 million.

Expenses

Our total expenses increased by 2.20% to ₹9,400.42 million in Fiscal 2023 from ₹9,198.28 million in Fiscal 2022. As a percentage of total income, our total expenses were 85.91% in Fiscal 2023 as compared to 89.15% in Fiscal 2022.

Cost of materials consumed, purchase of traded goods and changes in inventories of finished goods, stock-in-trade and work-in-progress

Our Cost of Goods Sold is the aggregate of our cost of materials consumed, purchase of traded goods and changes in inventories of finished goods, stock-in-trade and work-in-progress. The following table sets forth the breakdown of cost of materials consumed, purchase of traded goods and changes in inventories of finished goods, stock-in-trade and work-in-progress for Fiscals 2023 and 2022.

(₹ in millions, except percentages)

Particulars	Fiscal 2023	Fiscal 2022	Change (%)
Cost of materials consumed	5,763.54	5,358.59	7.56
Purchase of traded goods	78.74	273.54	(71.21)
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(322.03)	(30.54)	954.47
Total (Cost of Goods Sold)	5,520.25	5,601.59	(1.45)

Our Cost of Goods Sold decreased by 1.45% to ₹5,520.25 million in Fiscal 2023 from ₹5,601.59 million in Fiscal 2022, which was mainly due to a decrease in purchases of traded goods to ₹78.74 million in Fiscal 2023 from ₹273.54 million in Fiscal 2022. Our Cost of Goods Sold decreased by 1.45% while revenue from operations increased by 6.25% over the same period primarily due to a decrease in logistics pricing in Fiscal 2023 as the cost of freight started to reduce dramatically in second half of the fiscal year.

Employee benefits expense. Employee benefits expense increased by 1.10% to ₹1,057.50 million in Fiscal 2023 from ₹1,045.97 million in Fiscal 2022. As a percentage of our total income, employee benefits expense represented 9.66% and 10.14% in Fiscal 2023 and Fiscal 2022, respectively. We had 864 and 890 permanent employees on the roll as at March 31, 2023 and March 31, 2022, respectively.

Finance costs. Our finance costs increased by 49.29% to ₹140.96 million in Fiscal 2023 from ₹94.42 million in Fiscal 2022, which was primarily due to an increase in interest and other borrowing costs on working capital arrangements from banks and an increase in interest on discounting/forfeiting. Our total borrowings increased to ₹3,471.14 million as at March 31, 2023, from ₹3,206.21 million as at March 31, 2022. Moreover, we increased the utilization of our short-term packing credit facility in foreign currency and export packing credit facilities (PCFC/EFC) in Fiscal 2023, which carry a higher interest rate, mainly to access additional liquidity to fund operational growth.

Depreciation and amortization expense. Our depreciation and amortization expense decreased by 6.43% to ₹506.66 million in Fiscal 2023 from ₹541.49 million in Fiscal 2022, as the amount of fixed assets capitalized in Fiscal 2023 was lower as compared to Fiscal 2022.

Other expenses. Our other expenses increased by 13.59% to ₹2,175.05 million in Fiscal 2023 from ₹1,914.83 million in Fiscal 2022, as compared to a 6.25% increase in revenue from operations to ₹10,794.66 million for Fiscal 2023 from ₹10,159.90 million for Fiscal 2022. The table below sets forth a breakdown of certain key components of our other expenses and the primary reasons for their increase:

(₹ in millions, except percentages)

Particulars	Fiscal 2023	Fiscal 2022	Change (%)
Environmental, health and safety (EHS) expenses (*Primary reason: an increase in disposal & incineration cost of by-products*)	322.75	184.70	74.74
Miscellaneous expenses (*Primary reason: an increase in general administrative and other overheads*)	219.42	72.60	202.24
Power & fuel (*Primary reason: impact of rate increases and an increase in bio coal consumption*)	451.10	394.41	14.37
Selling & distribution expenses (*Primary reason: outward freight costs decreased in Fiscal 2023*)	218.62	292.65	(25.30)

Profit before tax. As a result of the foregoing, our profit before tax increased by 37.63% to ₹1,541.55 million in Fiscal 2023 from ₹1,120.05 million in Fiscal 2022. Our profit before tax grew at a higher rate than our revenue from operations in large part because of the decrease in raw materials price, continued appreciation of the US

Dollar against the Indian Rupee in Fiscal 2023 and the decrease in selling & distribution expenses described above. Accordingly, our PAT Margin increased to 10.66% in Fiscal 2023 from 8.07% in Fiscal 2022.

Tax expense. Our total tax expense increased by 30.75% to ₹375.08 million in Fiscal 2023 from ₹286.86 million in Fiscal 2022, was primarily attributable to an 34.78% increase in current tax to ₹387.34 million in Fiscal 2023 from ₹287.38 million in Fiscal 2022. Total tax expenses of ₹375.08 million in Fiscal 2023 is 24.33% of profit before tax of ₹1,541.55 million as compared to total tax expenses of ₹286.86 million in Fiscal 2022 is 25.61%. On a percentage basis, total tax expenses decreased in Fiscal 2023 principally due to the application of a deferred tax credit of ₹12.17 million in Fiscal 2023.

Profit for the year from continuing operations. As a result of the foregoing, our profit for the year from continuing operations increased by 40.00% to ₹1,166.46 million in Fiscal 2023 from ₹833.20 million in Fiscal 2022.

Other comprehensive income/(loss) for the year. Other comprehensive loss for the year was ₹(112.80) million in Fiscal 2023 as compared to an other comprehensive income for the year if ₹59.47 million in Fiscal 2022.

In Fiscal 2023, other comprehensive loss comprised mainly of differences due to changes in foreign exchange reserves of ₹(109.58) million.

In Fiscal 2022, other comprehensive income comprised mainly of differences due to changes in foreign exchange reserves of ₹62.41 million.

Total comprehensive income for the year. As a result of the foregoing, our total comprehensive income for the year increased by 18.04% to ₹1,053.67 million in Fiscal 2023 from ₹892.67 million in Fiscal 2022.

Fiscal 2022 compared to Fiscal 2021

(₹ in millions, except percentages)

Particulars	Fiscal 2022	Fiscal 2021	Change (%)
Income:			
Revenue from operations	10,159.90	7,601.17	33.66
Other income	158.44	217.14	(27.03)
Total Income	**10,318.34**	**7,818.31**	**31.98**
Expenses:			
Cost of Goods Sold (=A+B+C)	5,601.59	3,715.18	50.78
Cost of materials consumed (A)	*5,358.59*	*4,058.11*	*32.05*
Purchase of traded goods (B)	*273.54*	*25.17*	*986.89*
Changes in inventories of finished goods, stock-in-trade and work-in-progress (C)	*(30.54)*	*(368.10)*	*(91.70)*
Employee benefits expense	1,045.97	972.71	7.53
Finance costs	94.42	88.67	6.48
Depreciation and amortization expense	541.49	420.29	28.84
Other expenses	1,914.83	1,504.31	27.29
Total Expenses	**9,198.28**	**6,701.17**	**37.26**
Profit before tax	**1,120.05**	**1,117.14**	**0.26**
Tax expense:			
Current tax	287.38	243.12	18.21
Deferred tax charge/(credit)	3.15	11.45	(72.49)
Tax in respect of earlier years	(3.67)	-	-
Total tax expense	**286.86**	**254.57**	**12.68**
Profit for the year from continuing operations	**833.20**	**862.57**	**(3.41)**
Other comprehensive income for the year:			
Items that will not be reclassified to profit & loss:			
Remeasurement of the net defined benefit plans	(4.60)	(7.60)	(39.45)
Income tax on the above	1.66	2.81	(40.74)
Items that will be reclassified to profit & loss:			
Differences due to changes in foreign exchange reserves	62.41	(6.55)	(1,052.82)
Total other comprehensive income for the year	**59.47**	**(11.34)**	**(624.43)**
Total comprehensive income for the year from continuing operations	**892.67**	**851.23**	**4.86**

Income

Our total income increased by 31.98% to ₹10,318.34 million for Fiscal 2022 from ₹7,818.31 million for Fiscal 2021, primarily due to the following:

Revenue from Operations. Our revenue from operations increased by 33.66% to ₹10,159.90 million for Fiscal 2022 from ₹7,601.17 million for Fiscal 2021. This increase can be primarily attributed to a 34.04% increase in revenue from sales of products and a 14.24% increase in revenue from sales of services as the global economy began to recover from the effects of the COVID-19 pandemic. The following table sets forth the breakdown in revenue from operations for Fiscals 2022 and 2021:

Particulars	Fiscal 2022		Fiscal 2021		Percentage Increase / (Decrease)
	Amount (₹ in millions)	(% of total revenue from operations)	Amount (₹ in millions)	(% of total revenue from operations)	
Revenue from operations					
Sale of products	9,996.13	98.39	7,457.82	98.11	34.04%
Sale of services	163.77	1.61	143.35	1.89	14.24%
Total revenue from operations	**10,159.90**	**100.00**	**7,601.17**	**100.00**	**33.66%**

The table set forth below provides our revenue from operations for Fiscals 2022 and 2021, broken down by customer segment:

Customer Segment	Fiscal 2022		Fiscal 2021	
	Amount (₹ in millions)	% of revenue from operations	Amount (₹ in millions)	% of revenue from operations
Agrochemicals	4,468.79	43.98	3,512.84	46.21
Organic Peroxides	1,264.23	12.44	803.26	10.57
Performance Materials	876.90	8.63	463.02	6.09
Disinfectants	743.94	7.32	581.15	7.65
Pharmaceuticals	746.60	7.35	736.98	9.70
Polymers	841.24	8.28	174.19	2.29
Cosmetics	358.26	3.53	599.30	7.88
Other	859.93	8.46	730.43	9.61
Revenue from operations	**10,159.90**	**100.00**	**7,601.17**	**100.00**

Revenue from sales to our largest customer segment, agrochemicals, increased by 27.21% to ₹4,468.79 million in Fiscal 2022 from ₹3,512.84 million in Fiscal 2021 due to increases in general market demand. In respect of the organic peroxides customer segment, our sales revenue increased by 57.39% to ₹1,264.23 million in Fiscal 2022 from ₹803.26 million in Fiscal 2021 due to increases in general market demand. In respect of the performance materials customer segment, our sales revenue increased by 89.39% to ₹876.90 million in Fiscal 2022 from ₹463.02 million in Fiscal 2021 as the market began to recover in Fiscal 2022 from the impact of the COVID-19 pandemic. In respect of the polymers customer segment, our sales revenue increased by 382.96% to ₹841.24 million in Fiscal 2022 from ₹174.19 million in Fiscal 2021 as the market began to recover in Fiscal 2022 from the impact of the COVID-19 pandemic.

Revenue from sales outside India increased by 27.09% to ₹7,365.02 million in Fiscal 2022 from ₹5,794.94 million in Fiscal 2021. As a percentage of revenue from operations, revenue from sales outside India represented 72.49% and 76.24% in Fiscal 2022 and Fiscal 2021, respectively.

Revenue from sales of services increased by 14.24% to ₹163.77 million in Fiscal 2022 from ₹143.35 million in Fiscal 2021, primarily due to an increase in engineering services provided by our former subsidiary, SES Engineering Private Limited, in Fiscal 2022.
Other income. Our other income decreased by 27.03% to ₹158.44 million in Fiscal 2022 from ₹217.14 million for Fiscal 2021, primarily due to (i) a decrease in the amount of grants to ₹20.39 million for Fiscal 2022 from ₹53.38 million for Fiscal 2021, (ii) a decrease in export promotion benefits to ₹48.35 million in Fiscal 2022 from ₹69.11 million in Fiscal 2021, and (iii) a decrease in other interest to ₹8.74 million for Fiscal 2022 from ₹25.14 million for Fiscal 2021. The decrease in grants was attributable to SPL Europe LLC's operations, which has been making continuous investments over the last six years. Such investments were eligible for certain non-refundable state or EU subsidies. In accordance with Hungarian accounting principles, such subsidies received by SPL Europe LLC were not booked as income at the year of payment, but instead was recorded as deferred revenues on an accrual basis and released through "other income" line of the profit and loss statement proportionally with the depreciation

of the assets realized from the subsidy. In addition, SPL Europe LLC received certain R&D-related subsidies, one of which was booked in Fiscal 2021 in the amount of HUF 123.00 million (or ₹30.01 million as translated) that resulted in an extraordinary increase in other income in Fiscal 2021 as compared to other fiscal years. The decrease in export promotion benefits was attributable to cessation of MEIS benefits in India with effect from January 1, 2022 and therefore is no longer available due to such change in government policy framework.

Expenses

Our total expenses increased by 37.26% to ₹9,198.28 million in Fiscal 2022 from ₹6,701.17 million in Fiscal 2021. As a percentage of total income, our total expenses were 89.15% in Fiscal 2022 as compared to 85.71% in Fiscal 2021.

Cost of materials consumed, purchase of traded goods and changes in inventories of finished goods, stock-in-trade and work-in-progress

Our Cost of Goods Sold is the aggregate of our cost of raw materials consumed, purchase of traded goods and changes in inventories of finished goods, stock-in-trade and work-in-progress. The following table sets forth the breakdown of cost of materials consumed, purchase of traded goods and changes in inventories of finished goods, stock-in-trade and work-in-progress for Fiscals 2022 and 2021.

(₹ in millions, except percentages)

Particulars	Fiscal 2022	Fiscal 2021	Change (%)
Cost of materials consumed	5,358.59	4,058.11	32.05
Purchase of traded goods	273.54	25.17	986.89
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(30.54)	(368.10)	(91.70)
Total (Cost of Goods Sold)	**5,601.58**	**3,715.18**	**50.78**

Our Cost of Goods Sold increased by 50.78% to ₹5,601.58 million for Fiscal 2022 from ₹3,715.18 million for Fiscal 2021. While our Cost of Goods Sold may vary based on the product mix for each period, global commodity and logistics price rises have impacted our costs. Our Cost of Goods Sold increased at a higher rate (50.78%) than the growth in our revenue from operations (33.66%) primarily as a result of the increase in pricing for certain of our raw materials. The increase in raw materials prices was due to supply chain volatility and availability issues.

Employee benefits expense. Employee benefits expense increased by 7.53% to ₹1,045.97 million for Fiscal 2022 from ₹972.71 million for Fiscal 2021. This increase was primarily due to an 8.48% increase in salaries and wages, bonus and other allowances to ₹838.98 million for Fiscal 2022 from ₹773.43 million for Fiscal 2021 on account of new hirings in Fiscal 2022 in line with our business growth/general increase in wage levels. We had 890 and 835 permanent employees on our rolls as at March 31, 2022 and March 31, 2021, respectively.

Finance costs. Our finance costs increased by 6.48% to ₹94.42 million for Fiscal 2022 from ₹88.67 million for Fiscal 2021. This increase in finance costs was primarily due to an increase in interest on discounting/forfeiting to ₹7.35 million for Fiscal 2022 from ₹0.16 million for Fiscal 2021 on account of a loss on foreign exchange translation recognized on a loan restatement in SPL Europe LLC. In addition, in Fiscal 2022, in order to ensure adequate liquidity as SPL Europe LLC continued to invest in its operational expansion, SPL Europe LLC started to avail certain non-recourse factoring facilities with banks for certain client accounts.

Depreciation and amortization expense. Our depreciation and amortization expense increased by 28.84% to ₹541.49 million for Fiscal 2022 from ₹420.29 million for Fiscal 2021, primarily due to the net addition of ₹687.74 million in property, plant and equipment in Fiscal 2022. See *Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 2A – Property, Plant and Equipment*" on page 280.

Other expenses. Our other expenses increased by 27.29% to ₹1,914.83 million for Fiscal 2022 from ₹1,504.31 million for Fiscal 2021, as compared to the 33.66% increase in our revenue from operations to ₹10,159.90 million for Fiscal 2022 from ₹7,601.17 million for Fiscal 2021. The table below sets forth a breakdown of certain key components of our other expenses and the primary reasons for their increase:

Particulars	Fiscal 2023	Fiscal 2022	Change (%)
Power & fuel (*Primary reason: significant increases in prices of steam and electricity, particularly in the operations of SPL Europe LLC*)	394.41	234.35	68.30

Particulars	Fiscal 2023	Fiscal 2022	Change (%)
Environmental, health and safety (EHS) expenses (*Primary reason: cost of disposal of byproducts increased substantially in Fiscal 2022, particularly in the operations of SPL Europe LLC*)	184.70	92.03	100.70
Selling & distribution expenses (*Primary reason: generally in line with the growth in our business and in our revenue from operations*)	292.65	227.71	28.52

Profit before tax. As a result of the foregoing, our profit before tax increased by 0.26% to ₹1,120.05 million for Fiscal 2022 from ₹1,117.14 million for Fiscal 2021. While our revenue increased in Fiscal 2022, our expenses increased at a higher rate as a result of increases in raw materials prices and power & fuel expenses, particularly in relation to the operations of our subsidiary, SPL Europe LLC, as described above, leading to only a marginal increase in profit before tax.

Tax expense. Our total tax expense increased by 12.68% to ₹286.86 million for Fiscal 2022 from ₹254.57 million for Fiscal 2021. The increase in our tax expense for Fiscal 2022 was primarily attributable to an 18.21% increase in current tax to ₹287.38 million in Fiscal 2022 from ₹243.12 million in Fiscal 2021. Total tax expenses of ₹286.86 million in Fiscal 2022 is 25.61% of profit before tax of ₹1,120.05 million as compared to total tax expenses of ₹254.57 million in Fiscal 2021 is 22.79%. On a percentage basis, total tax expenses increased in Fiscal 2022 principally due to an increase in tax expenses of our Company.

Profit for the year from continuing operations. Our profit for the year from continuing operations decreased by 3.41% to ₹833.20 million for Fiscal 2022 from ₹862.57 million for Fiscal 2021.

Other comprehensive income/(loss) for the year. We recorded other comprehensive income for the year of ₹59.47 million in Fiscal 2022 as compared to an other comprehensive loss of ₹(11.34) million in Fiscal 2021.

In Fiscal 2022, other comprehensive income comprised mainly of differences due to changes in foreign exchange reserves of ₹62.41 million, which was partially offset by a remeasurement of the net defined benefit plans of ₹(4.60) million.

In Fiscal 2021, other comprehensive loss comprised mainly of a (i) remeasurement of the net defined benefit plans of ₹(7.60) million, and (ii) differences due to changes in foreign exchange reserves of ₹(6.55) million.

Total comprehensive income for the year. As a result of the foregoing, our total comprehensive income for the year increased by 4.87% to ₹892.67 million for Fiscal 2022 from ₹851.23 million for Fiscal 2021.

Certain Items in the Restated Consolidated Statement of Assets and Liabilities

The following table shows selected financial data derived from our restated summary statement of assets and liabilities as at March 31, 2023, 2022 and 2021.

(₹ in millions)

Particulars	As at March 31,		
	2023	2022	2021
Non-Current Assets			
Property, plant and equipment	3,461.66	3,351.19	3,198.86
Capital Work-in-Progress	1,956.88	1,142.99	846.88
Investment Property	1.81	-	-
Goodwill on Consolidation	55.87	56.22	56.22
Intangible Assets	113.25	149.92	12.89
Right of Use Assets	105.19	109.35	114.55
Financial Assets			
(i) Investments	207.06	186.49	17.51
(ii) Other Financial Assets	11.61	41.80	41.80
Deferred Tax Assets (Net)	24.76	13.46	14.95
Other Non-Current Assets	16.75	31.11	26.10
Total Non-Current Assets	**5,954.83**	**5,082.52**	**4,329.78**
Current Assets			
Inventories	1,862.88	1,557.31	1,333.04
Financial Assets			

Particulars	As at March 31,		
	2023	2022	2021
(i) Trade Receivables	2,451.55	2,771.16	1,918.61
(ii) Cash and Cash Equivalents	293.79	142.10	185.72
(iii) Bank Balances other than Cash and Cash Equivalents	3.83	16.43	24.22
(iv) Loans & Advances	7.35	6.20	6.01
(v) Other Financial Assets	-	-	-
Other Current Assets	995.13	894.25	734.81
Total Current Assets	**5,614.54**	**5,387.44**	**4,202.42**
Total Assets	**11,569.37**	**10,469.96**	**8,532.19**

Non-current assets. Our total non-current assets increased by ₹872.31 million, or 17.16%, to ₹5,954.83 million as at March 31, 2023, from ₹5,082.52 million as at March 31, 2022, primarily due to an increase of ₹813.89 million in our capital work-in-progress to ₹1,956.88 million as at March 31, 2023, from ₹1,142.99 million as at March 31, 2022 mainly due to various ongoing capital projects undertaken by SPL Europe LLC.

Our total non-current assets increased by ₹ 752.75 million, or 17.39 % to ₹5,082.52 million as at March 31, 2022, from ₹4,329.78 million as at March 31, 2021. This increase was primarily due to an increase of ₹152.33 million in property, plant and equipment to ₹3,351.19 million as at March 31, 2022, from ₹3,198.86 million as at March 31, 2021, and an increase in capital work-in-progress of ₹296.11 million to ₹1,142.99 million as at March 31, 2022, from ₹846.88 million as at March 31, 2021.

Current assets. Our total current assets increased by ₹227.10 million, or 4.22%, to ₹5,614.54 million as at March 31, 2023, from ₹5,387.44 million as at March 31, 2022, primarily due to an increase of ₹305.57 million, or 19.62%, in our inventories to ₹1,862.88 million as at March 31, 2023, from ₹1,557.31 million as at March 31, 2022, and a ₹151.69 million, or 106.75%, increase in our cash and cash equivalents to ₹293.79 million as at March 31, 2023, from ₹142.10 million as at March 31, 2022. Such increases were partially offset by a ₹319.61 million, or 11.53%, decrease in trade receivables to ₹2,451.55 million as at March 31, 2023, from ₹2,771.16 million as at March 31, 2022. The increase in inventories was primarily due to the increase in revenue from operations. The decrease in trade receivables was primarily due to the receipt in Fiscal 2023 of certain delay payments from customers.

Our total current assets increased by ₹1,185.02 million, or 28.20%, to ₹5,387.44 million as at March 31, 2022, from ₹4,202.42 million as at March 31, 2021, primarily due to an increase of ₹852.55 million, or 44.44%, in our trade receivables to ₹2,771.16 million as at March 31, 2022, from ₹1,918.61 million as at March 31, 2021, and an increase of ₹224.27 million, or 16.82%, in our inventories to ₹1,557.31 million as at March 31, 2022, from ₹1,333.04 million as at March 31, 2021. The increases in trade receivables and inventories were primarily due to the increase in revenue from operations.

Equity and Liabilities

(₹ in millions)

Particulars	As at March 31,		
	2023	2022	2021
Equity			
Equity Share Capital	212.41	70.80	70.80
Instruments Entirely Equity in Nature	-	-	-
Other Equity	5,174.63	4,399.61	3,615.66
Equity Attributable to Owners of the Holding Company	**5,387.04**	**4,470.41**	**3,686.46**
Non Controlling Interest	191.51	193.73	167.46
Total Equity	**5,578.55**	**4,664.14**	**3,853.93**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	451.19	624.07	1,277.76
(ii) Lease Liabilities	2.12	1.08	1.11
(iii) Other Financial Liabilities	-	55.00	55.00
Long Term Provisions	91.07	87.92	77.96
Other Non-Current Liabilities	2.65	36.56	33.37
Total Non-Current Liabilities	**547.03**	**804.64**	**1,445.20**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	3,019.95	2,582.14	1,374.66

Particulars	As at March 31,		
	2023	2022	2021
(ii) Lease Liabilities	0.05	0.02	0.02
(iii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises	73.25	75.69	90.23
(A) total outstanding dues of creditors other than micro enterprises and small enterprises	1,149.77	1,386.06	961.53
Short Term Provisions	218.00	166.06	193.64
Liability for Current Tax (Net)	415.32	314.26	204.21
Other Current Liabilities	567.45	476.96	408.77
Total Current Liabilities	**5,443.79**	**5,001.19**	**3,233.07**
Total Equity and Liabilities	**11,569.37**	**10,469.96**	**8,532.19**

Other equity

Our other equity increased to ₹5,174.63 million as at March 31, 2023 from ₹4,399.61 million as at March 31, 2022, primarily as a result of an increase in our retained earnings as at March 31, 2023, due to our earning a restated profit after tax for Fiscal 2023 of ₹1,127.46 million.

Our other equity increased to ₹4,399.61 million as at March 31, 2022, from ₹3,615.66 million as at March 31, 2021, primarily as a result of an increase in our retained earnings as at March 31, 2022, due to our earning a restated profit after tax for Fiscal 2022 of ₹825.46 million.

Non-current liabilities: Our total non-current liabilities decreased by ₹257.61 million, or 32.02%, to ₹547.03 million as at March 31, 2023, from ₹804.64 million as at March 31, 2022, primarily as a result of a decrease of ₹172.88 million in borrowings to ₹451.19 million as at March 31, 2023, from ₹624.07 million as at March 31, 2022, and a decrease of ₹55.00 million in other financial liabilities to Nil million as at March 31, 2023, from ₹55.00 million as at March 31, 2022. Borrowings decreased primarily because of the repayment of an unsecured loan from related parties.

Our total non-current liabilities decreased by ₹640.56 million, or 44.32% to ₹804.64 million as at March 31, 2022, from ₹1,445.20 million as at March 31, 2021, primarily as a result of a decrease of ₹653.69 million in borrowings to ₹624.07 million as at March 31, 2022, from ₹1,277.76 million as at March 31, 2021. Borrowings decreased because of a net repayment of term loans from banks.

Current liabilities: Our total current liabilities increased by ₹442.60 million, or 8.85%, to ₹5,443.79 million as at March 31, 2023, from ₹5,001.19 million as at March 31, 2022, primarily as a result of an increase in borrowings by ₹437.81 million on account of the increased utilization of our short-term PCFC/EFC facilities in Fiscal 2023 to fund operational growth.

Our total current liabilities increased by ₹1,768.12 million, or 54.69%, to ₹5,001.19 million as at March 31, 2022, from ₹3,233.07 million as at March 31, 2021, primarily due to the increased utilization of our short-term PCFC/EFC facilities in Fiscal 2022 to fund operational growth and an increase in trade payables in Fiscal 2022 in line with our business growth.

Financial Indebtedness

As at March 31, 2023, we had total borrowings of ₹3,471.14 million. The following table sets forth certain information relating to our outstanding indebtedness as at March 31, 2023, March 31, 2022 and March 31, 2021.

(₹ in millions)

Particulars	As at March 31,		
	2023	2022	2021
Short Term			
Secured Borrowings, comprising of:			
Working capital loans from banks	742.90	658.50	237.00
Bill discounting	-	-	-
PCFC / EPC with banks	1,888.71	1,415.87	839.99
Overdrafts	113.62	104.39	151.17
Other short-term borrowings from banks	0.18	184.12	-

Particulars	As at March 31,		
	2023	2022	2021
Add: current maturities of long-term borrowings	255.96	219.25	145.97
Revaluation of loan	18.58	-	-
Unsecured Borrowings, comprising of:			
Loans from related parties	-	-	0.51
Loans from others	-	-	0.01
Total current borrowings	**3,019.95**	**2,582.14**	**1,374.66**
Long Term			
Secured Borrowings, comprising of:			
Term loans from banks	707.05	688.41	1,247.44
External commercial borrowings from banks	-	-	-
Vehicle loans	-	2.71	18.69
Loans from financial institutions	-	-	-
Less: current maturities of long-term borrowings	(255.96)	(219.25)	(145.97)
Unsecured Borrowings, comprising of:			
Loans from related parties	0.10	152.20	157.60
Total non-current borrowings	**451.19**	**624.07**	**1,277.76**
Total Indebtedness*	**3,471.14**	**3,206.21**	**2,652.42**

* *Excludes current and non-current lease liabilities*

Our total borrowings increased to ₹3,471.14 million as at March 31, 2023, from ₹3,206.21 million as at March 31, 2022, primarily due to an increase in borrowings from certain short-term PCFC/EFC facilities provided by our banks to ₹1,888.71 million as at March 31, 2023, from ₹1,415.87 million as at March 31, 2022. We increased the utilization of our short-term PCFC/EFC facilities in Fiscal 2023 mainly to access additional liquidity to fund operational growth. Our total borrowings have increased from ₹2,652.42 million as at March 31, 2021 to ₹3,471.14 million as at March 31, 2023 in order to fund operational growth.

See section titled "*Financial Indebtedness*" for a description of broad terms of our indebtedness on page 399.

Liquidity and Capital Resources

Capital Requirements

Our principal capital requirements are for capital expenditure, working capital and payment of principal and interest on our borrowings. Our principal source of funding has been and is expected to continue to be, cash generated from our operations, supplemented by borrowings from banks and financial institutions. For Fiscal 2023, Fiscal 2022 and Fiscal 2021, we met our funding requirements, including satisfaction of debt obligations, capital expenditure, investments, other working capital requirements, payouts to shareholders and other cash outlays, principally with funds generated from operations, optimization of operating working capital with the balance met from external borrowings, borrowings from banks and borrowings from our Promoters.

Liquidity

Historically, our primary liquidity and capital requirements have been to finance our working capital needs for our operations. capital expenditures for upgrading of existing facilities, and the repayment of borrowings and debt service obligations. We have met these requirements through cash flows from operations, short- and long-term borrowings from banks, overdraft facilities that are repayable on demand, cash and cash equivalents and equity and other financing provided by our shareholders. We have also entered into various revolving credit and other working capital facilities, which provides sufficient liquidity for our present requirements.

As at March 31, 2023, we had ₹293.79 million in cash and cash equivalents, ₹3.83 million in other bank balances and ₹2,451.55 million in net trade receivables (current). We believe that, after taking into account the expected cash to be generated from operations, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for 12 months following the date of this Draft Red Herring Prospectus.

Cash Flows

The following table summarizes our cash flows for Fiscal 2023, Fiscal 2022 and Fiscal 2021, as per the Restated Consolidated Financial Information:

(₹ in millions)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash generated from operating activities	1,412.53	778.25	1,866.64
Net cash (used in) investing activities	(1,390.40)	(1,280.29)	(1,552.65)
Net cash (used in)/generated from financing activities	129.56	458.42	(383.63)
Net increase/(decrease) in cash and cash equivalents	151.70	(43.63)	(69.64)
Cash and cash equivalents at the beginning of the year	142.10	185.72	255.36
Cash and cash equivalents at the end of the year	293.79	142.10	185.72

Cash flows generated from operating activities

Net cash generated from operating activities was ₹1,412.53 million for Fiscal 2023. While our profit before tax was ₹1,541.55 million, we had operating profit before working capital changes of ₹1,927.97 million, which was primarily due to non-cash adjustments for depreciation and amortization expenses of ₹506.66 million and finance cost of ₹140.96 million, which were partially offset by transfer to reserve & FCTR adjustment of ₹(148.02) million and unrealized profit on stocks of ₹(101.10) million. Our working capital adjustments for Fiscal 2023 primarily consisted of increases in inventories of ₹(305.57) million and other current assets of ₹(145.57) million and a decrease in trade & other payables of ₹(228.21) million, which were partially offset by a decrease in trade receivables of ₹297.55 million and an increase in other current liabilities of ₹106.99 million. Our cash generated from operations after changes in working capital was ₹1,691.00 million, adjusted by direct taxes paid (net of refunds) of ₹(278.47) million.

Net cash from operating activities was ₹778.25 million for Fiscal 2022. While our profit before tax was ₹1,120.05 million, we had operating profit before working capital changes of ₹1,696.97 million, which was primarily due to non-cash adjustments for depreciation and amortization expenses of ₹541.49 million, finance cost of ₹94.42 million and transfer to reserve & FCTR adjustment of ₹37.99 million, which were partially offset by an adjustment for unrealized profit on stocks of ₹(58.04) million. Our working capital adjustments for Fiscal 2022 primarily consisted of an increases in trade receivables of ₹(852.54) million, in inventories of ₹(224.27) million and in other current assets of ₹(159.44) million, which were partially offset by increases in trade & other payables of ₹409.99 million and in other current liabilities of ₹69.13 million. Our cash generated from operations was ₹951.91 million, adjusted by direct taxes paid (net of refunds) of ₹(173.66) million.

Net cash from operating activities was ₹1,866.64 million for Fiscal 2021. While our profit before tax was ₹1,117.14 million, we had operating profit before working capital changes of ₹1,398.26 million, which was primarily due to non-cash adjustments for depreciation and amortization expenses of ₹420.29 million and finance cost of ₹88.67 million, which were partially offset by adjustments for transfer to reserve & FCTR adjustment of ₹(197.49) million and unrealized profit on stocks of ₹(34.42) million. Our working capital adjustments for Fiscal 2021 primarily consisted of a decrease in trade receivables of ₹337.37 million, a decrease in other current assets of ₹353.16 million and an increase in trade & other payables of ₹205.88 million, which were partially offset by an increase in inventories of ₹(271.85) million. Our cash generated from operations was ₹2,177.64 million, adjusted by direct taxes paid (net of refunds) of ₹(310.99) million.

Cash flows (used in) investing activities

Net cash used in investing activities was ₹(1,390.40) million for Fiscal 2023 primarily due to payments for the purchase of property, plant and equipment/intangible assets in the amount of ₹(1,402.90) million, consisting of plant and machinery, building, office equipment, furniture, software and capital work-in-progress, in connection with the ongoing capacity expansion of the Company's and SPL Europe LLC's facilities.

Net cash used in investing activities was ₹(1,280.29) million for Fiscal 2022, primarily due to payments for the purchase of property, plant and equipment/intangible assets in the amount of ₹(1,123.03) million, consisting of plant and machinery, building, office equipment, furniture, software and capital work-in-progress, and the purchase of investments in the amount of ₹(168.40) million, in connection with the ongoing capacity expansion of the Company's and SPL Europe LLC's facilities.

Net cash used in investing activities was ₹(1,552.65) million for Fiscal 2021, primarily due to payments for the purchase of property, plant and equipment/intangible assets in the amount of ₹(1,579.37) million, consisting of plant and machinery, building, office equipment, furniture, software and capital work-in-progress, in connection with the ongoing capacity expansion of the Company's and SPL Europe LLC's facilities.

Cash flows used in / generated from financing activities

Net cash generated from financing activities was ₹129.56 million for Fiscal 2023, due to proceeds from short-term borrowings (net) of ₹270.52 million, which was partially offset by finance cost of ₹(140.96) million.

Net cash generated from financing activities was ₹458.42 million for Fiscal 2022, due to proceeds from short-term borrowings (net) of ₹1,206.53 million, which was partially offset by a repayment of long-term borrowings (net) of ₹(653.69) million and finance cost of ₹(94.42) million.

Net cash used in financing activities was ₹(383.63) million for Fiscal 2021, due to the repayment of short-term borrowings (net) of ₹(404.59) million and finance cost of ₹(88.67) million, which were partially offset by proceeds from long-term borrowings (net) of ₹109.63 million.

Capital and Other Commitments

As at March 31, 2023, March 31, 2022 and March 31, 2021, we had no capital or other commitments, as per the Restated Consolidated Financial Information.

Lease Liabilities

We enter into agreements for leasing and subleasing of land and office premises. The land lease for our Dahej SEZ (Gujarat) facility is subleased until 2040.

The following table sets forth a summary of our lease liabilities as of March 31, 2023, March 31, 2022 and March 31, 2021, as per the Restated Consolidated Financial Information, broken down by maturity:

(₹ in millions)

Particulars	As at March 31,		
	2023	2022	2021
Less than 1 year	0.05	0.02	0.02
1-5 years	0.30	0.13	0.10
More than 5 years	1.82	0.96	1.01
Total	**2.17**	**1.11**	**1.13**

Capital Expenditure

Capital expenditure consists primarily of investments in our office and manufacturing facilities and purchases of motor vehicles, furniture and fixtures and office equipment. We also make investments at our buildings and manufacturing facilities to add new technologies, upgrade and modernize facilities and expand our product lines. Capital expenditure will vary from year to year depending upon a number of factors, including the need to replace equipment and the timing of certain projects, such as investment in new technologies.

The following table summarizes our capital expenditure for Fiscal 2023, Fiscal 2022 and Fiscal 2021:

(₹ in millions)

Particulars	Fiscal		
	2023	2022	2021
Property, Plant and Equipment	466.31	571.27	1,417.06
Increase (decrease) in Capital Works-in-Progress (closing minus opening) during the year	813.89	296.11	(80.97)
Electrical Installations	-	10.02	5.26
Increase (decrease) in Capital advance (closing minus opening) during the year	(31.16)	40.19	-
Computers	1.63	0.71	0.66
Furniture and Fixtures	3.75	8.87	0.16
Office Equipment	11.13	4.62	1.60
Vehicles	42.60	6.55	17.09
Buildings	96.60	85.70	216.30
Total Capital Expenditure	**1,404.77**	**1,024.04**	**1,577.15**

For Fiscal 2023, we added fixed assets of property, plant and equipment of ₹1,404.77 million, primarily for plant and equipment of ₹466.31 million, buildings of ₹96.60 million, and vehicles of ₹42.60 million, increased capital work-in-progress by ₹813.89 million and decreased capital advances by ₹31.16 million.

For Fiscal 2022, we added fixed assets of property, plant and equipment of ₹1.024.04 million, primarily for plant and equipment of ₹571.27 million and buildings of ₹85.70 million, increased capital work-in-progress by ₹296.11 million and increased capital advances by ₹40.19 million.

For Fiscal 2021, we added fixed assets of property, plant and equipment of ₹1,577.15 million, primarily for plant and equipment of ₹1,417.06 million and buildings of ₹216.30 million.

Contingent Liabilities

The following table sets forth certain information relating to our contingent liabilities and claims against us, to the extent provided for, as at March 31, 2023, March 31, 2022 and March 31, 2021, as determined in accordance with Ind AS 37, as per the Restated Consolidated Financial Information:

(₹ in millions)

Particulars		As at March 31,		
		2023	2022	2021
(i)	In respect of bank guarantees & LC's issued by banks on behalf of the Group	147.44	232.40	523.67
(ii)	In respect of income tax liability that may arise for which the Group is in appeal	114.50	110.43	33.69
(iii)	In respect of sales tax/VAT/GST	101.20	-	4.90
(iv)	In respect of corporate guarantees	1,541.70	1,541.70	-
(v)	Claims against the Group not acknowledged as debt	-	4.17	5.54
(vi)	In respect of others	-	-	-
Total		**1,904.84**	**1,888.70**	**567.80**

For details, see *"Restated Consolidated Financial Information– Notes forming part of the Restated Consolidated Financial Statements – Note 42 – Contingent Liabilities and Commitments"* on page 312.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Related Party Transactions*" on page 347.

Quantitative and Qualitative Analysis of Market Risks

The Group's principal financial liabilities comprise of trade and other payables. The Group's financial assets include trade and other receivables, and cash & cash equivalents that it derives directly from its operations.

The Group is exposed to a variety of risks, namely market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by the Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the Group. This provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors determines and regularly reviews risk management policies, which are summarized below:

Market Risk

Market risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Interest Rate Risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rate. The exposure of the Group's financial liabilities to the interest rate risk is as follows:

(₹ in millions)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Closing Balance of Borrowings	3,471.14	3,206.21	2,652.42
Sensitivity analysis of impact on profit or loss due to change in interest rate:			
Increase by 1%	(34.71)	(32.06)	(26.52)
Decrease by 1%	34.71	32.06	26.52

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities at the end of the respective reporting periods:

Year ended March 31, 2023

Particulars	Currency	Foreign Currency in Millions	INR in Millions	Impact on Profit	
				1% Increase in	1% Decrease in
Financial Assets	US Dollar (USD)	20.61	1,693.63	16.94	(16.94)
Financial Assets	Euro (EUR)	-	-	-	-
Financial Assets	Hungarian Forint (HUF)	2,017.43	474.10	4.74	(4.74)
Financial Liabilities	US Dollar (USD)	24.88	2,044.49	(20.44)	20.44
Financial Liabilities	Euro (EUR)	0.04	3.43	(0.03)	0.03
Financial Liabilities	Hungarian Forint (HUF)	10,155.17	2,386.46	(23.86)	23.86

Year ended March 31, 2022

Particulars	Currency	Foreign Currency in Millions	INR in Millions	Impact on Profit	
				1% Increase in	1% Decrease in
Financial Assets	US Dollar (USD)	18.41	1,395.36	13.95	(13.95)
Financial Assets	Euro (EUR)	-	-	-	-
Financial Assets	Hungarian Forint (HUF)	3,318.31	758.90	7.59	(7.59)
Financial Liabilities	US Dollar (USD)	22.34	1,693.61	(16.94)	16.94
Financial Liabilities	Euro (EUR)	0.10	8.66	(0.09)	0.09
Financial Liabilities	Hungarian Forint (HUF)	9,356.51	2,139.83	(21.40)	21.40

Year ended March 31, 2021

Particulars	Currency	Foreign Currency in Millions	INR in Millions	Impact on Profit	
				1% Increase in	1% Decrease in
Financial Assets	US Dollar (USD)	13.96	1,020.41	10.20	(10.20)
Financial Assets	Euro (EUR)	-	-	-	-
Financial Assets	Hungarian Forint (HUF)	1,786.46	423.39	4.23	(4.23)
Financial Liabilities	US Dollar (USD)	14.11	1,031.95	(10.32)	10.32
Financial Liabilities	Euro (EUR)	0.00	0.29	(0.00)	0.00
Financial Liabilities	Hungarian Forint (HUF)	7,051.17	1,671.13	(16.71)	16.71

Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables for investments in debt oriented mutual funds and other financial instruments caused by factors specific to an individual investment, its issuer and market. The Group's exposure to price risk arises from diversified investments in mutual funds, preference shares and other equity instruments and classified in the balance sheet at fair value.

The exposure of the Group's investments to price risk is as follows:

(₹ in millions)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Closing Balance of Investments at Fair Value through Profit or Loss (Investment in Unquoted Mutual Funds)		17.56	16.99
Sensitivity analysis of impact on profit or loss due to changes in prices of investments:			
Increase by 5%	-	0.88	0.85
Decrease by 5%	-	(0.88)	(0.85)
Closing Balance of Investments at Fair Value through Other Comprehensive Income (Investment in Unquoted Preference Shares)	9.53	9.53	0.52
Sensitivity analysis of impact on other comprehensive income due to changes in prices of investments:			
Increase by 5%	0.48	0.48	0.03
Decrease by 5%	(0.48)	(0.48)	(0.03)

Commodity Risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of pharmaceutical ingredients, including the raw material components for such pharmaceutical ingredients. These are commodity products, which prices may fluctuate significantly over short periods of time. Cost of raw materials forms the largest portion of the Group's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2023, March 31, 2022 and March 31, 2021, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amounts of financial assets represent the maximum credit risk exposure. Credit risk assessment on various components is described below:

Trade receivables

The exposure to credit risk on trade receivables and amounts due from related parties is monitored on an ongoing basis by our management. Trade receivables were outstanding from few customers and hence the Group has concentration of trade receivables and consequential risk to that extent. The Group measures the expected credit loss of trade receivables based on historical trends, industry practices and the business environment in which the Group operates. Loss rates are based on actual credit loss experience and past trends.

Although the following year-end or period-end trade receivables are overdue, they are expected to be realized in the normal course of business. Accordingly, they are not considered impaired as at March 31, 2023, March 31, 2022 and March 31, 2021.

(₹ in millions)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Past due but not impaired:			
0-6 months	2,420.06	2,701.97	1,868.43
6 months – 12 months	30.16	65.07	47.63
More than 12 months	1.33	4.12	2.55
Total	2,451.55	2,771.16	1,918.61

Details of allowances for expected credit losses are provided hereunder:

(₹ in millions)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
At the beginning of the year	6.10	6.10	-
Additions during year	0.58	-	6.10
Adjustments during the year	(3.55)	-	-
Transfer on account of disposal of subsidiary*	(1.51)	-	-
Total	1.61	6.10	6.10

* See "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 52 – Loss of Control*" on page 336.

Cash and cash equivalents, bank deposits and investments

The Group maintains its cash and cash equivalents, bank deposits and investment with reputable banks, financial institutions, and corporates. Our management considers that the credit risk on these instruments is limited, as the counterparties are banks and high credit rated financial institutions and corporates assigned by credit rating agencies.

Other financial assets

Other financial assets consist of loans and advances given to employees and security deposits given to lessors as well as to utility providers such as electricity companies. These carry limited credit risk based on the financial position of parties and Group's historical experience of dealing with these parties.

Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group follows a conservative policy of ensuring sufficient liquidity at all times through a strategy of profitable growth, efficient liquidity at all times through a strategy of profitable growth, efficient working capital management as well as prudent capital expenditure. The Group has an overdraft facility with banks to support any temporary funding requirements.

The Group has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring cash flows, and matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

<u>As at March 31, 2023</u>

(₹ in millions)

Particulars	Less than 1 Year	More than 1 Year	Total
Borrowings	3,019.95	451.19	3,471.14
Lease liabilities	0.05	2.12	2.17
Trade payables	1,223.01	-	1,223.01
Other financial liabilities	-	-	-
Total	4,243.01	453.31	4,696.33

As at March 31, 2022

(₹ in millions)

Particulars	Less than 1 Year	More than 1 Year	Total
Borrowings	2,582.14	624.07	3,206.21
Lease liabilities	0.02	1.08	1.11
Trade payables	1,461.75	-	1,461.75
Other financial liabilities	-	55.00	55.00
Total	4,043.91	680.15	4,724.07

As at March 31, 2021

(₹ in millions)

Particulars	Less than 1 Year	More than 1 Year	Total
Borrowings	1,374.66	1,277.76	2,652.42
Lease liabilities	0.02	1.11	1.13
Trade payables	1,051.76	-	1,051.76
Other financial liabilities	-	55.00	55.00
Total	2,426.44	1,333.87	3,760.31

Fair value measurements

Fair value of the Group's financial assets and financial liabilities are measured at fair value on a recurring basis.

Financial Assets and Financial Liabilities measured at fair value in the Balance sheet are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
The Group uses the following hierarchy for determining and/or disclosing the fair value of financial assets by valuation techniques:

As at March 31, 2023

(₹ in millions)

Particulars	Date of Valuation	Fair Value as at March 31, 2023	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets					
Investments	March 31, 2023	9.53	-	-	9.53

As at March 31, 2022

(₹ in millions)

Particulars	Date of Valuation	Fair Value as at March 31, 2022	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets					
Investments	March 31, 2022	27.09	-	17.56	9.53

As at March 31, 2021

(₹ in millions)

Particulars	Date of Valuation	Fair Value as at March 31, 2021	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets					
Investments	March 31, 2021	17.51	-	16.99	0.52

The carrying amount of financial assets and liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values, since the Group does not anticipate that the carrying amounts will be significantly different from the values that would eventually be received or settled.

Reservations, Qualifications and Adverse Remarks Included in Financial Statements

There have been no reservations, qualifications or adverse remarks of, or matters of emphasis highlighted by, our Statutory Auditors in their examination report on the Restated Consolidated Financial Information, except as disclosed below:

As at and for the year ended March 31,	Paragraph No	Emphasis of Matter Paragraphs
2021	7	We draw attention to the Note No. 55 of the Special Purpose Ind AS Consolidated Financial Statements as under: *"While preparing the Special Purpose Standalone Financial Statement for FY 2020-21 of the Subsidiary Company SPL Europe LLC (formerly known as Kis Chemicals Manufacturing and Mercantile LLC) the management has not provided the Unrealised Foreign Exchange Loss amounting to Rs. 23.92 Million."* In relation to the above, we draw attention to Note 60 to the Restated Consolidated Financial Information of the Group. The Company has corrected the said prior period errors in respect of the matter more fully described in that note, by restating the amounts for the year ended March 31, 2021 in accordance with IND AS 8, "Accounting Policies, Change in Accounting Estimates and Errors". Our opinion on the Restated Consolidated Financial Information is not modified in respect of this matter.

The Statutory Auditors' examination report on the Restated Consolidated Financial Information does not contain any qualifications requiring adjustments. However, certain other matters are disclosed in Note 50 of Annexure VI to the Restated Consolidated Financial Information in respect of qualifications issued under Companies (Auditor's Report) Order, 2020 (herein after referred to as "CARO 2020 Order") on the financial statements for the year ended March 31, 2023 and March 31, 2022, which do not require any adjustments in the restated consolidated financial information. Please see "*Risk Factors – Our Statutory Auditors have included an emphasis of matter and certain CARO qualifications in our Restated Consolidated Financial Information*", on page 253 and "*Restated Consolidated Financial Information – Note 50 – Statement of Restatement Adjustments to Restated Consolidated Financial Information – Part B: Non-Adjusting Events*" on page 332.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions, including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc., that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Principal Factors Affecting our Results of Operations*" above and the uncertainties described in "*Risk Factors*" on page 28. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have had, or are expected to have, a material impact on our business or results of operations.

Future Relationship between Cost and Revenue

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 28, 180 and 349, respectively, including the disclosure regarding the impact of COVID-19 on our operations, to the knowledge of our management, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

New Products or Business Segments

Other than as disclosed in this section and in "*Our Business*" on page 180, as on the date of the Draft Red Herring Prospectus, there are no new products or business segments that have had or are expected to have a material impact on our business prospects, results of operations or financial condition.

Significant Dependence on Single or Few Customers

Given the nature of our business operations, we do not believe our business is dependent on any single or few customers.

Seasonality of Business

We are dependent on the sale of our chemical products for the agrochemical industry, and our revenues are impacted by trends in agrochemicals. Agrochemical customers and our business are sensitive to weather conditions, such as drought, floods, cyclones and natural disasters, as well as events such as pest infestations. Sales of agrochemical products are seasonal due to the occurrence of monsoons, with the demand generally higher during the monsoon season in India and other jurisdictions where our products are exported. The lack of monsoons in a particular year may result in the decline in demand for our products. Accordingly, our results of operations could be affected by weather conditions in the agricultural regions in which our products are used. As a result of such seasonal fluctuations, our revenue from sales of agrochemical products may vary by fiscal quarter and may not be relied upon as indicators of the sales revenue or results of operations of other fiscal quarters, or of our future performance.

Competitive Conditions

We operate in a competitive environment and expect competition in our industry from existing and potential competitors to intensify. Please refer to "*Our Business*", "*Industry Overview*", "*Risk Factors*" and "*Principal Factors Affecting our Results of Operations*" above on pages 180, 119, 28, 351, respectively, for further information on our industry and competition.

Significant developments subsequent to March 31, 2023

Except as set out in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Our Company avails credit facilities in the ordinary course of business for the purposes of *inter alia* capital expenditure, working capital and other business requirements. These credit facilities include, *inter alia,* secured and unsecured working capital demand loans, and secured term loans in India.

Our Board is empowered to borrow money in accordance with Sections 179 and 180 of the Companies Act and our Articles of Association. For details regarding the borrowing powers of our Board, see "*Our Management-Borrowing Powers*" on page 230.

The details of aggregate outstanding borrowings of our Company (on a consolidated basis) as on June 30, 2023, are set forth below:

(in ₹ million, unless otherwise stated)

Category of borrowing	Sanctioned amount as on June 30, 2023*	Outstanding amount as on June 30, 2023*
Borrowings of our Company		
Secured		
Fund based facilities		
Term Loans	598.00	162.69
PCFC#	2,700.00	1,540.22
Sub- total	**3,298.00**	**1,702.91**
Non- fund-based facilities		
Letter of credit#	-	52.80
Bank guarantee#	-	11.60
Sub-total	-	**64.40**
Grand Total	**3,298.00**	**1,767.31**
Borrowings of our Subsidiaries		
Secured		
Fund based facilities		
Term Loans	2,203.77	972.65
Working Capital Loans	801.50	769.18
Bank Overdraft	118.06	114.74
Sub-total	**3,123.33**	**1,856.57**
Non- fund-based facilities		
Bank Guarantee	84.00	29.14
Sub-total	**84.00**	**29.14**
Grand Total	**3,207.33**	**1,885.71**

**As certified by Talati & Talati LLP, Chartered Accountants, pursuant to their certificate dated August 21, 2023*
 # The sanctioned limit of ₹ 2700.00 million is interchangeable between PCFC, letter of credit and bank guarantee

Further, for further details of our outstanding borrowings as on March 31, 2023, see section titled "*Financial Information*" on page 253.

In relation to the Offer, our Company has obtained the necessary consents from the lenders, required under the relevant loan documentation, for undertaking activities in relation to the Offer and in connection thereto.

Principal terms of the borrowings currently availed by our Company and Subsidiaries

Brief details of the terms of our various borrowing arrangements are provided below and there may be similar/ additional terms, conditions and requirements under the borrowing arrangements entered into by our Company and Subsidiaries with their lenders:

1. ***Interest:*** The applicable rate of interest for the working capital facilities availed by us are typically have floating rates of interest linked to a base rate, as specified by respective lenders with a spread and are subject to mutual discussions between the relevant lenders and our Company. The rate of interest for the term loans availed by our Company ranges from between 7.45% and 10.10% per annum. The interest for working capital loans availed by SPL Europe LLC ranges between 0.95% and 1.80% per annum.

   Tenor: The tenor of the working capital facilities availed by our Company typically ranges from a period of 90 days to 180 days, whereas the term loan facilities availed by our Company typically has a tenor of 48 months to 72 months. In certain cases, the tenure of the term loan facilities also includes moratorium period of one to two years.

2. ***Security:*** In terms of our secured borrowings, we are required to, *inter alia*:

(a) furnish personal guarantees by our Promoters;
(b) create charge on immovable fixed assets;
(c) create charge on all current assets (present and future) and movable fixed assets of the Company;

There may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

3. ***Re-payment:*** The working capital facilities availed by us are typically repayable on demand or on their respective due dates within the maximum tenure. Our term loan facilities are repayable in quarterly instalments as per the repayment schedule stipulated in the relevant loan documentation.

4. ***Pre-payment:*** Our working capital borrowing and term loan arrangements stipulate prepayment charges of up to 2% - 3% of the sanction amount being prepaid or principal outstanding, or as mutually agreed between parties.

5. ***Key Covenants:*** Certain of our borrowing arrangements provide for covenants restricting certain corporate actions, and we are required to take the prior approval of the lender before carrying out such activities.

For instance, certain corporate actions for which we require the prior written consent from the relevant lender include:

(a) effecting any change in ownership, equity, control, constitution and operating structure of the Company;

(b) effecting any changes to its capital structure or shareholding pattern, management, change practice with regard to remuneration of directors;

(c) entering into any merger, amalgamation or consolidation or formulating any scheme of reconstruction, arrangement or compromise for the benefit of its creditors, sell, less or transfer all or a portion of its undertaking, division, fixed assets or revalue them;

(d) making any amendment in the constitutional documents of our Company;

(e) undertake any new project, implement any scheme of expansion/diversification or capital expenditure or acquired fixed assets;

(f) declaring or paying dividend;

(g) further investment in capital expenditure by our Company, except out of our internal accruals or undertake any augmentation, diversification, modernisation or expansion or otherwise make any material change to the scope of its business or operations; and

(h) approach capital markets for mobilising resource either in the form of debt or equity.

6. ***Events of Default:*** The borrowing arrangements entered into by us with the lender contains certain instances, occurrence of which may result into 'event of default', including:

(a) failure or delay in making payment/repayment of any principal amount or interest on the relevant due dates;

(b) failure to observe or comply with the terms, conditions, breach of ownership, financial, performance, security or other covenants, breach of representations, warranties under the borrowing arrangement;

(c) utilisation of the facilities or any part thereof for purposes other than as sanctioned by the lender;

(d) restructuring or re-organisation of our Company without prior consent of the lender;

(e) failure to create security or if the security tendered or charges thereon becomes wholly or partially invalid or unenforceable for any reason;

(f) Deterioration or impairment of security or non-creation of security;

(g) breach or default under any other agreement involving borrowing of money or extension of credit by the Company or breach of performance of obligations by guarantor; and

(h) any circumstance or event which would or is likely to prejudicially or have a material adverse effect in any manner the capacity of our Company to repay any loans or any part thereof.

This is an indicative list and there may be additional instances that may amount to an event of default under the various borrowing arrangements entered into by our Company.

7. ***Consequences of events of default:*** In terms of our borrowing arrangements, as a consequence of occurrence of events of default, our lender may:

(a) disclose the name of the Company and its directors as defaulters in such manner in their absolute discretion may think fit;

(b) demand repayment and withdraw the facility notwithstanding any covenant to the contrary in the relative security documents;

(c) impose penal interest;

(d) invoke the guarantees;

(e) appointment of a nominee director on our Board;

(f) initiate proceedings/actions/steps for recovery of dues and/or enforce the security; and

(g) exercise any of the rights/remedies available to the lender under the SARFAESI Act and/or Insolvency and Bankruptcy Code, 2016 against the borrower or any of its assets; and

(h) securitise the security and/or any receivables of the Company.

The above is an indicative list and there may be additional consequences of an event of default under the various borrowing arrangements entered into by us.

For further details of financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factors – We have incurred significant indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition"* on page 45.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no pending: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; and (iv) any other pending litigation which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below), in each case involving our Company, Subsidiaries, Directors or Promoters (collectively the "**Relevant Parties**"). Further, there are no (a) disciplinary actions (including penalties imposed) initiated by SEBI or a recognized stock exchange against our Promoters in the last five Fiscals immediately preceding the date of this Draft Red Herring Prospectus, including any outstanding action; and (b) pending litigation involving our Group Companies which may have a material impact on our Company.*

For the purpose of (iv) above, our Board in its meeting held on June 9, 2023 has considered and adopted the Materiality Policy for identification of material outstanding litigation involving Relevant Parties. In accordance with the Materiality Policy, all pending litigation (other than litigations mentioned in points (i) to (iii) above) involving the Relevant Parties would be considered 'material': (a) if the aggregate monetary claim made by or against the Relevant Parties, in any such pending litigation is equal to or in excess of 1% of the profit after tax of our Company, on a consolidated basis, for the last completed financial year as per the Restated Consolidated Financial Information, being ₹11.66 million; or (b) if the monetary liability involved in the litigation is not quantifiable or does not fulfil the threshold specified in (a) above but the outcome of such litigation, could have a material adverse effect on the financial position, business, operations, performance, prospects or reputation of our Company, in the opinion of our Board; or (c) if the decision in one litigation is likely to affect the decision in similar litigations such that the cumulative amount involved in such litigations exceeds the materiality threshold as specified in (a) above, even though the amount involved in an individual litigation may not exceed the materiality threshold as specified in (a) above.

For the purposes of the above, pre-litigation notices received by the Relevant Parties or Group Companies from third parties (excluding those notices issued by statutory or regulatory or governmental or taxation authorities to the Relevant Parties) have not and shall not, unless otherwise decided by our Board, be considered material until such time the Relevant Party or Group Company is impleaded as a party in litigation before any judicial or arbitral forum.

*Further, in accordance with the Materiality Policy, our Company has considered such creditors 'material' to whom the amount due is equal to or in excess of 5% of the consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Information. The consolidated trade payables of our Company as on March 31, 2023 were ₹1,223.01 million. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹61.15 million (being 5% of the consolidated trade payables) as on March 31, 2023 ("**Material Creditor**").*

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 INVOLVING OUR COMPANY

I. Litigation by our Company

Criminal proceedings by our Company

(a) There are 15 cases filed by our Company, under Section 138 of the Negotiable Instruments Act, 1881, in relation to dishonour of cheques received from *inter alia* our customers to whom products were supplied by us. The total amount involved in all these matters is of ₹12.07 million. These matters are currently pending at various stages.

Other material proceedings by our Company

There are no material proceedings initiated by our Company.

II. Litigation against our Company

Criminal proceedings against our Company

There are no criminal proceedings initiated against our Company.

Actions by statutory or regulatory authorities against our Company

(a) Gujarat Pollution Control Board ("**GPCB**") conducted an inspection of our manufacturing facility located at Dahej ("**Dahej Unit**") on April 11, 2021 and issued a report with certain observations including (i) immediately removing a by-pass line from effluent treatment plant ("**ETP**") collection tank to final treated tank; and (ii) immediately stopping live acidic discharge from the Dahej Unit into the GIDC line ("**Inspection Report**"). While our Company filed a reply dated April 12, 2021 providing clarifications and confirming that corrective actions have been taken to ensure compliance with each of the observations in the Inspection Report, GPCB issued a direction dated May 7, 2021 under the provisions of the Water (Prevention and Control of Pollution) Act, 1974 *inter alia* to (i) prohibit manufacturing activity at the Dahej Unit w.e.f. June 30, 2021; (ii) stop the operation of DG set and operation of the industrial plant w.e.f. June 30, 2021; and (iii) the concerned authority to stop supply of electricity and water w.e.f. June 30, 2021 ("**Closure Order**"). Subsequently, our Company submitted an application dated May 21, 2021 to the GPCB for revocation of Closure Order, with an undertaking that the directions issued by the GPCB have been complied w.e.f. April 11, 2021 and a bank guarantee of ₹1.50 million. GPCB conducted an inspection of the Dahej Unit on June 1, 2021 and observed *inter alia* that (i) the previously observed by-pass line from collection tank to final treated holding tank is removed; (ii) all sections of ETP are in operation; and (iii) pH 7.4 COD for treated wastewater discharged from the Dahej Unit in GIDC line, is within consented limit. Accordingly, *vide* order dated June 29, 2021, GPCB granted a temporary stay on the Closure Order for three months ("**Stay Order**"). Prior to the expiry of the Stay Order, our Company filed an application dated August 28, 2021 to the GPCB to issue a permanent revocation order on the Closure Order. GPCB, *vide* order dated June 29, 2022, granted a temporary stay on the Closure Order for three months. Thereafter, pursuant to our application dated September 7, 2022 and *vide* its order dated January 5, 2023, GPCB granted another temporary stay on the Closure Order for three months and recently, pursuant to our application dated March 23, 2023 and *vide* order dated June 8, 2023, GPCB granted another temporary stay on the Closure Order for six months which is currently in effect. The matter is currently pending. For details related to the risks associated with the Closure Order, see "*Risk Factors- We have in the past received closure notice from Gujarat Pollution Control Board for our manufacturing facilities at Luna and Dahej SEZ in Gujarat*" on page 34.

(b) An original application was filed on August 3, 2021 by Aryavart Foundation ("**Applicant**") against Hemani Industries Limited ("**HIL**"), Gujarat Pollution Control Board ("**GPCB**"), Central Pollution Control Board ("**CPCB**") and certain other governmental/ statutory authorities before the National Green Tribunal, Western Zone bench, Pune ("**NGT**") wherein the Applicant claimed that HIL is operating its unit without complying with the various conditions imposed on them. The NGT, *vide* order dated 4 October 2021, directed GPCB and CPCB to initiate inspection of industrial units which fall under the 'red category' in the industrial estate maintained by Gujarat Industrial Development Corporation ("**GIDC**") and to *inter alia* ascertain whether they discharge untreated/partly treated effluents into the sewage treatment plant maintained by GIDC. Accordingly, GPCB conducted tests at our manufacturing facility located at Dahej ("**Dahej Unit**") on November 10, 2021 and November 26, 2021. The NGT, *vide* order dated February 2, 2022, took on record the report of CPCB and GPCB which included the findings on the inspection of 34 industries carried out by them and majority of the industries were found to be non-compliant with the terms and conditions of the consolidated consent and authorisation. Further, an environment damage compensation ("**EDC**") of ₹31 million was estimated to be paid by the Dahej Unit. Thereafter, GPCB issued a direction dated March 5, 2022 to the Dahej Unit, setting out their observations *inter alia* that (a) the sample collected from the final discharge point exceeds the discharge standard prescribed by GPCB; and (b) unit was discharging wastewater into GIDC drainage system during shutdown period of drainage network by GIDC and directed the Dahej Unit *inter alia* to (a) carry out proper effluent stream segregation; (b) practice only single treated industrial effluent discharge point; and (c) pay EDC as and when communicated by GPCB ("**GPCB Direction**"). Our Company filed a reply dated March 8, 2022 to the GPCB Direction and clarified *inter alia* that (a) COD values (discharge norms) had changed due to the malfunctioning of the tube settler, which is used for separation of biomass after biological reactor, and which was immediately replaced by our Company; and (b) wastewater was discharged into the GIDC drainage system during shutdown period due to a miscommunication.

A joint committee report dated June 10, 2022 was submitted to the NGT, wherein the EDC payable by the Dahej Unit was computed at ₹31 million. The NGT, *vide* order dated July 6, 2022, directed defaulting industries to place their objections, if any, to the computation of EDC before the GPCB post which the GPCB was directed to submit an updated report which will be taken on record by the NGT. Our Company filed a reply dated July 21, 2022 and contended *inter alia* that (a) the treated liquid effluent is discharged into the common pipeline laid down by GIDC leading to GIDC pumping station because the common ETP is not fully functional; (b) the committee has not attempted at determining actual quantum of damage to environment and cost of its remediation; and (c) our Company has paid EDC for the environmental incident on April 11, 2021 and accordingly, it is not liable for penalty for five years. The matter is currently pending.

Other material proceedings against our Company

There are no material proceedings initiated against our Company.

Tax proceedings involving our Company

Nature of case	Number of cases	Amount in dispute/demand (in ₹ million, to the extent quantifiable)
Direct tax	18	114.50
Indirect tax	1	101.20
Total	**19**	**215.70**

B. LITIGATION INVOLVING OUR SUBSIDIARIES

I. Litigation by our Subsidiaries

Criminal proceedings by our Subsidiaries

There are no criminal proceedings initiated by our Subsidiaries.

Other material proceedings by our Subsidiaries

There are no material proceedings initiated by our Subsidiaries.

II. Litigation against our Subsidiaries

Criminal proceedings against our Subsidiaries

There are no criminal proceedings initiated against our Subsidiaries.

Actions by statutory or regulatory authorities against our Subsidiaries

There are no actions by statutory or regulatory authorities pending against our Subsidiaries.

Other material proceedings against our Subsidiaries

There are no material proceedings initiated against our Subsidiaries.

Tax proceedings involving our Subsidiaries

There are no tax proceedings involving our Subsidiaries.

C. LITIGATION INVOLVING OUR DIRECTORS

I. Litigation by our Directors

Criminal proceedings by our Directors

There are no criminal proceedings initiated by our Directors.

Other material proceedings by our Directors

There are no material proceedings initiated by our Directors.

II. Litigation against our Directors

Criminal proceedings against our Directors

There are no criminal proceedings initiated against our Directors.

Actions by statutory or regulatory authorities against our Directors

There are no actions by statutory or regulatory authorities pending against our Directors.

Other material proceedings against our Directors

There are no material proceedings initiated against our Directors.

Tax proceedings involving our Directors

Nature of case	Number of cases	Amount in dispute/demand (*in ₹ million, to the extent quantifiable*)
Rakesh Shiwebhagwan Agrawal		
Direct tax	2	258.75
Sivaraman Narayanaswami		
Direct tax	1	1.00
Jagmohan Manmohan Zalani		
Indirect tax	1	101.20
Total	**4**	**360.95**

D. LITIGATION INVOLVING OUR PROMOTERS

I. Litigation by our Promoters

Criminal proceedings by our Promoters

There are no criminal proceedings initiated by our Promoters.

Other material proceedings by our Promoters

There are no material proceedings initiated by our Promoters.

II. Litigation against our Promoters

Criminal proceedings against our Promoters

There are no criminal proceedings initiated against our Promoters.

Actions by statutory or regulatory authorities against our Promoters

There are no actions by statutory or regulatory authorities pending against our Promoters.

Other material proceedings against our Promoters

There are no material proceedings initiated against our Promoters.

Disciplinary actions including penalties imposed by SEBI or a recognised stock exchanges in the last five Fiscals

There are no disciplinary actions (including penalties imposed) initiated by SEBI or a recognised stock exchange against our Promoters in the last five Fiscals immediately preceding the date of this Draft Red Herring Prospectus, including any outstanding action.

Tax proceedings involving our Promoters

Except as disclosed in "-*Litigation involving our Directors- Tax proceedings involving our Directors*" on page 405, there are no tax proceedings involving our Promoters.

E. LITIGATION INVOLVING OUR GROUP COMPANIES

There are no pending litigations involving our Group Companies which may have a material impact on our Company.

F. OUTSTANDING DUES TO CREDITORS

As of March 31, 2023, outstanding dues to Material Creditors, micro, small and medium enterprises and other creditors is as follows:

Sr. No.	Type of creditor	No. of creditors	Amount involved (*in ₹ million*)
1.	Dues to micro, small and medium enterprises*	89	73.25
2.	Dues to Material Creditors	1	255.56
3.	Dues to other creditors	577	894.20
	Total	**667**	**1,223.01**

**As defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

The details pertaining to outstanding overdues to Material Creditors, along with the name and amounts involved for each such Material Creditor, are available on the website of our Company at https://www.shivapharmachem.com/other-information.aspx.

G. MATERIAL DEVELOPMENTS

Except as disclosed in "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on page 349, there have been no material developments, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, which materially and adversely affect, or are likely to affect our operations or profitability or the value of our assets or the ability to pay the liabilities of our Company, on a consolidated basis, within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, consents, licenses, registrations and permits issued by relevant governmental and regulatory authorities of the respective jurisdictions under various rules and regulations. Set out below is an indicative list of all material approvals, consents, licenses, registrations and permits obtained by our Company and our Material Subsidiaries, as applicable, for the purposes of undertaking their respective businesses and operations. Certain approvals, licenses, registrations and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures. Our Material Subsidiaries are required to obtain certain approvals in the ordinary course of business under applicable local laws. Except as disclosed in this section, no further material approvals are required for carrying on the present business operations of our Company and Material Subsidiaries. Unless otherwise stated, these material approvals are valid as on the date of this Draft Red Herring Prospectus.

We have also disclosed below the material approvals for which renewal applications have been made. As on the date of this Draft Red Herring Prospectus, there are no material approvals for which fresh applications/renewal applications are yet to be made. For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factors- We require various licenses and approvals for undertaking our businesses and the failure to obtain or retain such licenses or approvals in a timely manner, or at all, may adversely affect our business, results of operations and financial condition." on page 51.

For details in connection with the regulatory and legal framework within which our Company operates, see "Key Regulations and Policies in India" on page 206. For Offer related approvals, see "Other Regulatory and Statutory Disclosures- Authority for the Offer" on page 411 and for incorporation details of our Company and our Material Subsidiaries, see "History and Certain Corporate Matters-Brief history of our Company" and "Our Subsidiaries" on pages 213 and 220, respectively.

A. Material approvals in relation to our Company

Material approvals in relation to the business and operations of our Company

1. Consolidated consent and authorisation issued by Gujarat State Pollution Control Board issued under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016.

2. Environmental clearances issued by the Ministry of Environment, Forest and Climate Change, Government of India under the Environment Impact Assessment Notification, 2006.

3. Factory license issued by the Directorate Industrial Safety & Health, Gujarat under the Factories Act, 1948.

4. Permission for charging of diesel generator set issued by Office of the Electrical Inspector, Gujarat under the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010.

5. License for filling and storing hydrogen chloride and sulphur dioxide gases in cylinders issued by the Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry under the Gas Cylinder Rules, 2004.

6. License for filling and storing sulphur dioxide gas in cylinders issued by the Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry under the Gas Cylinder Rules, 2016.

7. License for storage of chlorine, sulphur dioxide and anhydrous hydrogen chloride gases in cylinders issued by the Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry under the Gas Cylinder Rules, 2016.

8. Permission to carry out periodic examination and testing of cylinders containing anhydrous hydrogen chloride and sulphur dioxide gases, issued by Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry under the Gas Cylinder Rules, 2016.

9. License for storage of sulphur dioxide gas in pressure vessels issued by the Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry under the Static and Mobile Pressure Vessels (Unfired) Rules, 2016.

10. License to import and store Class-A and Class-B petroleum, issued by the Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry under the Petroleum Act, 1934.

11. License to store a solvent, n-Hexane, issued by the District Magistrate under the Solvent, Raffinate and Slop (Acquisition, Sale, Storage and Prevention of use in Automobile) Order, 2000.

12. License for purchase, possession and use of methanol issued by the Office of the Superintendent of Narcotics and Excise under the Gujarat Prohibition Act, 1949.

13. License for acquisition, possession and use of sulphur issued by the Office of the District Magistrate under the Arms Act, 1959 and the Arms Rules, 2016.

14. License of manufacture for sale (or for distribution) of drugs (other than those specified in Schedule C, C(1) and X to the Drugs and Cosmetics Rules, 1945) issued by the Food & Drugs Control Administration, Gujarat under the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945.

15. Certificates of good manufacturing practices issued by the Foods & Drugs Control Administration, Gujarat under the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945.

16. Certificates of good laboratory practices issued by the Foods & Drugs Control Administration, Gujarat under the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945.

17. Certificate for use of boilers issued by the Gujarat Boilers Inspection Department under the Boilers Act, 1923.

18. Certificate of verification for weights or measures issued by the Office of the Controller, Legal Metrology, Gujarat under the Legal Metrology Act, 2009 and the Gujarat Legal Metrology (Enforcement) Rules, 2011.

19. No objection certificate for ground water abstraction issued by the Central Ground Water Authority, River Development & Ganga Rejuvenation, Department of Water Resources, Ministry of Jal Shakti, for the Luna Plant.

20. Industrial entrepreneurs memorandums acknowledged by Secretariat of Industrial Assistance, Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry.

21. Certificate of registration-cum-membership issued by the Basic Chemicals, Cosmetics and Dyes Export Promotion Council.

22. Importer exporter code issued by the Office of Joint Director General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry under the Foreign Trade (Development and Regulation) Act, 1992.

23. Advance authorisation licenses issued by the Office of the Joint Director General of Foreign Trade, Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry.

24. UN certifications issued by the Indian Institute of Packaging, Ministry of Commerce & Industry under the International Maritime Dangerous Goods Code, Volume-I for the transportation of certain chemicals.

25. Authorised Economic Operator- T1 certificate issued by the Directorate of International Customs, Central Board of Indirect Taxes and Customs, Ministry of Finance.

26. Letter of approval issued by the Office of the Development Commissioner, Dahej Special Economic Zone, Ministry of Commerce & Industry under the Special Economic Zones Act, 2005, for the manufacturing facility located in Dahej.

27. Registration-cum-membership certificate issued by the Export Promotion Council for EOUs & SEZs, Ministry of Commerce & Industry, for the manufacturing facility located in Dahej.

28. Permission for direct port delivery facility, granted by the Jawaharlal Nehru Port Trust, Government of India.

Material labour/employment related approvals

1. Registration under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, issued by the Employees' Provident Fund Organisation.

2. Registration under the Employees' State Insurance Act, 1948, issued by the Sub-Regional Office, Employees' State Insurance Corporation.

3. Registration under the Contract Labour (Regulation & Abolition) Act, 1970, issued by the Assistant Labour Commissioner Office, Gujarat.

4. Registration under applicable shops and establishments legislation for our offices, issued by the ministry or department of labour of relevant State government, wherever applicable.

Material tax related approvals

1. Permanent account number issued by the Income Tax Department under the Income Tax Act, 1961.

2. Tax deduction and collection account number issued by the Income Tax Department under the Income Tax Act, 1961.

3. Goods and services tax registration issued by the Government of India under the Goods and Service Tax Act, 2017.

4. Certificate of registration issued under the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 and Gujarat State Tax on Professions, Trades, Callings and Employments Rules, 1976.

B. Material approvals in relation to our Material Subsidiaries

(i) ***SPL Europe Limited Liability Company***

Material approvals in relation to the business and operations of SPL Europe Limited Liability Company

1. Water rights operating permit for NC-NAB-L tank farm issued by Borsod-Abaúj-Zemplén County Disaster Management Directorate.

2. Decision for remediation monitoring issued by Borsod-Abaúj-Zemplén County Government Office.

3. Acceptance of final documentation on intervention and remediation monitoring in NC, NAB and L tank farms, ordering further monitoring issued by Borsod-Abaúj-Zemplén County Government Office.

4. Approval of review and amendment of the single environmental permit (IPPC and air quality protection) issued by Borsod-Abaúj-Zemplén County Government Office.

5. Approval of self-audit plan to protect groundwater and soil issued by Borsod-Abaúj-Zemplén County Disaster Management Directorate.

6. Approval of operational damage remedying plan issued by Borsod-Abaúj-Zemplén County Government Office.

7. Authorization for the installation of new production systems in V1, V3, V5 plants, safety report acceptance issued by Borsod-Abaúj-Zemplén County Disaster Management Directorate.

8. Approval of industrial emergency plan issued by Borsod-Abaúj-Zemplén County Government Office.

9. Authorization of activities involving dangerous substances issued by National Public Health Centre.

Material approvals for which renewal applications have been made by SPL Europe Limited Liability LLC

Nature of approval	Issuing authority	Date of application
Permit for water rights operation/ water supply and drainage	Borsod-Abaúj-Zemplén County Disaster Management Directorate	June 15, 2023

(ii) ***Shiva Pharmachem AG***

Shiva Pharmachem AG does not require any material or necessary approvals from any governmental/ statutory authority to conduct its business and operations.

(iii) ***Shiva Pharmachem International Inc.***

Shiva Pharmachem International Inc. does not require any material or necessary approvals from any governmental/ statutory authority to conduct its business and operations

C. Intellectual property related approvals

While we do not have any registered trademarks, copyrights or patents, we have acquired and developed and continue to acquire and develop knowledge and expertise, or know-how, and trade secrets in our businesses. For further details, see "*Our Business – Intellectual Property* " on page 205 and "*Risk Factors- We do not own any patents, nor do we have any registered trademarks. We instead rely on a combination of trade secret and contractual restrictions to protect our intellectual property. If we are unable to protect our intellectual property rights, our business, results of operations and financial condition may be adversely affected*" on page 51.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorized by a resolution of our Board dated August 14, 2023. Further, our Board has taken on record the consents of the Selling Shareholders to participate in the Offer for Sale in its meeting held on August 14, 2023. The Selling Shareholders have confirmed and authorised their participation in the Offer for Sale in relation to their respective portions of Offered Shares.

S. No.	Name of the Selling Shareholder	Date of the board resolution	Date of the consent letter	Aggregate amount of Offer for Sale
1.	Vishal Rakesh Agrawal	N.A.	August 14, 2023	Up to [●] Equity Shares, aggregating up to 3,830.00 million
2.	Rahul Rakesh Agrawal	N.A.	August 14, 2023	Up to [●] Equity Shares, aggregating up to 3,830.00 million
3.	Geetganga Investment Private Limited	August 14, 2023	August 14, 2023	Up to [●] Equity Shares, aggregating up to 1,340.00 million

Our Board has approved this Draft Red Herring Prospectus pursuant to its resolution dated August 21, 2023.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Subsidiaries, our Directors, our Promoters (persons in control of our Company), the members of the Promoter Group, persons in control of our non-individual Promoters and the Selling Shareholders are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, the members of the Promoter Group and the Selling Shareholders are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Directors associated with the securities market

Except Sivaraman Narayanaswami who is a director on the board of directors of Equirus Capital Private Limited (registered as category-I merchant banker with SEBI), none of our Directors are, in any manner, associated with the securities market. Further, 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 Offer

Our Company is eligible for the Offer in accordance with the eligibility criteria provided in 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 and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% of the net tangible assets are held as monetary assets;

- Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

- Our Company has not changed its name in the last one year immediately preceding the date of filing of this Draft Red Herring Prospectus.

Our Company's net tangible assets, operating profits and net worth, derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Fiscals are set forth below:

(*in ₹ million, unless otherwise stated*)

Particulars	As at and for the Fiscal ended		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Restated net tangible assets [(1)] (A)	5,279.48	4,335.19	3,655.31
Restated monetary assets [(2)] (B)	297.62	158.53	209.94
Monetary assets, as a percentage of net tangible assets, as restated (in %) (C) = (B) / (A)*100	5.64%	3.66%	5.74%
Operating profit/ (loss), as restated [(3)]	1,535.21	1,056.03	988.67
Average operating profit/ (loss), as restated	1,193.30		
Net worth, as restated [(4)]	5,387.04	4,470.41	3,686.46

Notes:

[(1)] Net tangible assets have been defined under Regulation 2(1)(gg) of the SEBI ICDR Regulations as the sum of all net assets of our Company excluding intangible assets as defined in Indian Accounting Standard 38.

[(2)] Monetary assets means cash and cash equivalents and bank balances other than cash and cash equivalents.

[(3)] Operating profit is defined as profit before finance costs, other income and tax expense.

[(4)] Networth as restated and consolidated, has been defined as the aggregate of paid-up equity share capital and all reserves and does not include non-controlling interests.

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 Regulations 7(2) and 7(3) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 and Regulation 7(1) of the SEBI ICDR Regulations are as follows:

(a) None of our Company, our Promoters, members of our Promoter Group, our Directors or the Selling Shareholders are debarred from accessing the capital markets by SEBI.

(b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.

(c) None of our Company, our Promoters or Directors is a Wilful Defaulter or a Fraudulent Borrower.

(d) None of our Promoters or Directors have been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

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

(f) Our Company along with Registrar to the Offer has entered into a tripartite agreement dated February 12, 2018 with NSDL and dated May 26, 2022 with CDSL, for dematerialisation of the Equity Shares.

(g) The Equity Shares of our Company held by our Promoters are in dematerialised form.

(h) All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders.

Each of the Selling Shareholders has, severally and not jointly, confirmed compliance with Regulation 8 of the SEBI ICDR Regulations and approved its participation in the Offer for Sale in relation to its portion of the Offered Shares.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMs, JM FINANCIAL LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE, SEVERALLY AND NOT JOINTLY, ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS TO THE EXTENT OF INFORMATION SPECIFICALLY PERTAINING TO ITSELF FOR ITS RESPECTIVE PORTION OF OFFERED SHARES, 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 21, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE 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 PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs

Our Company, our 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 (i.e., www.shivapharmachem.com) or the respective websites of our Subsidiaries or of any of the Group Companies or of any of the Selling Shareholders, would be doing so at his or her own risk. The Selling Shareholders, their respective directors, affiliates, associates, and officers accept or undertake no responsibility for any statements other than those specifically undertaken or confirmed by the Selling Shareholders in relation to themselves and their respective portion of Offered Shares in this Draft Red Herring Prospectus.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders (to the extent the information pertains to each of the Selling Shareholder and its portion of the Offered Shares) 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.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, 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, partners, designated partners, officers, agents, affiliates, employees, 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, in their capacity as principals or agents, may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Vadodara, Gujarat, India only.

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, 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, National Investment Fund provident funds and pension funds fulfilling the minimum corpus requirements under the SEBI ICDR Regulations, insurance companies registered with IRDAI, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India, NBFC-SIs and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs (under Schedule I of the FEMA Rules) and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and transfer restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions as defined in, and in compliance with, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of the Company or the BRLMs and their respective affiliates shall have any responsibility in this regard;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and accordingly may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws;

3. the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

4. the purchaser is not purchasing the Equity Shares as a result of any "directed selling efforts" (as such term is defined in Rule 902 of Regulation S under the U.S. Securities Act);

5. the purchaser certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is not located outside the United States (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States;

6. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate of our Company;

7. the purchaser understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that 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 that if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, resold, pledged or otherwise transferred only (A) pursuant to an exemption from or in a transaction not subject to, the registration requirements of the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States;

8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

9. if such purchaser is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares; and

10. the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees

that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Each of the Selling Shareholders have undertaken to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from such Selling Shareholder, in relation to their portion of Offered Shares, to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

Consents

Consents in writing: (a) of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal counsel to our Company as to Indian law, bankers to our Company, the BRLMs, the Registrar to the Offer, Industry Data Provider, independent chartered engineers, in their respective capacities, have been obtained and such consents have not been withdrawn until the date of this Draft Red Herring Prospectus; and (b) consents in writing of the Syndicate Members, Sponsor Bank(s), Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s) and the Share Escrow Agent 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 filing with the RoC.

Experts to the Offer

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

Our Company has received written consent dated August 21, 2023 from Talati & Talati LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of (i) the certificate dated August 21, 2023 with respect to the key performance indicators of our Company included in this Draft Red Herring Prospectus; (ii) their examination report dated August 14, 2023 relating to the Restated Consolidated Financial Information; and (iii) the statement of special tax benefits available to the Company and its shareholders and Material Subsidiaries dated August 21, 2023, included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "experts" and consents thereof do not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received: (i) written consent dated August 16, 2023 from the independent chartered engineer, namely N.G. Vithalani to include his name, as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the chartered engineer for the manufacturing facilities located in India; and (ii) written consent dated August 17, 2023 from the independent chartered engineer, namely Miklós Trézsi to include his name, as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the chartered engineer for the manufacturing facility located in Hungary.

Particulars regarding public or rights issues by our Company during the last five years and performance vis-à-vis objects

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Draft Red Herring Prospectus.

Brokerage and selling commission paid on previous issues of the Equity Shares

Since this is the initial public offering 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 and listed subsidiaries/group companies/associates during the last three years

Other than as disclosed in "*Capital Structure – Notes to the Capital Structure – Equity Share capital history of our Company*" on page 85, our Company has not undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus, our Company does not have any associates or listed Subsidiaries. Further, Styrenix Performance Materials Limited, our listed Group 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 listed subsidiaries/promoter

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed Subsidiaries. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have a corporate promoter.

Price information of past issues handled by the BRLMs

A. *JM Financial Limited*

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial Limited:

Sr. No.	Issue name	Issue Size (` million)	Issue price (`)	Listing Date	Opening price on Listing Date (in `)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Cyient DLM Limited*	5,920.00	265.00	July 10, 2023	403.00	86.79% [1.11%]	Not Applicable	Not Applicable
2.	Ideaforge Technology Limited*	5,672.45	672.00	July 7, 2023	1,300.00	64.59% [0.96%]	Not Applicable	Not Applicable
3.	Avalon Technologies Limited*	8,650.00	436.00	April 18, 2023	436.00	-10.09% [2.95%]	59.45% [10.78%]	Not Applicable
4.	Elin Electronics Limited#	4,750.00	247.00	December 30, 2022	243.00	-15.55% [-2.48%]	-52.06% [-4.73%]	-29.35% [4.23%]
5.	Uniparts India Limited#	8,356.08	577.00	December 12, 2022	575.00	-5.11% [-3.24%]	-7.38% [-4.82%]	-0.60% [0.80%]
6.	Archean Chemical Industries Limited*	14,623.05	407.00	November 21, 2022	450.00	25.42% [1.24%]	56.87% [-1.19%]	32.68% [0.24%]
7.	Bikaji Foods International Limited#7	8,808.45	300.00	November 16, 2022	321.15	28.65% [-0.29%]	26.95% [-2.50%]	24.23% [0.08%]
8.	Global Health Limited*	22,055.70	336.00	November 16, 2022	401.00	33.23% [0.03%]	35.94% [-3.47%]	61.67% [-0.52%]
9.	Fusion Micro Finance Limited*	11,039.93	368.00	November 15, 2022	359.50	9.86% [1.40%]	12.84% [-2.97%]	25.52% [-0.48%]
10.	Electronics Mart India Limited*	5,000.00	59.00	October 17, 2022	90.00	46.02% [6.31%]	42.63% [3.72%]	23.81% [2.98%]

Source: www.nseindia.com and www.bseindia.com
 # BSE as Designated Stock Exchange
** NSE as Designated Stock Exchange*
Notes:
1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*
3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of Rs. 15 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *Not Applicable – Period not completed*

2. Summary statement of price information of past issues handled by JM Financial Limited:

Financial Year	Total no. of IPOs	Total funds raised (` Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2023-2024	3	20,242.45	-	-	1	2	-	-	-	-	-	-	-	-
2022-2023	11	3,16,770.53	-	1	3	-	5	2	-	2	2	2	3	2
2021-2022	17	2,89,814.06	-	1	2	5	5	4	1	2	3	4	3	4

B. *Kotak Mahindra Capital Company Limited*

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Kotak Mahindra Capital Company Limited:

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Concord Biotech Limited	15,505.21	741[1]	August 18, 2023	900.05	Not Applicable	Not Applicable	Not Applicable
2.	SBFC Finance Limited	10,250.00	57[2]	August 16, 2023	82.00	Not Applicable	Not Applicable	Not Applicable
3.	Utkarsh Small Finance Bank Limited	5,000.00	25	July 21, 2023	40.00	+92.80%, [-2.20%]	Not Applicable	Not Applicable
4.	Mankind Pharma Limited	43,263.55	1,080	May 09, 2023	1,300.00	+37.61%, [+2.52%]	+74.13%, [+6.85%]	Not Applicable
5.	KFin Technologies Limited	15,000.00	366	December 29, 2022	367.00	-13.55%, [-3.22%]	-24.56%, [-6.81%]	-4.48%, [+2.75%]
6.	Sula Vineyards Limited	9,603.49	357	December 22, 2022	361.00	+18.59%, [-0.55%]	-4.87%, [-5.63%]	+27.87%, [+3.46%]
7.	Five-Star Business Finance Limited	15,934.49	474	November 21, 2022	468.80	+29.72%, [+1.24%]	+19.20%, [-1.19%]	+11.72%, [+0.24%]
8.	Bikaji Foods International Limited	8,808.45	300[3]	November 16, 2022	321.15	+28.65%, [-0.29%]	+44.58%, [-2.00%]	+24.17%, [+0.08%]
9.	Global Health Limited	22,055.70	336	November 16, 2022	401.00	+33.23%, [+0.03%]	+35.94%, [-3.47%]	+61.67%, [-0.52%]
10.	Aether Industries Limited	8,080.44	642	June 03, 2022	706.15	+21.00%, [-5.13%]	+34.54%, [+6.76%]	+40.15%, [+12.40%]

Source: www.nseindia.com; www.bseindia.com

Notes:
1. *In Concord Biotech Limited, the issue price to eligible employees was ₹ 671 after a discount of ₹ 70 per equity share*
2. *In SBFC Finance Limited, the issue price to eligible employees was ₹ 55 after a discount of ₹ 2 per equity share*
3. *In Bikaji Foods International Limited, the issue price to eligible employees was ₹ 285 after a discount of ₹ 15 per equity share*

4. In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.
5. The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.
6. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.
7. Restricted to last 10 equity initial public issues.

2. Summary statement of price information of past issues handled by Kotak Mahindra Capital Company Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24	4	74,018.76	-	-	-	1	1	-	-	-	-	-	-	-
2022-23	10	367,209.37	-	1	2	-	3	4	-	2	1	2	3	2
2021-22	19	624,047.99	-	-	5	5	5	4	1	4	2	8	2	2

Notes:
1. The information is as on the date of this Draft Red Herring Prospectus
2. The information for each of the financial years is based on issues listed during such financial year.

Website for track record of the BRLMs

For details regarding the track record of the Book Running Lead Managers, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012, issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

Name	Website
JM Financial Limited	www.jmfl.com
Kotak Mahindra Capital Company Limited	https://investmentbank.kotak.com

Stock market data of Equity Shares

This being an initial public issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of investor grievances

SEBI, by way of its circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021 ("**March 2021 Circular**"), has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Subsequently, by way of its circular (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated June 2, 2021 ("**June 2021 Circular**"), SEBI modified the process timelines and extended the implementation timelines for certain measures introduced by the March 2021 Circular. Per the March 2021 Circular read with the June 2021 Circular, for initial public offerings opening for subscription on or after May 1, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) periodic sharing of statistical details of mandate blocks/unblocks, performance of apps and UPI handles, network latency or downtime, etc., by the Sponsor Bank(s) to the intermediaries forming part of the closed user group vide email; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock

Scenario	Compensation amount	Compensation period
	2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the Bidder, for each day delayed, the post-Offer BRLM shall be liable to compensate the Bidder ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares or any such period prescribed under applicable laws to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

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

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID (where applicable), 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. 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.

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

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. In terms of SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, 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.

Our Company, the Selling Shareholders, the Book Running Lead Managers, and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Disposal of investor grievances by our Company

Our Company shall obtain authentication on the SEBI SCORES platform and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and 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/transmission of Equity Shares, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated/new share certificates, investigating complaints relating to allotment of shares, approval of transfer or transmission of shares. For details, see "*Our Management - Committees of our Board- Stakeholders' Relationship Committee*" on page 237. The Selling Shareholders have authorised the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Our Company has also appointed Tarang Maru, Company Secretary and Compliance Officer of our Company, as the compliance officer for the Offer. For details, see "*General Information – Company Secretary and Compliance Officer*" on page 78.

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 and Styrenix Performance Materials Limited, our listed Group Company, is pending as on the date of this Draft Red Herring Prospectus.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Other confirmations

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

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

Our Company has not sought any exemption from SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION VIII – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to the Offer will be subject to the provisions of the Companies Act 2013, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the CAN or Allotment Advice, the Abridged Prospectus and other terms and conditions as may be incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer for sale and listing and trading of securities, issued 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 the Offer and to the extent applicable or such other conditions as maybe prescribed by such governmental, statutory and/or regulatory authority while granting approval for the Offer.

The Offer

The Offer comprises an Offer for Sale by the Selling Shareholders.

Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in "*Objects of the Offer - Offer related expenses*" on page 102.

Ranking of Equity Shares

The Equity Shares being offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and the Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including in respect of rights to receive dividends, voting rights and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with applicable law. See "*Description of Equity Shares and Terms of the Articles of Association*" on page 455.

Mode of payment of dividend

Our Company shall pay dividend, if declared, to the Shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared after the date of Allotment (pursuant to the transfer of Equity Shares in the Offer for Sale) in this Offer will be payable to the Allottees, for the entire year, in accordance with applicable law. For further details, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" on pages 252 and 455, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 2. The Floor Price of the Equity Shares is ₹ [●] per Equity Share and the Cap Price of the Equity Shares is ₹ [●] per Equity Share. The Offer Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and shall be published at least two Working Days prior to the Bid/Offer Opening Date, in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered and Corporate Office is located), 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 respective websites of the Stock Exchanges. The Cap Price shall be at least 105% of the Floor Price. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered, by way of Book Building Process.

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

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 and our Articles of Association, the equity Shareholders will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act, 2013;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right to freely transfer their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act 2013, the SEBI Listing Regulations and our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 455.

Allotment of Equity Shares only in dematerialized form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, the following agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- tripartite agreement dated February 12, 2018 among our Company, NSDL and the Registrar to the Offer; and

- tripartite agreement dated May 26, 2022 among our Company, CDSL and the Registrar to the Offer.

Market lot and trading lot

Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "*Offer Procedure*" on page 433.

Joint holders

Where two or more persons are registered as the holders of any Equity Share, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship, subject to the provisions of the Articles of Association.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts in Vadodara, Gujarat, India.

Nomination facility

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, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of the holder's death during minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Further, 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 or variation to our Company in the prescribed form.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, will, on 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, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

Bid/Offer Period

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

* *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, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*
** *Our Company and the Selling Shareholders, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*
^ *UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account*	On or about [●]
Credit of the Equity Shares to depository accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* *In terms of SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, 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. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, March 2021 Circular, June 2021 Circular and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. For details, see "Other Regulatory and Statutory Disclosures- Mechanism for redressal of investor grievances" on page 421.*

The aforesaid timetable is indicative in nature and does not constitute any obligation or liability on our Company or the Selling Shareholders or the members of the Syndicate. While our Company will use best efforts to ensure that all steps for the completion of formalities for the listing and trading of our Equity

Shares on the Stock Exchanges commences within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, the timetable may be subject to change for various reasons, including extension of Bid/Offer Period by our Company and the Selling Shareholders, due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law. The Selling Shareholders confirm that they shall extend reasonable support and co-operation required by our Company and the BRLMs, to the extent of their respective portion of the Offered Shares, to facilitate the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI is in the process of streamlining and reducing the post issue timeline for initial public offers and has vide SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 notified the proposal for reducing the time period for listing of shares in public issue from existing 6 days to 3 days. The revised timeline of T+3 days has been made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Any circulars or notifications from SEBI after this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the Offer procedure is subject to change based on any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)#	
Submission and revision in Bids	Only between 10:00 a.m. IST and 5:00 p.m. IST
Bid/Offer Closing Date	
Submission and revision in Bids	Only between 10:00 a.m. IST and 3:00 p.m. IST*

#Our Company and the Selling Shareholders, in consultation with the BRLMs, may decide to close the Bid/Offer Closing Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.
**UPI mandate end time and date shall be 5:00 p.m. on Bid/Offer Closing Date.*

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4:00 p.m. IST in case of Bids by QIBs and NIBs, and

(ii) until 5:00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by RIBs after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the Registrar to the Offer on a daily basis, as per the format prescribed in March 2021 Circular and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that if a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, it may lead to some Bids not being uploaded due to lack of sufficient time to upload and such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected. Bids will be accepted only on Working Days. Bidders may please note that as per letters dated July 3, 2006 and July 6, 2006, issued by the BSE and NSE respectively, Bids and any revisions 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. The Designated Intermediary shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5:00 p.m. on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations, provided that (i) the Cap Price will be less than or equal to 120% of the Floor Price, (ii) the Cap Price will be at least 105% of the Floor Price, and (iii) the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days.

Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a public notice and by indicating the change on the websites of the BRLMs and terminals of the Syndicate Members and will also be intimated to the Designated Intermediaries and the Sponsor Bank(s). However, in case of revision in the Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum subscription

As this is an offer for sale by the Selling Shareholders, the requirement of minimum subscription of 90% of the Offer under the SEBI ICDR Regulations is not applicable to this Offer. However, if our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR; or subscription level falls below aforesaid minimum subscription after the Bid/Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/Offer Closing Date; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law. If there is a delay beyond four days, as applicable, our Company, our Directors, who are officers in default, and the Selling Shareholders, to the extent applicable, shall pay interest at the rate of 15% per annum or such other amount prescribed under applicable law. No liability to make any payment of interest shall accrue to the Selling Shareholders unless any delay in making any of the payments hereunder or any delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is solely and directly attributable to any act or omission of the relevant Selling Shareholder.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders.

Arrangement 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.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

Restriction on transfer and transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Shares, the Promoters' Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 85, and except as provided in the Articles of Association as detailed in "*Description of Equity Shares and Terms of the Articles of Association*" on page 455, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/splitting.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the entire or portion of the Offer, after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company will issue a public notice in the newspapers, in which the pre-Offer advertisements were published, within two days from the Bid/Offer Closing Date, or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, will instruct the SCSBs and/or the Sponsor Bank(s), as the case may be, to unblock the ASBA Accounts and the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the day of receipt of such instruction. The Stock Exchanges will also be informed promptly by our Company. If our Company and the Selling Shareholders, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, our Company will file a fresh draft red herring prospectus with SEBI and the Stock Exchanges. Notwithstanding the foregoing, the Offer is also subject to filing of the Prospectus with the RoC and obtaining the final listing and trading approvals of the Stock Exchanges, which our Company will apply for only after Allotment and within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

OFFER STRUCTURE

The Offer is being made through the Book Building Process. The Offer is of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ 9,000.00 million comprising an Offer for Sale by the Selling Shareholders. The Offer will constitute [●]% of the post-Offer 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 QIBs and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIBs and Non-Institutional Bidders.
Percentage of Offer Size available for Allotment or allocation	Not more than 50% of the Offer size shall be available for allocation to QIBs. 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to the Net QIB Portion.	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation. One-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size exceeding ₹ 0.20 million and up to ₹ 1.00 million and two-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1.00 million. Under-subscription in either of these two sub-categories of the Non-Institutional Portion may be allocated to Bidders in the other sub-category of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.	Not less than 35% of the Offer or the Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation.
Basis of Allotment if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation. The Equity Shares available for allocation to Bidders in the Non-Institutional Portion shall be subject to the following: (a) One-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size exceeding ₹ 0.20 million and up to ₹ 1.00 million; and (b) Two-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1.00 million Provided that the unsubscribed portion in either of these two sub-categories of Non-	Allotment to each Retail Individual Bidders 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. For further details, see "*Offer Procedure*" on page 433

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
		Institutional Portion may be allocated to the Bidders in the other sub-category of Non-Institutional Portion. The Allotment to each Non-Institutional Bidders shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations. For further details, see "*Offer Procedure*" on page 433	
Mode of Bidding*	Through ASBA process only (except Anchor Investors) (excluding the UPI Mechanism)	Through ASBA process only (including the UPI Mechanism for Bids up to ₹ 0.50 million)	Through ASBA process only (including the UPI Mechanism)
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 0.20 million	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 0.20 million	[●] Equity Shares and in multiples of [●] Equity Shares thereafter, such that the Bid Amount does not exceed ₹ 0.20 million
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer size (excluding the Anchor Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer size (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 0.20 million
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Mode of Allotment	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 specified in Section 2(72) of the Companies Act 2013, FPIs registered with SEBI (other than individuals, corporate bodies and family offices), scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with the SEBI, FVCIs, Alternative Investment Funds, multilateral and bilateral development financial institutions, state industrial development corporations, NBFC-SI, insurance companies registered with the IRDAI, provident funds with a minimum corpus of ₹250 million, pension funds with a minimum corpus of ₹250 million, the National Investment Fund, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions, societies and trusts and FPIs who are individuals, corporate bodies and family offices which are re-categorised as category II FPI (as defined in the SEBI FPI Regulations) and registered with SEBI	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
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 Bidders, or by the Sponsor Bank(s) through the UPI Mechanism (other than Anchor Investors) that is specified in the Bid cum Application Form at the time of the submission of the Bid cum Application Form		

^ *Assuming full subscription in the Offer.*

* *SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIBs and RIBs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

(1) *Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50 million per Anchor Investor, and (iii) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof will be permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received 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 QIB Portion.*

(2) *This Offer is being made in accordance with Rule 19(2)(b) of the SCRR, through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer will be available for allocation to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not less than 15% of the Offer will be available for allocation to Non-Institutional Bidders, of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size exceeding ₹ 0.20 million and up to ₹ 1.00 million and two-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer will be available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or a combination of categories, as applicable, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, subject to valid Bids being received at or above the Offer Price and in accordance with applicable laws. Under-subscription, if any, in the Net QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.*

(3) *If the Bid is submitted in joint names, 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 depository account held in joint names. The signature of only the 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.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Form, provided that any positive difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**"), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. For details of filing of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, see "General Information – Filing of Offer Documents" on page 83.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Bidders through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Bidders applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("**UPI Phase I**"), until June 30, 2019. Subsequently, for applications by Retail Individual Bidders through Designated Intermediaries (other than SCSBs), the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**") with effect from July 1, 2019, pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 issued by the SEBI. Further, as per the circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-2019 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Bidders ("**UPI Phase III**"), as may be prescribed by SEBI. Accordingly, the Offer will be made under UPI Phase II, unless UPI Phase III becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III, the same will be 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 and Corporate Office is located) on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites. Further, SEBI vide the March 2021 Circular, as amended by the June 2021 Circular, circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022 and circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus. Furthermore, SEBI vide its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has mandated all individual investors Bidding in the Offer up to ₹ 0.50 million to use the UPI Mechanism for submitting their Bids with (a) a Syndicate Member; (b) a Registered Broker at the Broker Centre; (c) a Collecting Depository Participant; and (d) the Registrar to the Offer. Subsequently, pursuant to circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022 issued by SEBI, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).*

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned by SEBI vide its circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

SEBI has vide circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, introduced a framework for reduction in timelines for listing of shares in public issues from six Working Days from public issue closure to three Working Days from public issue closure. The circular is voluntarily applicable for public issues opening on or after September 1, 2023 and mandatorily applicable for public issues opening on or after December 1, 2023. The provisions of the circular will be suitably incorporated in the Red Herring Prospectus depending upon the timelines for Bid/Offer Period.

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 laws or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company, the Selling Shareholders and the Syndicate Members do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Process

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation 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 Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders. The allocation of Equity Shares available for the Non-Institutional Bidders under the Non-Institutional Portion shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares shall be allocated in the following manner: (i) one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size exceeding ₹ 0.20 million and up to ₹ 1.00 million and (ii) two-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1.00 million provided that under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories, as applicable, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the Net QIB Portion, will not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the 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 UPI Bidders), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Bidders must ensure that their PAN is linked with Aadhaar and they are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021.

Phased implementation of UPI as per the UPI Circulars

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

(a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RIB also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

(b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI *vide* its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RIB through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.

(c) **Phase III:** Phase III shall become applicable voluntarily for all public issues opening on or after September 1, 2023 and mandatorily applicable for public issues opening on or after December 1, 2023. In this phase, the time duration from public issue closure to listing is reduced to three Working Days. Accordingly, suitable changes will be incorporated in the Red Herring Prospectus depending upon the timelines for Bid/Offer Period.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Our Company will be required to appoint one or more of the SCSBs as a Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

The processing fees may be released to the remitter banks (SCSBs) only after an application is made by the SCSBs to the BRLMs with a copy to the Registrar, and such application shall be made only after (i) unblocking of application amounts in the bank accounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB in accordance with circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 issued by SEBI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered and Corporate Office. The Bid cum Application 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/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs. Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

All ASBA Bidders must provide either, (i) bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection.

UPI Bidders may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid cum Application Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. UPI Bidders shall submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, CRTAs or CDPs. UPI Bidders authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein, at the time of submitting the Bid. For all the initial public offerings opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor’s bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder. The circular is applicable for all categories of investors viz. Retail Individual Bidders, QIBs and Non-Institutional Bidders and also for all modes through which the applications are processed.

The prescribed colours of the Bid cum Application Forms for various categories are as follows:

Category	Colour of Bid cum Application Form(1)
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis(2)	[●]
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions(2)	[●]
Anchor Investors(3)	[●]

(1) *Excluding electronic Bid cum Application Forms*
(2) *Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and the BSE (www.bseindia.com)*
(3) *Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. Subsequently, for ASBA Forms (other than UPI Bidders), Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms (except ASBA Forms submitted by UPI Bidders) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a UPI Bidder who is not Bidding using the UPI Mechanism.

Stock Exchanges shall validate the electronic bids with the records of the depository for DP ID/Client ID and PAN, on a real time basis through API (application programming interface) integration and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID (but not both), bank code and location code in the Bid details already uploaded. For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS (core banking solution) data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. For ensuring timely information to investors, SCSBs shall send SMS alerts to investors intimating them about blocking/unblocking of Bid Amount, as specified by SEBI vide its March 2021 Circular, June 2021 Circular and circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Electronic registration of Bids

(a) The Designated Intermediaries may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for offline electronic registration of Bids, subject to the condition that they may subsequently upload the offline data file into the online facilities for Book Building on a regular basis before the closure of the Offer.

(b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by Promoters, Promoter Group, BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to Promoters, Promoter Group, BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their respective underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such 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.

Except for Mutual Funds, AIFs or FPIs (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLM or its respective associates can apply in the Offer under the Anchor Investor Portion. For details, see "*- Bids by Anchor Investors*" below. An Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to a Promoter and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders' agreement or voting agreement entered into with any of the Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to a Promoter or member of the Promoter Group of our Company.

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 and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid 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 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. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of ASBA Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs applying on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") accounts, and Eligible NRIs Bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid amount, at the time of submission of the ASBA Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Participation of Eligible NRI(s) in the Offer shall be subjected to the FEMA Rules. In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Pursuant to a special resolution dated August 14, 2023 passed by our Shareholders, the aggregate ceiling was raised from 10% to 24%.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([•] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([•] in colour). By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 453.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder 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: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the FEMA Rules and Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations 2019 ("**SEBI FPI Regulations**"), investment in the Equity Shares by a single FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% or common control) shall be below 10% of our post-Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([•] in colour).

SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for Offer procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

(a) such offshore derivative instruments are issued only by persons registered as category I FPIs;

(b) such offshore derivative instruments are issued only to persons eligible for registration as category I FPIs;

(c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and

(d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that any transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the

SEBI FPI Regulations (as mentioned above from points (a) to (d)) and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Further, Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. Bids by FPIs shall not be treated as multiple Bids, in the following cases: (i) FPIs which utilise the MIM Structure, indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as category I FPIs; and (vii) Entities registered as collective investment scheme having multiple share classes. The Bids belonging to any of these seven structures and having the same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). To ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, the venture capital funds which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations).

All Non-Resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders and the Book running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason therefor, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate equity investments in subsidiaries and other entities engaged in financial and non-financial services, including overseas investments, cannot exceed 20% of the bank's paid-up share capital and reserves. 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: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or (b) 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, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circular (CIR/CFD/DIL/12/2012) dated September 13, 2012, and circular (CIR/CFD/DIL/1/2013) dated January 2, 2013 issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDAI Investment Regulations**"), as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.
**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Bidders are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by 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 and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

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, NBFC-SI, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholders in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the Selling Shareholders, in consultation with the BRLMs, may deem fit.

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.

(a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

(c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date and will be completed on the same day.

(e) Our Company and the Selling Shareholders, in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor

Investor Portion will not be less than: maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.

(f) Allocation to Anchor Investors will be completed on the Anchor Investor 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/Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-In Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price shall still be the Anchor Investor Offer Price.

(i) Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in the following manner: there shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to each of the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to each of the Anchor Investors from the date of Allotment.

(j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs), nor any "person related to Promoter or Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

(k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

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 and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid, without assigning any reason therefor.

For more information, see the General Information Document.

The above information is given for the benefit of the Bidders. Our Company, 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 the Red Herring Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulations and as specified in the Red Herring Prospectus, when filed.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such

Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act 2013, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer 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 daily newspaper, Gujarati being the regional language of Gujarat where our Registered and Corporate Office is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date, if any. This advertisement, subject to the provisions of Section 30 of the Companies Act 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in [●] editions of English national daily newspaper, [●], [●] editions of Hindi national daily newspaper, [●] and [●] editions of a Gujarati daily newspaper, [●], Gujarati being the regional language of Gujarati where our Registered and Corporate Office is located.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Selling Shareholders intend to enter into an underwriting agreement with the Underwriters on or immediately after the determination of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would 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/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Bidders are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than UPI Bidders Bidding using the UPI Mechanism) in the Bid cum Application Form (with a maximum length of 45 characters) and such ASBA account belongs to you and no one else. Further, UPI Bidders must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;

4. UPI Bidders shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;

5. UPI Bidders Bidding through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;

8. Ensure that your PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021;

9. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders, may submit their ASBA Forms with Syndicate Members, Registered Brokers, CRTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

10. 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;

11. If the first Bidder is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Bid cum Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be). Bidders (except UPI Bidders) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Bid cum Application Form. UPI Bidders should ensure that they have mentioned the correct UPI-linked bank account number and their correct UPI ID in the Bid cum Application Form;

12. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

13. 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;

14. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form from the concerned Designated Intermediary;

15. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

16. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of circular (MRD/DoP/Cir-20/2008) dated June 30, 2008 issued by the SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of circular (MRD/DoP/Cir-09/06) dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and

for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

18. Ensure that the Demographic Details are updated, true and correct in all respects;

19. 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;

20. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., relevant documents, including a copy of the power of attorney, are submitted;

22. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

23. Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA Account under the ASBA process. UPI Bidders should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment, in a timely manner;

24. Note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilize the MIM Structure, and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

25. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in);

27. The ASBA Bidders shall ensure that Bids above ₹0.50 million are uploaded only by the SCSBs;

28. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB 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;

29. UPI Bidders 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, the UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) to issue a request to block the Bid Amount mentioned in the ASBA Form in his/her ASBA Account;

30. UPI Bidders should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the ASBA Form;

31. UPI Bidders, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in their account and subsequent debit of funds in case of allotment in a timely manner;

32. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 p.m. on the Bid/ Offer Closing Date

33. Bids by Eligible NRIs, HUFs and FPIs other than individuals, corporate bodies and family offices, for a Bid Amount of less than ₹0.20 million would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹0.20 million would be considered under the Non-Institutional Portion for allocation in the Offer;

34. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs; and

35. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned on the website of the SEBI, is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form, as the case may be after you have submitted a Bid to a Designated Intermediary;

4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by StockInvest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

6. Anchor Investors should not Bid through the ASBA process;

7. If you are a UPI Bidder and are using the UPI Mechanism, do not submit more than one Form from each UPI ID;

8. Do not submit the Bid cum Application Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres or to any unauthorised Designated Intermediary;

9. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

12. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

13. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;

14. Do not Bid for Equity Shares in excess in excess of what is specified for each category;

15. Do not Bid for a Bid Amount exceeding ₹0.20 million for Bids by Retail Individual Bidders;

16. Do not submit the General Index Register number instead of the PAN;

17. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

18. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders, in the UPI-linked bank account where funds for making the Bid are available;

19. 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;

20. 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;

21. 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 UPI Bidders;

22. 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;

23. 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);

24. Do not submit more than one Bid cum Application Form per ASBA Account;

25. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

26. Do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI, if you are an UPI Bidder;

27. Do not submit an ASBA Form with third party linked UPI ID or using a third-party bank account (in case of Bids submitted by UPI Bidders);

28. In case of ASBA Bidders (other than 3-in-1 Bids), Syndicate Members shall ensure that they do not upload any bids above ₹0.50 million;

29. Do not Bid if you are an OCB; and

30. Do not submit ASBA Forms to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one branch in the relevant Bidding Centre, 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).

For helpline details of the Book Running Lead Managers pursuant to the March 2021 Circular, read with the June 2021 Circular and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, see "*General Information*" on page 76.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post-Offer related issues regarding share certificates/demat credit/refund orders/unblocking, etc., investors shall reach out to our Company Secretary and Compliance Officer. See "*General Information – Company Secretary and Compliance Officer*" on page 78

Grounds for Technical Rejection

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 maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank(s));
6. ASBA Form by the RIBs using third party bank accounts or using third party linked bank account UPI IDs;
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 CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIBs with Bid Amount of a value of more than ₹0.20 million;
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Bidders shall be entitled to compensation in the manner specified in the March 2021 Circular read with the June 2021 Circular in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Offered Shares except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Offer to public may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to Bidders other than to the Retail Individual Bidders, Non-Institutional 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 Non-Institutional Bidder shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.

The Allotment of Equity Shares to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to the availability of shares in Retail Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account for Anchor Investors

Our Company and the Selling Shareholders, in consultation with the BRLMs in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT). The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(i) in case of resident Anchor Investors: "[●]"; and

(ii) in case of non-resident Anchor Investors: "[●]".

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections of Bid Amounts from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among the Company, the respective Depositories and the Registrar to the Offer:

(i) agreement dated February 12, 2018 among NSDL, our Company and Registrar to the Offer; and

(ii) agreement dated May 26, 2022 among CDSL, our Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

- that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- if Allotment is not made within the prescribed time under applicable law, application monies will be refunded/unblocked in the ASBA Accounts within four days from the Bid/Offer Closing Date or such other time as may be specified by SEBI, failing which our Company shall pay interest prescribed under the Companies Act 2013 and the SEBI ICDR Regulations for the delayed period;

- that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other timeline as may be prescribed by SEBI;

- that funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- Promoters' contribution, if any, shall be brought in advance before the Bid/Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;

- no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;

- that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- that if our Company and the Selling Shareholders, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company subsequently decides to proceed with the Offer; and

- that adequate arrangements shall be made to collect all Bid cum Application Forms.

Undertakings by the Selling Shareholders

Each Selling Shareholder undertakes the following in respect of itself and its respective portion of the Offered Shares:

(i) that it is the legal and beneficial owner of, and has clear and marketable title to, its portion of the Offered Shares;

(ii) it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose of any of its portion of the Offered Shares being offered pursuant to the Offer until such time that the lock-in (if applicable) remains effective save and except as may be permitted under the SEBI ICDR Regulations;

(iii) it shall deposit the Offered Shares in an escrow demat account in accordance with the Share Escrow Agreement to be executed between the parties to such agreement;

(iv) that it shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and completion of the necessary formalities for listing and commencement of trading of its portion of the Offered Shares on the Stock Exchanges and refund orders to the extent of its portion of the Offered Shares;

(v) 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 Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer except for payment of fees or commission for services rendered in relation to the Offer;

(vi) that it shall not access or have recourse to the proceeds of the Offer for Sale of its portion of the Offered Shares which shall be held in escrow in its favour, until final listing and trading approvals have been received from the Stock Exchanges; and

(vii) that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to its portion of the Offered Shares.

Utilisation of Offer Proceeds

The Selling Shareholders, severally and not jointly, and together with our Company declare that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below: "*Any person who – (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*." The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years). Further, where the fraud involves an amount less than ₹1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The responsibility of granting approval for foreign investment under the Consolidated FDI Policy (defined herein below) and FEMA has been entrusted to the concerned ministries/ departments.

Under FEMA, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT (formerly Department of Industrial Policy and Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the "**Consolidated FDI Policy**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The Consolidated FDI Policy will be valid until the DPIIT issues an updated circular. As on date, under the Consolidated FDI Policy, up to 100% foreign investment under the automatic route is permitted for our Company.

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 SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Department of Economic Affairs, Ministry of Finance, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations, 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

Pursuant to the resolution dated August 14, 2023, the aggregate investment limit by NRIs and OCIs was increased from 10% to 24% of the paid-up equity share capital of our Company, provided however, that the shareholding of each NRI or OCI shall not exceed 5% of the total paid-up equity capital of our Company on a fully diluted basis.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

For further details, see section titled "*Offer Procedure*" on page 433.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions as defined in, and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Offer and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under applicable laws or regulations.

SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

SHIVA PHARMACHEM LIMITED

1. CONSTITUTION OF THE COMPANY

(a) The regulations contained in table "F" of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with any of the provisions contained in these Articles or modifications thereof or are not expressly or by implication excluded from these Articles.

(b) The regulations for the management of the Company and for the observance of the Shareholders 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 Special Resolution as prescribed by the Companies Act, 2013.

2. INTERPRETATION

A. DEFINITIONS

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date at which the Articles become binding on the Company. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined for use.

(a) "**Act**" means the Companies Act, 2013 (to the extent that such enactment is in force and applicable to the context in which such term is used herein), and all rules and clarifications issued thereunder, and shall include all amendments, modifications and re-enactments of the foregoing. Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980.

(b) "**Annual General Meeting**" shall mean a general meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act.

(c) **"Articles"** shall mean these articles of association as adopted or as from time to time altered in accordance with the provisions of the Act.

(d) **"Auditor(s)"** shall mean and include those persons appointed as such for the time being by the Company.

(e) **"Beneficial Owner"** shall mean beneficial owner as defined in Clause (a) of sub-section (1) of Section 2 of the Depositories Act.

(f) **"Board" or "Board of Directors"** shall mean the board of directors of the Company, as constituted from time to time, in accordance with law and the provisions of these Articles.

(g) **"Board Meeting"** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

(h) **"Business Day"** shall mean a day, not being a Saturday or a Sunday or public holiday,on which banks are open for business in Vadodara, India and, in the context of a payment being made to or from a scheduled commercial bank in a place other than India, in such other place.

(i) **"Capital" or "Share Capital"** shall mean the share capital for the time being, raised or authorised to be raised for the purpose of the Company.

(j) **"Chairman"** shall mean such person as is nominated or appointed in accordance withArticle 36 herein below.

(k) **"Company"** or **"this Company"** shall mean Shiva Pharmachem Limited.

(l) **"Committees"** shall mean a committee constituted in accordance with Article 72.

(m) **"Debenture"** shall have the meaning assigned to it under the Act.

(n) **"Depositories Act"** shall mean The Depositories Act, 1996 and shall include anystatutory modification or re-enactment thereof.

(o) **"Depository"** shall mean a depository as defined in Clause (e) of sub-section (1) of Section 2 of the Depositories Act.

(p) **"Director"** shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed, from time to time, in accordance with law and the provisions of these Articles.

(q) **"Dividend"** shall include interim dividends and final dividends.

(r) "**Equity Share Capital**" shall mean the total issued and paid-up equity share capital of the Company.

(s) "**Equity Shares**" shall mean the equity shares of the Company having a face value of such amount as specified in Clause V of the Memorandum of Association.

(t) **"Executor"** or **"Administrator"** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Securities of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.

(u) **"Extraordinary General Meeting"** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act.

(v) "**Financial Year**" shall mean any fiscal year of the Company, beginning on April 1 ofeach calendar year and ending on March 31 of the following calendar year.

(w) "**Independent Director**" shall mean an independent director as defined under the Act and under the SEBI Listing Regulations, as applicable.

(x) **"India"** shall mean the Republic of India.

(y) **"Law"** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, including the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, (ii) governmental approvals or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, (iv) rules, policy, regulations or requirements of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or any other generally accepted accounting principles.

(z) "**Managing Director**" shall have the meaning assigned to it under the Act.

(aa) **"MCA"** shall mean the Ministry of Corporate Affairs, Government of India.

(bb) **"Memorandum" or "MoA" or "Memorandum of Association"** shall mean the memorandum of association of the Company, as amended from time to time.

(cc) **"Office"** shall mean the registered office for the time being of the Company.

(dd) "**Officer**" shall have the meaning assigned thereto by Section 2(59) of the Act.

(ee) **"Ordinary Resolution"** shall have the meaning assigned thereto by Section 114 of the Act.

(ff) **"Paid up"** shall include the amount credited as paid up.

(gg) **"Person"** shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).

(hh) **"Promoters"** shall mean persons identified in accordance with the definition ascribed to such term in the Act and the regulations prescribed by SEBI, as applicable.

(ii) **"Register of Members"** shall mean the register of shareholders to be kept pursuant to Section 88 of the Act.

(jj) "**Registrar**" shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.

(kk) "**Rules**" shall mean the rules made under the Act and notified from time to time.

(ll) "**Seal**" shall mean the common seal(s) for the time being of the Company.

(mm) "**SEBI**" shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

(nn) "**SEBI Listing Regulations**" shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

(oo) "**Secretary**" shall mean a company secretary as defined in Clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 who is appointed by the Company to perform the functions of a company secretary under the Act.

(pp) "**Securities**" shall mean any Equity Shares and/or any other securities, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.

(qq) "**Share Equivalents**" shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.

(rr) "**Shareholder**" shall mean any shareholder of the Company, from time to time.

(ss) "**Shareholders' Meeting**" shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles.

(tt) "**Special Resolution**" shall have the meaning assigned to it under Section 114 of the Act.

(uu) "**Transfer**" shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word "Transferred" shall be construed accordingly.

(vv) "**Tribunal**" shall mean the National Company Law Tribunal constituted under Section 408 of the Act.

B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

(i) References to a party shall, where the context permits, include such party's respective successors, legal heirs and permitted assigns.

(ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

(iii) References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.

(iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

(v) Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation".

(vi) The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any Article of these Articles, unless expressly stated otherwise.

(vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.

(viii) A reference to a party being liable to another party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).

(ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

(x) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA.

(xi) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act or the Depositories Act or the SEBI Listing Regulations, shall, as the case may be, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL

The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.

(i) The Company has power, from time to time, to increase its authorised or issued and Paid up Share Capital in accordance with the Act, applicable Law and these Articles.

(ii) The Share Capital of the Company may be classified into: (a) Equity Shares with voting rights and/ or with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules and Laws, from time to time; and (b) preference shares, non-convertible or convertible into Equity Shares, as permitted and in accordance with the applicable provisions of the Act, Rules and Laws, from time to time.

(iii) Subject to Article 4(iii), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

(iv) 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.

(v) The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI or under applicable Law.

(vi) Nothing herein contained shall prevent the Board 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.

(vii) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(viii) All of the provisions of these Articles shall apply to the Shareholders.

(ix) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of 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.

(x) 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 shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

5. PREFERENCE SHARES

(a) **Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) **Convertible Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

6. PROVISIONS IN CASE OF PREFERENCE SHARES

Upon the issue of preference shares pursuant to Article 5 above, the following provisions shall apply:

(a) No such preference shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;

(b) No such preference shares shall be redeemed unless they are fully paid;

(c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the preference shares are redeemed;

(d) Where any such preference shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the preference shares to be redeemed, to a reserve, to be called the **"Capital Redemption Reserve Account"** and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;

(e) The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;

(f) The Capital Redemption Reserve Account may, notwithstanding anything in these Articles, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and

(g) Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

7. SHARE EQUIVALENT

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

8. SWEAT EQUITY SHARES

Subject to the provisions of the Act and other applicable provisions of Law, the Company may with the approval of the shareholders by a resolution as prescribed by the Act in general meeting of the Company issue sweat equity shares in accordance with such applicable rules and guidelines issued by the SEBI and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.

9. ALTERATION OF SHARE CAPITAL

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in Shareholders Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

(a) increase its Share Capital by such amount as it thinks expedient;

(b) consolidate and divide all or any of its authorised Share Capital into shares of larger or smaller 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;

(c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination;

(d) sub-divide its 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; and

(e) 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. A cancellation of shares in pursuance of these Articles shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

10. 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.

11. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board or a Special Resolution of the Shareholders, as required under the Act, the Company may purchase its own shares or other Securities, as may be specified by the Act read with the Rules made thereunder from time to time, and as may be prescribed by the MCA or the SEBI, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with the Law.

12. POWER TO MODIFY RIGHTS

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and the Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to provisions of the Act and applicable Law, all provisions hereafter contained as to Shareholders' Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

13. BRANCH OFFICES

The Company shall have the power to establish one or more branch offices, in addition to the Office, in such places at its Board may deem fit.

14. REGISTERS TO BE MAINTAINED BY THE COMPANY

(a) The Company shall, in terms of the provisions of Section 88 of the Act and the provisions of the Depositories Act, cause to be kept the following registers in terms of the applicable provisions of the Act:

  (i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;

  (ii) A register of Debenture holders; and

  (iii) A register of any other security holders.

(b) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called "foreign register" containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

(c) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

15. 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) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any and the Act.

(d) 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.

(e) 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, within a period of 30 days from the receipt of such lodgement. Every certificate under the Articles shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding Rupees twenty for each certificate) as the Board shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Board shall comply with the applicable provisions of the Act and Law, including the rules or regulations or requirements of any stock exchange, or the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force.

(f) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.

(g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.

(h) Where a new share certificate has been issued in pursuance of sub-articles (e) 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.

(i) 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 Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(j) The 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 (i) of this Article.

(k) All books referred to in sub-article (h) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.

(l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(m) 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 matters 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 installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.

(n) 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 such 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 such Shareholder 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.

16. 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 Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the 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 or at par or at discount (subject to compliance with Section 53 of the Act) at such time as they may, from time to time, think fit, to give to any person or persons the option or right to call for any shares either at par or premium or at a discount subject to the provisions of the Act during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares. Further, the option or right to call shares shall not be given to any Person or Persons without the sanction of the Company in the Shareholders' Meeting.

(b) Subject to applicable Law, the Directors are hereby authorised to issue Equity Shares or Debentures (whether or not convertible into Equity Shares) for offer and allotment to such of the officers, employees and workers of the Company as the Directors may decide or the trustees of such trust as may be set up for the benefit of the officers, employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the stock exchanges and SEBI, the Directors may impose the condition that the Equity Shares or Debentures of the Company so allotted shall not be transferable for a specified period.

(c) 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.

(d) 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.

(e) In accordance with Section 56 and other 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 issued in the manner prescribed under Section 46 of the Act and the Rules framed thereunder. 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.

(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 15 (fifteen) days of the receipt of instrument of transfer, sub-division, consolidation or renewal of its shares as the case may be and for transmission requests for securities held in dematerialized mode and physical mode must be processed within seven days and twenty one days respectively, after receipt of the specified documents. Every certificate of shares shall be in the form and manner as specified in Article 15 above 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 holders shall be sufficient delivery to all such holders. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupees twenty.

(iii) the Board may, at their absolute discretion, refuse any applications for the sub- division of share certificates or debenture 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.

(iv) 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.

17. UNDERWRITING 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 shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

(b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

(c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

18. CALLS

(a) Subject to the provisions of Section 49 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, (and not by circular resolution), 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 on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any Person except with the sanction of the Company in the Shareholders' Meeting.

(b) Such days' notice in writing as permitted under the Act, 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 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 joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.

(e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

(f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.

(g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

(h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

(i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

(j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon in accordance with the provisions of the Act, provided that the 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.

(k) No Shareholder 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.

(l) The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

19. COMPANY'S LIEN:

i. On shares:

(a) The Company shall have a first and paramount lien on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share.

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on such partly paid shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

(c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully Paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares.

(d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

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 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such 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.

(e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

ii. On Debentures:

(a) The Company shall have a first and paramount lien on every Debenture (not being a fully paid Debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.

(c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.

(d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

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 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the Person entitled thereto by reason of his death or insolvency.

The net proceeds of any such 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 Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

(e) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

20. FORFEITURE OF SHARES

(a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

(b) The notice shall name a day, (not being less than 14 (fourteen) days or such other period prescribed under Laws from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not to be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, 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 Law.

(d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

(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) Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.

(g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

(h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.

(i) 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.

(j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the Person or persons entitled thereto.

(k) 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.

21. FURTHER ISSUE OF SHARE CAPITAL

(a) Where at any time, the Company proposes to increase its subscribed Capital by the issue of further shares, such shares shall be offered—

(i) to Persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:

(a) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 7 (seven) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

(b) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in sub-clause a. above shall contain a statement of this right;

(c) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;

(ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(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, at such price as may be determined in accordance with Law, subject to the compliance with the applicable provisions of the Act and any other conditions as may be prescribed under Law.

(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 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 containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a Shareholders' Meeting.

(d) Notwithstanding anything contained in sub-clause (c) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest to do so, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.

(e) Where the Government has, by an order made under sub-clause (d), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under sub-clause (d) or where such appeal has been dismissed, the Memorandum of Association of the Company shall, where such order has the effect of increasing the authorized Share Capital of the Company, be altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

(f) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.

22. TRANSFER AND TRANSMISSION OF SHARES

(a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.

(b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

(c) (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.

(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

(d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

(e) The Board shall have power on giving not less than 7 (seven) days or such other period prescribed under Laws previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year or such other period prescribed under Laws, as it may deem expedient.

(f) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days or such other period prescribed under Laws 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, send a notice of refusal 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 when the Company has a lien on the shares.

(g) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

(h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

(i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.

(j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

(k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.

(l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

(m) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days or such other period prescribed under Laws, the Board may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

(n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require, to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

(o) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.

(p) 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.

(q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

(r) The Company shall not register the transfer of its Securities in the name of the transferee(s) when the transferor(s) objects to the transfer.

Provided that the transferor serves on the Company, within sixty working days of raising the objection or such other period prescribed under Laws, a prohibitory order of a Court of competent jurisdiction.

(s) The Board may delegate the power of transfer of Securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s).

Provided that the delegated authority shall report on transfer of Securities to the Board in each meeting.

(t) There shall be a common form of transfer in accordance with the Act and Rules.

(u) The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

23. DEMATERIALIZATION OF SECURITIES

(a) Dematerialization:

Notwithstanding anything contained in these Articles, and subject to the applicable provisions of the Act, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(b) Subject to the applicable provisions of the Act, instead of issuing or receiving certificates for the Securities, as the case maybe, either the Company or the investor may exercise an option to issue, dematerialize, hold the Securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or re-enactment thereof.

(c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause the Promoters to direct their respective Depository participants not to accept any instruction slip or delivery slip or other authorisation for transfer in contravention of these Articles.

(d) If a Person opts to hold his Securities with a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(e) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(f) Rights of Depositories & Beneficial Owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every Person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.

(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository on their behalf.

(g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the Person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other Person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more Persons or the survivor or survivors of them.

(h) Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of shares and Debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

(i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of Securities on surrender by a Person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of Documents:

Notwithstanding anything contained 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 floppies or discs.

(k) Transfer of Securities:

(i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(l) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(m) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(n) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.

(o) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

(p) Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

(q) Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of Securities to the Beneficial Owner or the transferee as the case may be.

(r) Overriding effect of this Article:

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles.

24. NOMINATION BY SECURITIES HOLDERS

(a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

(b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.

(c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

(d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

(e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

25. NOMINATION FOR FIXED DEPOSITS

A depositor (who shall be the member of the Company) may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

26. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any Person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

27. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO SHAREHOLDERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

28. BORROWING POWERS

(a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

(i) accept or renew deposits from Shareholders;

(ii) borrow money by way of issuance of Debentures;

(iii) borrow money otherwise than on Debentures;

(iv) accept deposits from Shareholders either in advance of calls or otherwise; and

(v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up Capital, free reserves and securities premium of the Company, the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a Shareholders' Meeting unless otherwise permitted under Laws.

(b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture–stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in Shareholders' Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

(c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in Shareholders' Meeting accorded by a Special Resolution.

(d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed to be so.

(e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.

(f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

(g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

29. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

(a) The Company in Shareholders' Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.

(b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) Where the shares are converted into stock, such of the Articles as are applicable to paid- up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock -holder" respectively.

30. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a general meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All general meetings other than Annual General Meetings shall be Extraordinary General Meetings.

31. WHEN ANNUAL GENERAL MEETING TO BE HELD

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

32. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

(a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

(b) Every Shareholder of the Company shall be entitled to attend the Annual 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 any general meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings wherein the latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

33. NOTICE OF SHAREHOLDERS' MEETINGS

(a) Number of days' notice of Shareholders' Meeting to be given: A Shareholders' Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a Shareholders' Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

(a) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,

(b) Auditor or Auditors of the Company, and

(c) all Directors.

(b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.

(c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.

(d) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

(e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.

(f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

(g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(h) The notice of the Shareholders' Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

34. REQUISITION OF EXTRAORDINARY GENERAL MEETING

(a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of 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 and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

(b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

(c) Upon the receipt of any 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.

(d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.

(e) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

(f) 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.

(g) The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

35. NO BUSINESS TO BE TRANSACTED IN SHAREHOLDERS' MEETING IF QUORUM IS NOT PRESENT

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

36. CHAIRMAN OF THE SHAREHOLDERS' MEETING

The Chairman of the Board shall be entitled to take the Chair at every Shareholders' Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect, on a show of hands or on a poll if properly demanded, one of their member to be the Chairman of the meeting. No business shall be discussed at any Shareholders' Meeting, except the election of a Chairman, while the Chair is vacant.

37. CHAIRMAN CAN ADJOURN THE SHAREHOLDERS' MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the Shareholders' Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

38. QUESTIONS AT SHAREHOLDERS' MEETING HOW DECIDED

(a) At any Shareholders' Meeting, a resolution put to the vote of the Shareholders' Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

(b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

(c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situated and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

(d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

(e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.

(f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

(g) No report of the proceedings of any Shareholders' Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

(h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

39. PASSING RESOLUTIONS BY POSTAL BALLOT

(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the Shareholders' Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time and applicable Law.

40. VOTES OF SHAREHOLDERS

(a) No Shareholder shall be entitled to vote either personally or by proxy at any Shareholders' Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

(b) No shareholder shall be entitled to vote at a Shareholders' Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

(c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

(d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.

(e) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.

(f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint- holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

(g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.

(h) Any Person entitled to transfer any shares of the Company may vote at any Shareholders' Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

(i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.

(j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.

(k) A Shareholder present by proxy shall be entitled to vote only on a poll.

(l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution or such other period prescribed under Laws. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.

(m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out under Section 105 and other provisions of the Act and in the Companies (Management and Administration) Rules, 2014.

(n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Board may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

(o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

(p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

(q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.

(i) The Company shall cause minutes of all proceedings of every Shareholders' Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book 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 that Chairman within that period, by a Director duly authorised by the Board for that purpose.

(iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.

(vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

(vii) Any such Minutes shall be evidence of the proceedings recorded therein.

(viii) The book containing the Minutes of proceedings of Shareholders' Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.

(ix) The Company shall cause minutes to be duly entered in books provided for the purpose of: -

(a) the names of the Directors and Alternate Directors present at each Shareholders' Meeting;

(b) all Resolutions and proceedings of Shareholders' Meeting.

(r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.

(s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

(t) All matters arising at a Shareholders' Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.

(u) The Shareholders shall exercise their voting rights as Shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.

(v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

(w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company.

41. DIRECTORS

(a) 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. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

(b) The subscribers to the Memorandum of Association are the first Directors of the Company.

42. CHAIRMAN OF THE BOARD OF DIRECTORS

(a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the Shareholders' Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.

(b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman for the said Meeting.

(c) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company, subject to the provisions of the Act and the SEBI Listing Regulations.

43. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Act, any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "the **Original Director**") (subject to such person being acceptable to the Chairman) during the Original Director's absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

44. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 41. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

45. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders 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 and shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

46. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board or Committees of the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI Listing Regulations or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.

47. EQUAL POWER TO DIRECTOR

Except as otherwise provided in these Articles, the Act and the applicable Law, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

48. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.

The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all Shareholders' Meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

49. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification shares of the Company.

50. REMUNERATION OF DIRECTORS

(a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act from time to time for each meeting of the Board or any Committee thereof attended by him.

(c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time in accordance with applicable provisions of the Act.

(d) Subject to the provisions of the Act and these Articles. all fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a Shareholders' Meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act. Notwithstanding anything contained in this Article, the Independent Directors shall not be eligible to receive any stock options.

51. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s) / whole time director(s) / executive director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

52. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

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 Directors), the Board may arrange with such Director 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. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

53. TRAVEL EXPENSES OF DIRECTORS

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

54. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 41 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a Shareholders' Meeting, but for no other purpose.

55. VACATION OF OFFICE BY DIRECTOR

(a) Subject to relevant provisions of Sections 167, and 188 other relevant provisions of the Act, the office of a Director, shall ipso facto be vacated if:

   (i) he is found to be of unsound mind by a court of competent jurisdiction; or

   (ii) he applies to be adjudicated an insolvent; or

   (iii) he is adjudged an insolvent; or

   (iv) he is convicted by a court of any offence involving moral turpitude or otherwise, and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or

   (v) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call; or

   (vi) he absents himself from 3 (three) consecutive meetings of the Board or from all Meetings of the Board for a continuous period of 12 (twelve) months, whichever is longer, without obtaining leave of absence from the Board; or

   (vii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or

   (viii) he acts in contravention of Section 184 of the Act; or

   (ix) he becomes disqualified by an order of a court or the Tribunal; or

   (x) he is removed in pursuance of Section 169 of the Act; or

   (xi) he is disqualified under Section 164(2) of the Act.

Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

56. RELATED PARTY TRANSACTIONS

(a) Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of Section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a 'related party' with respect to:

(i) sale, purchase or supply of any goods or materials;

(ii) selling or otherwise disposing of, or buying, property of any kind;

(iii) leasing of property of any kind;

(iv) availing or rendering of any services;

(v) appointment of any agent for purchase or sale of goods, materials, services or property;

(vi) such Director's or its relative's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

(vii) underwriting the subscription of any securities or derivatives thereof, of the company:

without the consent of the Shareholders by way of a resolution in accordance with Section 188 of the Act.

(b) save as otherwise provided under applicable Law, no Shareholder of the Company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.

(c) nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

(d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

(e) The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.

(f) The term 'related party' shall have the same meaning as ascribed to it under the Act.

(g) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

57. DISCLOSURE OF INTEREST

(a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2% (two per cent) of the Paid-up share capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void;

1. in his being a shareholder holding not more than 2 (two) per cent of its Paid-up share capital.

Subject to the provisions of Section 188 of the Act and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

(c) The Company shall keep a Register in accordance with Section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under sub-article (a). The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.

(d) A Director may be or become a Director of any company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such company except in so far as Section 188 or Section 197 of the Act as may be applicable.

58. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

In accordance with Section 152 of the Act, at the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Director(s) appointed as nominee Director(s), or the Director(s) appointed as a Debenture Director(s), or the Director(s) appointed as Independent Director(s) under Articles hereto shall not retire by rotation under this Article, nor shall they be included in calculating the total number of Directors of whom one thirds shall be liable to retire by rotation from office in terms of Section 152 of the Act.

59. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

(a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-

(i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

(ii) retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;

(iii) he is not qualified or is disqualified for appointment; or

(iv) a resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any applicable provisions of the Act; or

(v) These Articles shall be subject to Section 162 of the Act.

60. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 41 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

61. REGISTER OF DIRECTORS ETC.

The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

The Company shall in respect of each of its Directors and key managerial personnel keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

62. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

63. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairman of the Board as the Managing Director / whole time director or executive director of the Company or vice versa. The Directors may whenever they appoint more than one Managing Director, designate one or more of them as joint Managing Director or "Joint Managing Directors' or "Deputy Managing Directors" as the case may be.

The Managing Directors, by whatever designation given and whole time directors shall also be liable, to retire by rotation. A Managing Director / whole time director reappointed as a director immediately on retirement by rotation, shall continue to hold his office of managing director or whole time director, and such reappointment as such director shall not be deemed to constitute a break in this appointment as Managing Director / whole time director.

64. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager, and if he ceases to hold the office of a Managing Director(s) / whole time director(s) / executive director(s)/ manager he shall ipso facto and immediately cease to be a Director.

65. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

66. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

(a) to make calls on Shareholders in respect of money unpaid on their shares;

(b) to authorise buy-back of Securities under Section 68 of the Act;

(c) to issue Securities, including Debentures, whether in or outside India;

(d) to borrow money(ies);

(e) to invest the funds of the Company;

(f) to grant loans or give guarantee or provide security in respect of loans;

(g) to approve financial statements and the Board's report;

(h) to diversify the business of the Company;

(i) to approve amalgamation, merger or reconstruction;

(j) to take over a company or acquire a controlling or substantial stake in another company;

(k) fees/ compensation payable to non-executive directors including independent directors of the Company; and

(l) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub-articles (d) to (f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of Section 180 of the Act.

In terms of and subject to the provisions of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

(a) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;

(b) to borrow money; and

(c) any such other matter as may be prescribed under the Act, the SEBI Listing Regulations and other applicable provisions of Law.

67. PROCEEDINGS OF THE BOARD OF DIRECTORS

(a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held at the Registered Office, or such a place as may be decided by the Board.

(b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

(c) The Company Secretary or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.

(d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman or Director may determine.

(e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

(f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

68. QUORUM FOR BOARD MEETING

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength or two directors, whichever is higher, and the presence of Directors by video conferencing or by other audio-visual means shall also be counted for the purposes of calculating quorum. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the

Directors who are not interested present at the meeting being not less than two, shall be the quorum during such meeting.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

69. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

(a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.

(b) No regulation made by the Company in Shareholders' Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

70. ELECTION OF CHAIRMAN OF BOARD

(a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.

(b) If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

71. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

(a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the Memorandum and Articles of Association of the Company.

(b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

(c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-

(i) Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;

(ii) Remit, or give time for repayment of, any debt due by a Director;

(iii) Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and

(iv) Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the Paid-up Capital, free reserves and securities premium of the Company.

72. COMMITTEES AND DELEGATION BY THE BOARD

The Board of Directors of the Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to Persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the SEBI Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

73. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or Persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director . Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

74. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members of the Committee, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

75. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

(a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.

(b) The Company shall circulate the minutes of the meeting to each Director within 7 (seven) Business Days after the Board Meeting.

(c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(d) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(e) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -

(i) all appointments of Officers;

(ii) the names of the Directors present at each meeting of the Board;

(iii) all resolutions and proceedings of the meetings of the Board;

(iv) the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.

(f) Nothing contained in sub Articles (a) to (e) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -

(i) is or could reasonably be regarded as defamatory of any person;

(ii) is irrelevant or immaterial to the proceedings; or

(iii) is detrimental to the interests of the Company.

(g) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (f) above.

(h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

(i) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 1 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

76. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

77. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these

Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the Person in whose favour such charge is executed.

78. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all Persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

79. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any Person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other Persons so becoming liable as aforesaid from any loss in respect of such liability.

80. OFFICERS

(a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.

(b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.

(c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.

(d) Qualified experienced managerial executives and other officers shall be appointed for the operation and conduct of the business of the Company.

(e) The Board shall appoint with the approval of the Chairman, the President and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

81. THE SECRETARY

Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

82. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

(a) on terms approved by the Board;

(b) which includes each Director as a policyholder;

(c) is from an internationally recognised insurer approved by the Board; and

(d) for coverage for claims of an amount as may be decided by the Board, from time to time.

83. SEAL

(a) The Company shall also be at liberty to have an official Seal(s) in accordance with the provisions of the Act, for use in any territory, district or place outside India.

(b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two (2) directors or of one director and the secretary or of one director and such other person as the Board may appoint for the purpose; and those directors or secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

84. ACCOUNTS

(a) The Company shall prepare and keep at the Office books of accounts or other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, in accordance with the Act, Rules and as required under the applicable Law, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

(b) Where the Board decides to keep all or any of the books of account at any place other than the Office, the Company shall, within 7 (seven) days of the decision, file with the Registrar, a notice in writing giving the full address of that other place. The Company may also keep such books of accounts or other relevant papers in electronic mode in accordance with the provisions of the Act.

(c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.

(d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.

(e) No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.

(f) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' which shall include:

(i) the extract of the annual return as provided under sub-section (3) of Section 92 of the Act;

(ii) number of meetings of the Board;

(iii) Directors' responsibility statement as per the provisions of Section 134 (5) of the Act;

(iv) a statement on declaration given by Independent Directors under sub-section (6) of Section 149 of the Act;

(v) in the event applicable, as specified under sub-section (1) of Section 178 of the Act, Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act;

(vi) explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-

1. by the auditor in his report; and

2. by the company secretary in practice in his secretarial audit report;

(vii) particulars of loans, guarantees or investments under Section 186 of the Act;

(viii) particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed form;

(ix) the state of the Company's affairs;

(x) the amounts, if any, which it proposes to carry to any reserves;

(xi) the amount, if any, which it recommends should be paid by way of Dividends;

(xii) material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report;

(xiii) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;

(xiv) a statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company;

(xv) the details about the policy developed and implemented by the Company on corporate social responsibility initiatives taken during the year;

(xvi) a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual Directors, as may be prescribed for listed companies; and

(xvii) such other matters as may be prescribed under the Law, from time to time.

(g) All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters herein and explain its transactions.

(h) The Company shall comply with the requirements of Section 136 of the Act.

85. AUDIT AND AUDITORS

(a) Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 139 to 147 of the Act and as specified under Law.

(b) Every account of the Company when audited shall be approved by a Shareholders' Meeting, to the extent required under the Act and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.

(c) Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.

(d) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within 7 (seven) days.

(e) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.

(f) The Company shall within 7 (seven) days of the Central Government's power under sub-article (e) becoming exercisable, give notice of that fact to the Government.

(g) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in Shareholders' Meeting.

(h) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with Section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Act and all the other provision of Section 140 of the Act shall apply in the matter. The provisions of this sub-article shall also apply to a resolution that a retiring auditor shall not be re- appointed.

(i) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.

(j) None of the persons mentioned in Section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

86. AUDIT OF BRANCH OFFICES

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

87. REMUNERATION OF AUDITORS

The remuneration of the Auditors shall be fixed by the Company as authorized in Shareholders' Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014.

88. DOCUMENTS AND NOTICES

(a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address or by email.

(b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable would be transmitted in the ordinary course.

(c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.

(d) Every Person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the Register of Members, shall have been duly served on or given to the Person from whom he derives his title to such Share.

(e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.

(f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.

(g) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a shareholder has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each shareholder an opportunity to register his email address and change therein from time to time with the Company or the concerned Depository. The Company shall fulfill all conditions required by Law, in this regard.

89. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

90. SERVICE ON SHAREHOLDERS HAVING NO REGISTERED ADDRESS

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

91. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS

A document may be served by the Company on the Persons entitled to a share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the Persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

92. PERSONS ENTITLED TO NOTICE OF SHAREHOLDERS' MEETINGS

Subject to the applicable provisions of the Act and these Articles, notice of Shareholders' Meeting shall be given:

(i) To the Shareholders of the Company as provided by these Articles.

(ii) To the persons entitled to a share in consequence of the death or insolvency of a Shareholder.

(iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

93. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

94. DIVIDEND POLICY

(a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

(b) Subject to the provisions of Section 123 of the Act the Company in Shareholders' Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in Shareholders' Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.

(c) (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both, provided that in computing profits any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded. The Company shall not declare Dividend unless carried over previous losses and depreciation not provided in previous Financial Year or years are set off against profit of the Company for the Financial Year for which the Dividend is proposed to be declared. Where the Company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the free reserves, owing to inadequacy or absence of profits in the Financial Year for which the Dividends are proposed to be declared, such declaration of Dividend shall not be made except in accordance with provisions of the Act and the Rules.

(ii) The declaration of the Board as to the amount of the net profits shall be conclusive.

(d) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies in accordance with the provisions of the Section 123 of the Act.

(e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.

(f) (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.

(ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.

(iii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

(g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.

(h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.

(i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.

(j) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

(k) Unless otherwise directed any Dividend shall be paid through electronic mode of payment facility approved by the Reserve Bank of India. Where it is not possible to use electronic mode of payment, dividend may be paid by 'payable at par' cheques or warrants sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.

(l) No unpaid Dividend shall bear interest as against the Company.

(m) Any Shareholders' Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Shareholders' Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.

(n) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.

(o) The Company may pay dividends on shares in proportion to the amount Paid-up on each Share in accordance with Section 51 of the Act.

95. UNPAID OR UNCLAIMED DIVIDEND

(a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank or private sector bank, to be called "Unpaid Dividend Account of Shiva Pharmachem Limited".

(b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".

(c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law and such forfeiture, if effected, shall be annulled in appropriate cases.

96. CAPITALIZATION OF PROFITS

The Company in Shareholders' Meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution, and

(b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (c) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.

(c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

   (i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;

   (ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or

   (iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

(d) A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

97. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE

(a) The Board shall give effect to a Resolution passed by the Company in pursuance of this Article.

(b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:

   (i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and

   (ii) generally do all acts and things required to give effect thereto.

(c) The Board shall have full power:

   (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or Debentures becoming distributable in fraction; and

   (ii) to authorize any Person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully Paid up, of any further shares or Debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

(d) Any agreement made under such authority shall be effective and binding on all such shareholders.

98. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

(a) If the company shall be wound up, the liquidator may, with the sanction of a special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Shareholder shall be compelled to accept any shares or other Securities whereon there is any liability.

99. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Act, every Director, manager and other Officer or employee of the Company shall be indemnified by the Company against any liability incurred by him in the ordinary course of business and it shall be the duty of the Directors to pay out from the funds of the Company all costs, losses and expenses which any Director, manager, Officer or employee may incur or become liable to by reason of any contact entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, manager, Officer or employee in defending any proceedings, whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Shareholders over all the claims.

100. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of Section 197 of the Act, no Director, manager, Officer or employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any Person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of the 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.

101. INSPECTION BY SHAREHOLDERS

The register of charges, register of investments, register of members, books of accounts and the minutes of the general meetings of the Company shall be kept at the Office of the Company and shall be open for inspection of any Shareholder without charge during business hours for such periods as determined by the Board, subject to applicable provisions of the Act. In the event such Shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee as may be prescribed under the Act or other applicable provisions of law. Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

102. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company may amend its Memorandum of Association and Articles of Association in accordance with Sections 13, 14 and 15 of the Act and such other provisions of Law, as may be applicable from time-to-time. The shareholders shall vote for all the equity shares owned or held on record by such shareholders at any Annual or Extraordinary General meeting of the company in accordance with these Articles.

(a) The shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.

(b) The Articles of the company shall not be amended unless (i) Shareholders holding not less than 75% of the Equity shares (and who are entitled to attend and vote) cast votes in favour of each such amendment/s to the Articles.

103. SECRECY

No Shareholder shall be entitled to inspect the Company's work without permission of the Managing Director/Directors or to require discovery of any information respectively any details of Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director/Directors will be inexpedient in the interest of the Shareholders of the Company to communicate to the public.

104. DUTIES OF THE OFFICER TO OBSERVE SECRECY

Every Director, Managing Director(s), manager, Secretary, Auditor, trustee, members of the committee, Officer, servant, agent, accountant or other Persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required to do so by the Directors or the Auditors, or by resolution of the Company in the Shareholders' Meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the Company's affair.

105. GENERAL POWER

Wherever in the Act or Law, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act or Law, without there being any specific Article in that behalf herein provided.

At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the SEBI Listing Regulations, the provisions of the SEBI Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all its obligations as prescribed under the SEBI Listing Regulations, from time to time.

Notwithstanding anything contained in these Articles, the instructions / guidelines issued from time to time by the Ministry of Corporate Affairs or SEBI by way of circulars / notifications etc. in respect of any of the matters with regard to powers of the board/convening / conducting of board meetings / committee meetings / shareholders' meetings, minutes of the meetings, sending of annual report by e-mail, video- conferencing and maintenance of registers / records etc., shall have overriding effect on these Articles for compliance thereof.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts and the documents for inspection referred to hereunder, copies of which will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC, may be inspected at our Registered and Corporate Office, from 10.00 a.m. to 5.00 p.m. on Working Days and will also be available on our website at https://www.shivapharmachem.com/material-contracts-document-for-inspection.aspx from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such documents or agreements executed after the Bid/Offer Closing Date).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant laws.

Material contracts to the Offer

1. Offer agreement dated August 21, 2023 entered into among our Company, the Selling Shareholders and the BRLMs;
2. Registrar agreement dated August 21, 2023 entered into among our Company, the Selling Shareholders and the Registrar to the Offer;
3. Escrow and sponsor bank(s) agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, Banker(s) to the Offer and the Registrar to the Offer;
4. Share escrow agreement dated [●] entered into among the Selling Shareholders, our Company and the Share Escrow Agent;
5. Syndicate agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar to the Offer; and
6. Underwriting agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters.

Material documents

1. Certified copies of our Memorandum of Association and Articles of Association;
2. Certificate of incorporation dated March 18, 1999; a fresh certificate of incorporation dated February 18, 2010 issued consequent upon conversion into a public company; a fresh certificate of incorporation dated April 1, 2011 issued pursuant to change of name; and a fresh certificate of incorporation dated July 4, 2011 issued pursuant to change of name to the present name of our Company;
3. Resolution of our Board dated August 14, 2023, authorizing the Offer and other related matters;
4. Consent letters each dated August 14, 2023 from the Selling Shareholders in relation to the Offer for Sale;
5. Resolution dated August 14, 2023 passed by the board of directors of Geetganga Investment Private Limited authorizing the Offer for Sale;
6. Resolution of our Board dated August 21, 2023 approving this Draft Red Herring Prospectus;
7. Resolution of our Board dated August 14, 2023 taking on record consents of the Selling Shareholders;
8. Shareholders' resolutions dated March 31, 2021 and November 12, 2022 approving the terms of appointment of our Executive Directors;
9. Consent dated August 21, 2023 from our Statutory Auditor, Talati & Talati LLP, Chartered Accountants to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of

their (i) certificate dated August 21, 2023 with respect to the key performance indicators of our Company included in this Draft Red Herring Prospectus; (ii) examination report dated August 14, 2023 on the Restated Consolidated Financial Information; and (iii) statement of special tax benefits in respect of the Company, its Shareholders and Material Subsidiaries dated August 21, 2023, included in this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the US Securities Act;

10. The examination report dated August 14, 2023 from our Statutory Auditors on the Restated Consolidated Financial Information;

11. The statement of special tax benefits dated August 21, 2023 from our Statutory Auditors included in this Draft Red Herring Prospectus;

12. Certificate dated August 21, 2023 issued by our Statutory Auditors, with respect to the key performance indicators of our Company included in this Draft Red Herring Prospectus;

13. Copies of annual reports of our Company for the Fiscals 2023, 2022 and 2021;

14. Consents of Banker(s) to our Company, the BRLMs, Registrar to the Offer, Banker(s) to the Offer, legal counsel to our Company as to Indian law, Syndicate Members, Directors and Company Secretary and Compliance Officer to act in their respective capacities;

15. Industry report titled “*Independent Market Report- India Chemical & Speciality Chemical Market Overview*” dated August, 2023 prepared by F&S and commissioned and paid for by our Company, available on our Company’s website at https://www.shivapharmachem.com/industry-report.aspx;

16. Consent dated August 17, 2023 issued by F&S with respect to the report titled “*Independent Market Report- India Chemical & Speciality Chemical Market Overview*”;

17. Consent dated August 16, 2023, from the independent chartered engineer, namely N.G. Vithalani to include their name, as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the chartered engineer for the manufacturing facilities located in India;

18. Consent dated August 17, 2023, from the independent chartered engineer, namely Miklós Trézsi to include their name, as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the chartered engineer for the manufacturing facility located in Hungary;

19. Composite scheme of arrangement amongst Tash Investment Private Limited, Geetganga Investment Private Limited, Geetganga Properties Private Limited, our Company and their respective shareholders and creditors;

20. Scheme of arrangement amongst our Company, Shiva Performance Materials Private Limited and their respective shareholders and creditors;

21. Scheme of arrangement amongst our Company, VR Finechem Private Limited and their respective shareholders and creditors;

22. Tripartite agreement dated February 12, 2018 among our Company, NSDL and Registrar to the Offer;

23. Tripartite agreement dated May 26, 2022 among our Company, CDSL and the Registrar to the Offer;

24. Due diligence certificate to SEBI from the BRLMs dated August 21, 2023;

25. In-principle listing approvals dated [●] and [●], from BSE and NSE, respectively; and

26. SEBI observation letter bearing reference number [●] and dated [•].

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Rakesh Shiwebhagwan Agrawal
(*Non-Executive Chairman*)

Date: August 21, 2023

Place: Vadodara

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Vishal Rakesh Agrawal
(Managing Director)

Date: August 21, 2023

Place: Bangkok

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Rahul Rakesh Agrawal
(*Non-Executive Director*)

Date: August 21, 2023

Place: Vadodara

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Jagmohan Manmohan Zalani
(*Executive Director*)

Date: August 21, 2023

Place: Vadodara

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sivaraman Narayanaswami
(*Independent Director*)

Date: August 21, 2023

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Prem Kumar Taneja
(*Independent Director*)

Date: August 21, 2023

Place: Gandhinagar

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Rati Ajay Desai
(*Independent Director*)

Date: August 21, 2023

Place: Vadodara

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Dukhabandhu Rath
(*Independent Director*)

Date: August 21, 2023

Place: Ahmedabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER

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Anil Shantilal Inani
(*Chief Financial Officer*)

Date: August 21, 2023

Place: Vadodara

DECLARATION

I, Vishal Rakesh Agrawal, a Selling Shareholder, hereby certify that all statements, disclosures, and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as a Selling Shareholder and the Offered Shares are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

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Name: Vishal Rakesh Agrawal

Date: August 21, 2023

Place: Bangkok

DECLARATION

I, Rahul Rakesh Agrawal, a Selling Shareholder, hereby certify that all statements, disclosures, and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as a Selling Shareholder and the Offered Shares are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

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Name: Rahul Rakesh Agrawal

Date: August 21, 2023

Place: Vadodara

DECLARATION

We, Geetganga Investment Private Limited, a Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or in relation to us as a Selling Shareholder and our portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY OR ON BEHALF OF GEETGANGA INVESTMENT PRIVATE LIMITED

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Name: Rakesh Shiwebhagwan Agrawal

Designation: Director

Date: August 21, 2023

Place: Vadodara