DRAFT RED HERRING PROSPECTUS
Dated August 10, 2022
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read section 32 of the Companies Act, 2013
100% Book Built Offer

(Please scan this QR code to view the DRHP)

Balaji Speciality Chemicals Limited.

BALAJI SPECIALITY CHEMICALS LIMITED

CORPORATE IDENTITY NUMBER: U24299PN2010PLC137162

REGISTERED OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
2nd Floor, Balaji Towers No. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur 413 224, Maharashtra, India	Srinivas Bodige, Company Secretary and Compliance Officer	**Email:** investors@balajispecialitychemicals.com **Telephone:** +91 217 2606 006	www.balajispecialitychemicals.com

OUR PROMOTERS: BALAJI AMINES LIMITED, ANDE PRATHAP REDDY, ANDE SRINIVAS REDDY, RAM REDDY DUNDURAPU, RAJESHWAR REDDY NOMULA AND GADDAM HEMANTH REDDY

DETAILS OF OFFER TO THE PUBLIC

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs, RIIs, ELIGIBLE EMPLYOEES AND BALAJI AMINES SHAREHOLDERS
Fresh Issue and Offer for Sale	Up to [●] Equity Shares aggregating up to ₹ 2,500.00 million	Up to 26,000,000 Equity Shares aggregating up to ₹ [●] million	Up to ₹ [●] million	This Offer is being made in terms of Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), as our Company did not fulfil requirements under Regulation 6(1) of the SEBI ICDR Regulations. For details of share reservation among QIBs, NIIs and RIIs, Eligible Employees and Balaji Amines Shareholders, see “*Offer Structure*” on page 312.

DETAILS OF OFFER FOR SALE BY THE SELLING SHAREHOLDERS

NAME OF SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED/AMOUNT	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹) *	NAME OF SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED/AMOUNT	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹) *
Ande Prathap Reddy	Promoter	Up to 1,030,000 Equity Shares aggregating to ₹ [●] million	4.68	Ande Shakuntala Devi	Promoter Group	Up to 3,600,000 Equity Shares aggregating to ₹ [●] million	2.00
Ande Srinivas Reddy	Promoter	Up to 5,600,000 Equity Shares aggregating to ₹ [●] million	2.00	Gaddam Madhumathi	Promoter Group	Up to 900,000 Equity Shares aggregating to ₹ [●] million	2.00
Ram Reddy Dundurapu	Promoter	Up to 1,900,000 Equity Shares aggregating to ₹ [●] million	2.84	Gaddam Tanmai Reddy	Promoter Group	Up to 1,300,000 Equity Shares aggregating to ₹ [●] million	2.00
Rajeshwar Reddy Nomula	Promoter	Up to 2,300,000 Equity Shares aggregating to ₹ [●] million	2.56	Eeshan Reddy Nomula	Promoter Group	Up to 2,100,000 Equity Shares aggregating to ₹ [●] million	2.78
Gaddam Hemanth Reddy	Promoter	Up to 660,000 Equity Shares aggregating to ₹ [●] million	3.97	Nomula Deepti Rajeshwar Reddy	Promoter Group	Up to 800,000 Equity Shares aggregating to ₹ [●] million	1.22
Achanta Annapurna	Promoter Group	Up to 2,250,000 Equity Shares aggregating to ₹ [●] million	1.71	Gaddam Laasya Reddy	Promoter Group	Up to 780,000 Equity Shares aggregating to ₹ [●] million	2.00
Dundurapu Vandana Reddy	Promoter Group	Up to 2,000,000 Equity Shares aggregating to ₹ [●] million	3.41	Gaddam Komali Reddy	Promoter Group	Up to 780,000 Equity Shares aggregating to ₹ [●] million	2.00

**As certified by M. Anandam & Co., Chartered Accountants pursuant to their certificate dated August 10,2022.*

RISKS IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is ₹ 2 each. The Offer Price, Floor Price or Price Band 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 “*Basis for Offer Price*” on page 106, 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 investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“**SEBI**”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “*Risk Factors*” beginning on page 27.

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. The Selling Shareholders, severally and not jointly, accept responsibility for and confirm only the statements expressly made by them in this Draft Red Herring Prospectus solely to the extent of information specifically pertaining to them and their respective portion of the Offered Shares, and assume responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Selling Shareholders assume 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, once offered through the Red Herring Prospectus, are proposed to be listed on the Stock Exchanges. For the purposes of the Offer, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS

NAME OF BOOK RUNNING LEAD MANAGERS & LOGO	CONTACT PERSON	TELEPHONE AND EMAIL
HDFC BANK We understand your world **HDFC BANK LIMITED**	**Kunal Thakkar**	**Tel:** +91 22 3395 8233 **E-mail:** bsclipo@hdfcbank.com
JM FINANCIAL **JM FINANCIAL LIMITED**	**Prachee Dhuri**	**Tel:** +91 22 6630 3030 **E-mail:** bscl.ipo@jmfl.com

REGISTRAR TO THE OFFER

NAME OF REGISTRAR	CONTACT PERSON	TELEPHONE AND EMAIL
LINKIntime **LINK INTIME INDIA PRIVATE LIMITED**	**Shanti Gopalkrishnan**	**Tel.**: +91 22 4918 6200 **E-mail**: balajispeciality.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.*

DRAFT RED HERRING PROSPECTUS
Dated August 10, 2022
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read section 32 of the Companies Act, 2013
100% Book Built Offer

BALAJI SPECIALITY CHEMICALS LIMITED

Our Company was originally incorporated as 'Balaji Benzochem Private Limited' as a private limited company under the Companies Act, 1956 at Solapur, Maharashtra, pursuant to a certificate of incorporation dated August 20, 2010, issued by the Registrar of Companies, Maharashtra at Pune ("**RoC**"). The name of our Company was changed from 'Balaji Benzochem Private Limited' to 'Balaji Speciality Chemicals Private Limited', pursuant to a Board resolution dated February 23, 2016, Shareholders' resolution dated February 26, 2016 and a certificate of incorporation pursuant to change of name dated March 14, 2016 issued by the RoC. Subsequently, the name of our Company was changed from 'Balaji Speciality Chemicals Private Limited' to 'Balaji Speciality Chemicals Limited' upon conversion into a public company, pursuant to a Board resolution dated January 31, 2022, Shareholders' resolution dated February 26, 2022, and a fresh certificate of incorporation consequent upon conversion from private company to public company dated March 17, 2022 issued by the RoC. For further details relating to changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 183.

Corporate Identity Number: U24299PN2010PLC137162
Registered Office: 2nd Floor, Balaji Towers No 9/1A/1, Hotgi Road, Aasara Chowk, Solapur413 224, Maharashtra, India; **Tel:** +91 217 2606 006;
Contact Person: Srinivas Bodige, Company Secretary and Compliance Officer; **Tel**: + 91 217 2451559; **E-mail:** investors@balajispecialitychemicals.com; **Website**: www.balajispecialitychemicals.com

OUR PROMOTERS: BALAJI AMINES LIMITED, ANDE PRATHAP REDDY, ANDE SRINIVAS REDDY, RAM REDDY DUNDURAPU, RAJESHWAR REDDY NOMULA AND GADDAM HEMANTH REDDY

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF BALAJI SPECIALITY CHEMICALS LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION ("OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2,500.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 26,000,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION COMPRISING OF UP TO 1,030,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY ANDE PRATHAP REDDY, UP TO 5,600,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY ANDE SRINIVAS REDDY, UP TO 1,900,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY RAM REDDY DUNDURAPU, UP TO 2,300,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY RAJESHWAR REDDY NOMULA, UP TO 660,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY GADDAM HEMANTH REDDY, UP TO 2,250,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY ACHANTA ANNAPURNA, UP TO 2,000,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY DUNDURAPU VANDANA REDDY, UP TO 3,600,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY ANDE SHAKUNTALA DEVI, UP TO 900,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY GADDAM MADHUMATHI, UP TO 1,300,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY GADDAM TANMAI REDDY, UP TO 2,100,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY EESHAN REDDY NOMULA, UP TO 800,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY NOMULA DEEPTI RAJESHWAR REDDY, UP TO 780,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY GADDAM LAASYA REDDY AND UP TO 780,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY GADDAM KOMALI REDDY ("SELLING SHAREHOLDERS") ("OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). IN ACCORDANCE WITH AND SUBJECT TO REGULATION 33 OF THE SEBI ICDR REGULATIONS, THE OFFER MAY INCLUDE A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE OFFER), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEE(S) (THE "EMPLOYEE RESERVATION PORTION") AND A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE OFFER), FOR SUBSCRIPTION BY BALAJI AMINES SHAREHOLDERS (AS DEFINED HEREINAFTER) ("BALAJI AMINES SHAREHOLDER RESERVATION PORTION"). OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs"), MAY OFFER A DISCOUNT OF UP TO [●]% (EQUIVALENT TO ₹[●] PER EQUITY SHARE) OF THE OFFER PRICE TO ELIGIBLE EMPLOYEE(S) BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT") AND OF UP TO [●]% (EQUIVALENT TO ₹[●] PER EQUITY SHARE) OF THE OFFER PRICE TO BALAJI AMINES SHAREHOLDER(S) BIDDING IN THE BALAJI AMINES SHAREHOLDER RESERVATION PORTION ("SHAREHOLDER DISCOUNT"), SUBJECT TO NECESSARY APPROVALS, AS MAY BE REQUIRED. THE OFFER LESS THE EMPLOYEE RESERVATION PORTION AND THE BALAJI AMINES SHAREHOLDER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS "NET OFFER". THE OFFER AND NET OFFER SHALL CONSTITUTE [●] % AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY, IN CONSULTATION WITH THE SELLING SHAREHOLDERS AND THE BRLMS, MAY CONSIDER UNDERTAKING A FURTHER ISSUE OF EQUITY SHARES OR ANY OTHER INSTRUMENT AS MAY BE PERMISSIBLE THROUGH A PREFERENTIAL ISSUE OR ANY OTHER METHOD AS MAY BE PERMITTED IN ACCORDANCE WITH APPLICABLE LAW TO ANY PERSON(S), FOR A CASH CONSIDERATION AGGREGATING UP TO ₹ 500.00 MILLION BETWEEN THE DATE OF THIS DRAFT RED HERRING PROSPECTUS TILL THE FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"), THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BRLMS. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE AMOUNT RAISED PURSUANT TO SUCH PRE-IPO PLACEMENT WILL BE REDUCED FROM THE AMOUNT OF THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH THE SEBI ICDR REGULATIONS AND THE SCRR.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND WILL BE ADVERTISED IN [●] EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED MARATHI DAILY NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED 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 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 may, for reasons to be recorded in writing, extend the Bid /Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations, and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"), provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**"). One-third of the Anchor Investor Portion shall be reserved for the 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 the Anchor Investor Portion) (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 QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors, out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1.00 million and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, in accordance with and subject to Regulation 33 of the SEBI ICDR Regulations, Equity Shares will be allocated on a proportionate basis to Eligible Employees Bidding under the Employee Reservation Portion and Balaji Amines Shareholders Bidding under the Balaji Amines Shareholder Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are required to participate in the Offer by mandatorily utilising the Application Supported by Blocked Amount ("**ASBA**") process, by providing details of their respective ASBA Accounts (as defined hereinafter) and UPI IDs in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or under the UPI Mechanism, as the case may be, to the extent of their respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 318.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 2 each. The Offer Price, Floor Price or Price Band should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 27.

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. The Selling Shareholders, severally and not jointly, accept responsibility for and confirm only the statements expressly made by them in this Draft Red Herring Prospectus solely to the extent of information specifically pertaining to them and their respective portion of the Offered Shares, and assume responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Selling Shareholders assume 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, once 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 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 "*Material Contracts and Documents for Inspection*" beginning on page 367.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
HDFC Bank Limited Investment Banking Group Unit No. 401 & 402, 4th Floor, Tower B, Peninsula Business Park, Lower Parel, Mumbai 400 013, Maharashtra, India **Tel.**: +91 22 3395 8233 **E-mail**: bsclipo@hdfcbank.com **Investor Grievance E-mail**: investor.redressal@hdfcbank.com **Website**: www.hdfcbank.com **Contact Person**: Kunal Thakkar **SEBI Registration No**: INM000011252	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India **Tel.:** +91 22 6630 3030 **E-mail:** bscl.ipo@jmfl.com **Investor Grievance E-mail:** grievance.ibd@jmfl.com **Website:** www.jmfl.com **Contact Person:** Prachee Dhuri **SEBI Registration No:** INM000010361	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India **Tel.**: +91 22 4918 6200 **E-mail**: balajispeciality.ipo@linkintime.co.in **Investor Grievance Email**: balajispeciality.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Contact Person**: Shanti Gopalkrishnan **SEBI Registration No:** INR000004058

BID/OFFER PROGRAMME

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

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

*** Our Company and the Selling Shareholders may, in consultation with the BRLMs, 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.*

TABLE OF CONTENTS

SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies will include any amendments, clarifications, modifications, replacements, or re-enactments thereto, from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

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.

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.

Notwithstanding the foregoing, terms used in "Main Provisions of the Articles of Association", "Statement of Possible Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "Basis for Offer Price" "Restriction on Foreign Ownership of Indian Securities", "Restated Financial Information" and "Outstanding Litigation and Other Material Developments", on pages 342, 109, 113, 177, 106, 340, 216 and 286 will have the meaning ascribed to such terms in those respective chapters/sections.

General terms

Term	Description
our Company, the Company, the Issuer, BSCL	Balaji Speciality Chemicals Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at 2nd Floor, Balaji Towers No. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur 413 224, Maharashtra, India
we/ us/ our	Unless the context otherwise indicates or implies, refers to our Company

Company related terms

Term	Description
AoA or Articles of Association or Articles	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of the Board, described in "*Our Management - Committees of our Board"* on page 193
Auditors or Statutory Auditors	The statutory auditors of our Company, M. Anandam & Co., Chartered Accountants
Board or Board of Directors	The board of directors of our Company, as constituted from time to time
Chairman and Whole-time Director	The chairman and whole-time Director of our Company, being Ande Prathap Reddy
Chief Financial Officer or CFO	The chief financial officer of our Company, being Pardeep Singh Watwani
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Srinivas Bodige
Corporate Promoter or BAL	The corporate promoter of our Company, being Balaji Amines Limited
CRISIL	CRISIL Limited
CRISIL Report	Report titled "Assessment of Amine Industry" released on August 4, 2022 in Mumbai by CRISIL Limited, which has been commissioned and paid for by our Company and has been exclusively prepared for the purpose of the Offer
CSR Committee or Corporate Social Responsibility Committee	The corporate social responsibility committee of the Board, described in "*Our Management - Committees of our Board*" on page 199
Director(s)	The director(s) on our Board. For details, see "*Our Management*" on page 187
Equity Shares	The equity shares of our Company of face value of ₹ 2 each
Executive Director(s)	The executive Directors on the Board, being Rajeshwar Reddy Nomula, Ande Prathap Reddy, Ram Reddy Dundurapu, and Gaddam Hemanth Reddy
Group Companies	Our group companies in accordance with the SEBI ICDR Regulations and the Materiality Policy as set out in section titled "*Group Companies*" on page 213
Independent Director(s)	The independent director(s) on our Board who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013, and the

Term	Description
	SEBI Listing Regulations. For details, see "*Our Management - Board of Directors*" on page 187
Individual Promoters	The individual promoters of our Company, Ande Prathap Reddy, Ande Srinivas Reddy, Ram Reddy Dundurapu, Rajeshwar Reddy Nomula, and Gaddam Hemanth Reddy
IPO Committee	The IPO committee of the Board
KMP or Key Managerial Personnel	The 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 202
Managing Director	The managing director of our Company, being Rajeshwar Reddy Nomula
Manufacturing Facility or manufacturing facility	Our Company's manufacturing facility situated at Plot No. E-8/1, MIDC, Chincholi, Tal - Mohol, Solapur 413 255, Maharashtra, India
Materiality Policy	The policy adopted by our Board on June 1, 2022, for identification of: (a) outstanding material litigation involving our Company, Promoters and Directors; (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 the Prospectus
MoA or Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of the Board, described in "*Our Management-Committees of our Board*" on page 193
Other Selling Shareholders	Collectively, Achanta Annapurna, Dundurapu Vandana Reddy, Gaddam Madhumathi, Gaddam Tanmai Reddy, Eeshan Reddy Nomula, Nomula Deepti Rajeshwar Reddy, Gaddam Laasya Reddy, Gaddam Komali Reddy, and Ande Shakuntala Devi
Promoter(s)	Collectively, the Individual Promoters and the Corporate Promoter
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in "*Our Promoters and Promoter Group*" on page 205
Promoter Selling Shareholders	Collectively, Ande Prathap Reddy, Ande Srinivas Reddy, Ram Reddy Dundurapu, Rajeshwar Reddy Nomula, and Gaddam Hemanth Reddy
Registered Office	The registered office of our Company, situated at 2nd Floor, Balaji Towers No. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur 413 224, Maharashtra, India
RoC or Registrar of Companies	The Registrar of Companies, Maharashtra at Pune
Restated Financial Information	The restated financial information of our Company, comprising the restated balance sheet as at March 31, 2022, March 31, 2021, and March 31, 2020, the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows and the restated statement of changes in equity for the Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020, the summary statement of significant accounting policies, and other explanatory information, prepared in terms of requirements of Section 26 of the Companies Act, 2013, 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 the Board, described in "*Our Management - Committees of our Board*" on page 200
Selling Shareholders	Collectively, the Promoter Selling Shareholders and the Other Selling Shareholders
Shareholders	The holders of the Equity Shares of our Company from time to time
Stakeholders Relationship Committee or SR Committee	The stakeholders' relationship committee of the Board, described in "*Our Management - Committees of our Board*" on page 198
Whole-time Director(s)	The whole-time Director(s) on our Board, being Ande Prathap Reddy, Ram Reddy Dundurapu and Gaddam Hemanth Reddy

Offer related terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI
Acknowledgement Slip	The slip or document to be issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form

Term	Description
Allot or Allotment or Allotted	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock 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 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 Prospectus
Anchor Investor Bidding Date	The day, 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 Investors, 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
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLMs, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and 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 Bidders 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 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 Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Balaji Amines Shareholder(s)	Public equity shareholder(s) of our Corporate Promoter (excluding such persons not eligible under applicable laws, rules, regulations and guidelines) as on the date of the Red Herring Prospectus The maximum Bid Amount by Balaji Amines Shareholders under the Balaji Amines Shareholder Reservation Portion shall not exceed ₹ 0.20 million (net of Shareholder Discount)
Balaji Amines Shareholder Reservation Portion	In accordance with and subject to Regulation 33 of the SEBI ICDR Regulations, the portion of the Offer being up to [●] Equity Shares, aggregating up to ₹ [●] million, available for allocation to Balaji Amines Shareholders, on a proportionate basis
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Offer Account Bank(s), as the case may be

Term	Description
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure*" on page 318
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIIs, Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs 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 Eligible Employees Bidding in the Employee Reservation Portion can Bid at the Cut-off Price and the Bid amount will be the Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion can Bid at the Cut-off Price and the Bid Amount will be the Cap Price net of Shareholder Discount, multiplied by the number of Equity Shares Bid for by such Balaji Amines Shareholder and mentioned in the Bid cum Application Form
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
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 RTAs and Designated CDP Locations for CDPs
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 [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered 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 Stock Exchanges, and also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located)
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

Term	Description
	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
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer namely, HDFC Bank Limited and JM Financial Limited
Broker Centres	Broker centres of the Registered Brokers where ASBA Bidders can submit the ASBA Forms, provided that UPI Bidders 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)
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, 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.
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Managers, Syndicate Member(s) and the Banker(s) to the Offer in accordance with the UPI Circulars for, *inter alia* the appointment of the Sponsor Bank, collection of the Bid Amounts from Anchor Investors transfer of funds to the Public Offer Account and where applicable remitting refunds of the amounts collected from Bidders, if any, to such Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Depository Participants or CDPs	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 or 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
Cut-off Price	The 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 Investors, Eligible Employees Bidding under the Employee Reservation Portion and Balaji Amines Shareholders Bidding under the Balaji Amines Shareholder Reservation Portion, are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders (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 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 Intermediaries	In relation to ASBA Forms submitted by (i) Retail Individual Investors (not using the UPI mechanism), (ii) Eligible Employees (not using the UPI mechanism), (iii) Balaji Amines Shareholders (not using the UPI mechanism), and (iv) Non-Institutional Investors 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

Term	Description
	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, SCSBs and RTAs In relation to ASBA Forms submitted by QIBs and NIIs (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 Bidders (other than Anchor Investors) can submit the ASBA Forms to CRTAs. The details of such Designated RTA 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 or DRHP	This draft red herring prospectus dated August 10, 2022 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer including any addenda or corrigenda thereto
Eligible Employees	All or any of the following: (a) a permanent employee of our Company or our Corporate Promoter, present in India or outside India (excluding such employees who are not eligible to invest in the Offer under applicable laws) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company or our Corporate Promoter, as the case may be, until the submission of the Bid cum Application Form but not including (i) the Promoters; (ii) the members of the Promoter Group; or (iii) the Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares; (b) a Director of our Company, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company, until the submission of the Bid cum Application Form The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 0.50 million (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 0.20 million (net of Employee Discount). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 0.20 million (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 0.50 million (net of Employee Discount)
Eligible FPI(s)	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
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
Employee Discount	Our Company and the Selling Shareholders, in consultation with the BRLMs, may offer a discount of up to [●] % of the Offer Price (equivalent to ₹ [●] per Equity Share) to Eligible Employee(s) Bidding in the Employee Reservation Portion, subject to necessary approvals, as may be required, and which shall be announced at least two Working Days prior to the Bid/Offer Opening Date
Employee Reservation Portion	In accordance with and subject to Regulation 33 of the SEBI ICDR Regulations, the portion of the Offer being up to [●] Equity Shares, aggregating up to ₹ [●] million available for allocation to Eligible Employees, on a proportionate basis

Term	Description
Escrow Account(s)	Account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue 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
Fresh Issue	The fresh issue of up to [●] Equity Shares by our Company, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 2,500.00 million Subject to receipt of requisite corporate approvals, our Company, in consultation with the Selling Shareholders and the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the SEBI ICDR Regulations and the SCRR
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, pursuant to the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, and the UPI Circulars and any subsequent circulars or notifications issued by SEBI from time to time
HDFC	HDFC Bank Limited
JM	JM Financial Limited
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
Monitoring Agency	[●], being a credit rating agency registered with SEBI
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer less the Employee Reservation Portion and the Balaji Amines Shareholder Reservation Portion
Net Proceeds	The proceeds from the Fresh Issue less the Offer related expenses applicable to the Fresh Issue. For further details, see "*Objects of the Offer*" on page 95
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Investors/ NIIs	All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with SEBI that are not QIBs (including Anchor Investors) or Retail Individual Investors, or the Eligible Employees Bidding in the Employee Reservation Portion or the Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion, who have Bid for Equity Shares for an amount of more than ₹ 0.20 million (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Net Offer being not more than 15% of the Net Offer, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Investors 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 of the portion available to Non-Institutional Investors shall be reserved for Non-Institutional Investors with Bids exceeding ₹ 0.20 million and up to ₹ 1.00 million; and ii) two-thirds of the portion available to Non-Institutional Investors shall be reserved for Non-Institutional Investors with Bids exceeding ₹ 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 in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price

Term	Description
Non-Resident	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 ₹ [●] million comprising the Fresh Issue and the Offer for Sale Subject to receipt of requisite corporate approvals, our Company, in consultation with the Selling Shareholders and the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the SEBI ICDR Regulations and the SCRR
Offer Agreement	The agreement dated August 10, 2022 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 component of the Offer, comprising of an offer for sale of up to 26,000,000 Equity Shares at ₹ [●] per Equity Share aggregating up to ₹ [●] 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 A discount of up to [●] % on the Offer Price (equivalent of ₹ [●] per Equity Share) may be offered to Eligible Employees Bidding in the Employee Reservation Portion. Further, a discount of up to [●] % on the Offer Price (equivalent of ₹ [●] per Equity Share) may be offered to Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion. The Employee Discount and the Shareholder Discount, if any, will be decided by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers
Offered Shares	The Equity Shares being offered by the Selling Shareholders in the Offer for Sale comprising of up to 26,000,000 Equity Shares aggregating up to ₹ [●] million
Pre-IPO Placement	A further issue of Equity Shares or any other instrument, as may be permissible, through preferential issue or any other method as may be permitted in accordance with applicable law to any person(s), for a cash consideration aggregating up to ₹ 500.00 million, at its discretion, which may be undertaken by our Company, in consultation with the Selling Shareholders and the Book Running Lead Managers, between the date of this draft red herring prospectus till the filing of the red herring prospectus with the RoC If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the SEBI ICDR Regulations and the SCRR. Upon allotment of Equity Shares and/ or any other permissible instrument issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company may utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered 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

Term	Description
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 at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	Bank account(s) 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
Public Offer Account Bank(s)	The banks 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 [●]
QIB Category or QIB Portion	The portion of the Net Offer (including the Anchor Investor Portion) being not less than 75% of the Net Offer, consisting of [●] Equity Shares aggregating to ₹ [●] million which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation 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 or Anchor Investor Offer Price (for Anchor Investors)
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the 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 6, 2022 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 Investors(s)/ RII(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 Net Offer being not more than 10% of the Net Offer consisting of [●] Equity Shares aggregating to ₹ [●] million, which shall be available for allocation to Retail Individual Investors 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 Investors 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 Investors Bidding in the Retail Portion, Eligible Employees Bidding in the Employee Reservation Portion and Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self-Certified Syndicate Bank(s)/ SCSB(s)	(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at

Term	Description
	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) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43). A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.
Share Escrow Agent	Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Shareholder Discount	Our Company and the Selling Shareholders, in consultation with the BRLMs, may offer a discount of up to [●] % of the Offer Price (equivalent to ₹ [●] per Equity Share) to Balaji Amines Shareholder(s) Bidding in the Balaji Amines Shareholder Reservation Portion, subject to necessary approvals, as may be required, and which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.
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	The Banker 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	Agreement to be entered into among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, [●]
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	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date, but prior to filing of the Prospectus
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors who will Bid as (i) Retail Individual Investors in the Retail Portion, (ii) Eligible Employees, under the Employee Reservation Portion, (iii) Balaji Amines Shareholders under the Balaji Amines Shareholder Reservation Portion, and (iv) Non-Institutional Investors with an application size of up to ₹0.50 million in the Non-Institutional Portion, using the UPI Mechanism through ASBA Form(s) with the Designated Intermediaries SEBI through its circular (SEBI/HO/CFD/DIL2/P/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in public issues on or after May 1, 2022, where the application amount is up to ₹ 0.50 million, shall use UPI and shall 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

Term	Description
	(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, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, 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, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the 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 to authorize blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI linked mobile application, 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(s)	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
AIFs	Alternative investment funds as defined in and registered under the SEBI AIF Regulations
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

Term	Description
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	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
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
EBITDA	Earnings before interest, tax, depreciation and amortisation
EGM	Extraordinary general meeting
EPS	Earnings per share
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
Financial Year, Fiscal, FY/ F.Y.	Period of twelve months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular year, unless stated otherwise
FI	Financial institutions
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross domestic product
GoI / Central Government	Government of India
GST	Goods and services tax
HUF	Hindu undivided family
IT Act	The Information Technology Act, 2000
Income Tax 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
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
IPO	Initial public offer
IT	Information technology
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal cost of fund-based lending rate
Mn or mn	Million
N.A. or NA	Not applicable
NACH	National Automated Clearing House
NAV	Net asset value
NEFT	National electronic fund transfer
Non-Resident	A person resident outside India, as defined under FEMA
No.	Number
NPCI	National payments corporation of India
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI or 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

Term	Description
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
PAT	Profit After Tax
R&D	Research and development
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RONW	Return on net worth
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI 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 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
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

Industry and business related terms

Term	Description
AEP	Amino Ethyl Piperazine
AEEA	Amino Ethyl Ethanol Amines
CAGR	Compound Annual Growth Rate
DCPC	Department of Chemicals and Petrochemicals
DETA	Diethylenetriamine
EDA	Ethylenediamine
EDTA	Ethylenediamine tetra acetic acid
GDP	Gross Domestic Product
IIP	Index of Industrial Production

Term	Description
KT	Kilo Ton
MEA	Monoethanol Amine
MT	Metric Ton
MTA	Metric Tonnes per annum
NSO	National Statistical Office
PCPIR	Petrochemicals Investment Regions
PIP	Piperazine (Anhydrous)

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

Certain Conventions

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

All references herein to the "US", the "U.S." or the "United States" are to the United States of America and its territories and possessions.

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

Financial Data

Unless stated or the context requires otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus are derived from our Restated Financial Information pertaining to our Company and have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and other relevant provisions of the Companies Act, 2013. For further information, see "*Restated Financial Information*" on page 216.

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/Fiscal Year are to the year ended on March 31, of that calendar year.

The Restated Financial Information of our Company included in this Draft Red Herring Prospectus are as at and for the Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020, prepared in accordance with Ind AS and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI, as amended from time to time.

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 investors may be more familiar with and may consider material to their assessment of our financial condition.*" on page 61. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, 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.

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 Condition and Results of Operations*" on pages 27, 156 and 253, respectively, and elsewhere in this Draft Red Herring Prospectus, unless otherwise stated or context requires otherwise, have been derived from Restated Financial Information or non-GAAP financial measures as described below.

Non-GAAP Financial Measures

Certain non-GAAP and certain other statistical information relating to our operations and financial measures relating to our financial performance included in this Draft Red Herring Prospectus, for instance EBITDA, EBITDA Margin, Net Asset Value per Equity Share, Total Borrowings (the **"Non-GAAP Measures''**), 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 Ind AS, 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 financial 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 Condition and Results of Operations – Non-GAAP Measures*" on page 259.

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 "*Assessment of Amine Industry*" released on August 4, 2022 in Mumbai by CRISIL Limited (the "**CRISIL Report**"). The CRISIL 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 www.balajispecialitychemicals.com/details?source_ref=NQ==. CRISIL Limited is an independent agency which has no relationship with our Company, our Promoters, any of our Directors, or Key Managerial Personnel or the Book Running Lead Managers. CRISIL Limited was appointed by our Company pursuant to the engagement letter dated May 24, 2022.

The CRISIL Report is subject to the following disclaimer:

"CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing its report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). The Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of the 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. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Balaji Speciality Chemicals Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of the Report may be published/reproduced in any form without CRISIL's prior written approval."

Aside from the above, unless otherwise stated, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from publicly available sources of industry data. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Given the scope and extent of the Report, disclosures are limited to certain excerpts and the Report has not been reproduced in its entirety in this Draft Red Herring Prospectus. 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 – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL Limited exclusively commissioned and paid for by us for such purpose."* on page 43. 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 106 includes information relating to our peer group companies.

Currency and Units of Presentation

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

All references to "**U.S.$**", "**U.S. Dollar**", "**USD**" or "**U.S. Dollars**" are to United States Dollars, the official currency of the United States of America.

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 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 U.S. Dollars and 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 periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies, as on the dates indicated:

(amount in ₹, unless otherwise specified)

Currency	**As at**		
	March 31, 2022	**March 31, 2021**	**March 31, 2020**
1 USD/ US$	75.81	73.50	75.39

Source: www.fbil.org.in

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

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" and "will likely", 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, expected 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, 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 one or more of our key customers or the deterioration of their financial condition or prospects;
- Any unscheduled, unplanned or prolonged disruption of our manufacturing operations at our Manufacturing Facility;
- Any increase in the cost of, or a shortfall in the availability or quality of our raw materials;
- Inability to maintain profitability in the future;
- Deterioration in or cessation of our relationship with our Corporate Promoter;
- Restrictions on the import of our raw materials and/or an increase in shipment costs;
- Reduction in the demand of our products, including in particular ethylenediamine;
- Any adverse developments in Maharashtra or its surrounding areas or in any key markets we cater to;
- Failure to comply with the quality standards and requirements of our customers; and
- Failure to comply with and/or adverse changes in health, safety, labour and/or environmental laws and similar regulations and standards applicable to our manufacturing operations.

For a further discussion of factors that could cause our actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages *27*, *156* and *253*, 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 and the forward looking statements based on these assumptions could be incorrect.

Neither our Company, our Directors, the Key Managerial Personnel, our Promoters, 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 investors in India are informed of material developments pertaining to our Company from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permissions by the Stock Exchanges. The Selling Shareholders shall ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by them in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the grant of listing and trading permission by the Stock Exchanges for the Equity Shares pursuant to the Offer.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures and terms of the Offer included in this Draft Red Herring Prospectus and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled "Risk Factors", "Our Business", "Industry Overview", "Capital Structure", "The Offer", "Restated Financial Information", "Objects of the Offer", "Our Promoters and Promoter Group", "*Offer Procedure*" *and "Outstanding Litigation and Other Material Developments" beginning on pages 27, 156, 113, 80, 64, 216, 95, 205, 318 and 286 respectively of this Draft Red Herring Prospectus.*

Summary of the primary business of our Company

We are the sole manufacturer in India of niche chemicals such as Ethylenediamine, Piperazine (Anhydrous), Diethylenetriamine, Amino Ethyl Ethanol Amines and Amino Ethyl Piperazine, using the Monoethanol Amine process (Source: CRISIL Report). We are a subsidiary of Balaji Amines Limited, one of the leading manufacturers of aliphatic amines in India (Source: CRISIL Report). As of March 31, 2022, our product portfolio comprised five niche chemicals catering to a diverse range of end user industries, including speciality chemicals, agrochemicals; and pharmaceuticals across multiple applications.

Summary of Industry in which the Company operates

The global market for our portfolio of Ethylenediamine, Piperazine, Diethylenetriamine, Amino Ethyl Ethanol Amines and Amino Ethyl Piperazine is expected to grow from 1,078 KT in Fiscal 2022 to 1,570 KT by Fiscal 2028. The global market for these products is valued at US$ 2.2 billion and expected to grow at 6.9% CAGR to US$ 3.3 – US$ 3.4 billion by Fiscal 2028. In the last three Fiscals, India imported 125.4 KT of these products - 105.5 KT Ethylenediamine, 6.3 KT Piperazine (Anhydrous), 12.2 KT Diethylenetriamine, 0.6 KT Amino Ethyl Ethanol Amines and 0.7 KT Amino Ethyl Piperazine (*Source: CRISIL Report*).

Name of Promoters

As on the date of this Draft Red Herring Prospectus, our Corporate Promoter is Balaji Amines Limited and our Individual Promoters are Ande Prathap Reddy, Ande Srinivas Reddy, Ram Reddy Dundurapu, Rajeshwar Reddy Nomula, and Gaddam Hemanth Reddy. For further details, see "*Our Promoters and Promoter Group*" at page 205.

The Offer

Offer [1^]	Up to [●] Equity Shares aggregating up to ₹ [●] million
of which	
Fresh Issue [1^]	Up to [●] Equity Shares aggregating up to ₹ 2,500.00 million
Offer for Sale[2]	Up to 26,000,000 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] million
The Offer comprises:	
Employee Reservation Portion[3]	Up to [●] Equity Shares aggregating up to ₹ [●] million
Balaji Amines Shareholder Reservation Portion[4]	Up to [●] Equity Shares aggregating up to ₹ [●] million
Net Offer	Up to [●] Equity Shares aggregating up to ₹ [●] million

^ *Subject to receipt of requisite corporate approvals, our Company, in consultation with the Selling Shareholders and the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 500.00 million. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the SEBI ICDR Regulations and SCRR.*

1 *The Offer has been authorized by a resolution of our Board dated June 1, 2022, and the Fresh Issue has been authorized by a special resolution of our Shareholders dated June 2, 2022. Further, our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on August 10, 2022.*

2 *The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. For details of the authorisations by the Selling Shareholders in relation to the Offered Shares, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 64 and 294, respectively.*

3 *Our Company and Selling Shareholders, in consultation with the Book Running Lead Managers, may offer a discount of up to [●] % to the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees, which shall be announced at least two Working Days prior to the Bid / Offer Opening Date. For details, see "Offer Structure" beginning on page 312.*

4 *Our Company and Selling Shareholders, in consultation with the Book Running Lead Managers, may offer a discount of up to [●] % to the Offer Price (equivalent of ₹ [●] per Equity Share) to Balaji Amines Shareholders, which shall be announced at least two Working Days prior to the Bid / Offer Opening Date. For details, see "Offer Structure" beginning on page 312.*

For further details, see "*The Offer*" and "*Offer Structure*" on pages 64 and 312, respectively.

Objects of the Offer

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

Particulars	Estimated amount[(2)] (in ₹ million)
Repayment/ pre-payment, in full or in part, of certain outstanding borrowings availed by our Company	680.00
Funding working capital requirements of our Company	1,195.00
General corporate purposes[(1)]	[●]
Total [(1)]	**[●]**

[(1)]*To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.*

[(2)] *Our Company, in consultation with the Selling Shareholders and the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 500.00 million. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the SEBI ICDR Regulations and the SCRR. Upon allotment of Equity Shares and/or any other permissible instrument issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company may utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects*

For further details, see "*Objects of the Offer*" on page 95.

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

The aggregate pre-Offer shareholding of our Promoters and Promoter Group as a percentage of the pre-Offer paid-up share capital of our Company as on the date of this Draft Red Herring Prospects is set out below:

S. No.	Name of the Shareholder	Pre-Offer Equity Share capital	
		No. of Equity Shares held	% of total paid-up Equity Share capital
Promoters			
1.	Balaji Amines Limited	110,000,000	55.00
2.	Ande Srinivas Reddy	17,570,600	8.79
3.	Ande Prathap Reddy	12,894,900	6.45
4.	Ram Reddy Dundurapu	6,030,100	3.02
5.	Rajeshwar Reddy Nomula	5,979,800	2.99
6.	Gaddam Hemanth Reddy	4,359,795	2.18
Total (A)		**156,835,195**	**78.42**
Promoter Group (other than Promoters)			
7.	Ande Shakuntala Devi	7,200,000	3.60
8.	Gaddam Madhumathi	2,500,000	1.25
9.	Dundurapu Vandana Reddy	6,889,900	3.44
10.	Achanta Annapurna	4,500,200	2.25
11.	Gaddam Tanmai Reddy	2,656,325	1.33
12.	Saritha Nomula	1,535,100	0.77
13.	Eeshan Reddy Nomula	6,885,100	3.44
14.	Nomula Deepti Rajeshwar Reddy	3,200,000	1.60
15.	Gaddam Laasya Reddy	1,850,000	0.93
16.	Gaddam Komali Reddy	1,850,000	0.93
17.	Chandra Bhushan Reddy Nomula	18,400	0.01
18.	Gaddam Sunitha	10,000	0.01
19.	Gaddam Raja Reddy	5,000	0.00
20.	SVS Food Processors Private Limited	11,500	0.01
21.	Dundurapu Durga Reddy	4,500	0.00
Total (B)		**39,116,025**	**19.56**
Total (A+B)		**195,951,220**	**97.98**

The pre-Offer shareholding of the Selling Shareholders is set out below:

S. No.	Name of the Selling Shareholder	Pre-Offer Equity Share capital	
		No. of Equity Shares held	% of total paid-up Equity Share capital
1.	Ande Srinivas Reddy	17,570,600	8.79
2.	Ande Prathap Reddy	12,894,900	6.45
3.	Ram Reddy Dundurapu	6,030,100	3.02
4.	Rajeshwar Reddy Nomula	5,979,800	2.99
5.	Gaddam Hemanth Reddy	4,359,795	2.18
6.	Gaddam Madhumathi	2,500,000	1.25
7.	Ande Shakuntala Devi	7,200,000	3.60
8.	Dundurapu Vandana Reddy	6,889,900	3.44
9.	Eeshan Reddy Nomula	6,885,100	3.44
10.	Achanta Annapurna	4,500,200	2.25
11.	Gaddam Tanmai Reddy	2,656,325	1.33
12.	Nomula Deepti Rajeshwar Reddy	3,200,000	1.60
13.	Gaddam Laasya Reddy	1,850,000	0.93
14.	Gaddam Komali Reddy	1,850,000	0.93
Total		**84,366,720**	**42.20**

For further details, see "*Capital Structure*" on page 80.

Summary of Restated Financial Information

Certain financial information regarding our Company as at and for the Fiscals ended March 31, 2022, March 31, 2021, and March 31, 2020, as derived from the Restated Financial Information are set forth below:

(₹ in million, except per share data)

Particulars	As at / for the Fiscal ended March 31, 2022	As at / for the Fiscal ended March 31, 2021	As at / for the Fiscal ended March 31, 2020
Equity Share capital	400.00	400.00	400.00
Other equity	1,474.79	385.32	281.33
Restated net worth(1)	1,874.79	785.32	681.33
Revenue from operations	5,142.80	1,744.01	538.81
Restated profit/ (loss) for the year	1,089.45	103.95	(158.70)
Restated Earnings / (loss) per share (₹)*			
- Basic(2) (in ₹)	5.45	0.52	(0.79)
- Diluted (2) (in ₹)	5.45	0.52	(0.79)
Restated Net asset value per Equity Share (3) (in ₹)*	9.37	3.93	3.41
Total Borrowings(4)	1,666.37	2,044.14	2,035.52

(1) *Net worth is calculated as the sum of share capital and other equity.*

(2) *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*

(3) *Net Asset Value per share is calculated by dividing restated net worth by the number of the equity shares outstanding at the end of the year.*

(4) *Total borrowings consist of current (including current portion of long-term borrowings) and non-current borrowings.*

* *Pursuant to a Shareholders' resolution dated February 26, 2022, equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued and subscribed share capital of our Company, comprising 40,000,000 equity shares of face value of ₹10 each, was sub-divided into 200,000,000 Equity Shares of face value of ₹ 2 each. The Net asset value per share and restated earning/(loss) per share have been calculated after giving effect to such sub-division.*

For further details, see "*Restated Financial Information*" on page 216.

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

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

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company and Corporate Promoter 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 of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges	Other Material litigation*	Aggregate amount involved ** (₹ in million)
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	2	Nil	Nil	Nil	5.65
Corporate Promoter						
By our Corporate Promoter	5	Nil	Nil	Nil	6	152.28
Against our Corporate Promoter	Nil	5	Nil	Nil	Nil	29.65

**In accordance with the Materiality Policy.*
*** To the extent quantifiable.*

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

For further details, see "*Outstanding Litigation and Material Developments*" on page 286.

Risk Factors

Specific attention of Bidders is invited to the section "*Risk Factors*" on page 27. 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, 2022:

(₹ in million)

Particulars	Amount (as on March 31, 2022)
Claims against the Company not acknowledged as debts	
Income Tax	5.65

For details, see "*Restated Financial Information – Annexure VII- Contingent liabilities and commitments (to the extent not provided for*" on page 243.

Summary of related party transactions

(₹ in million)

Nature of transaction	Name of related party	Fiscal ended March 31, 2022	Fiscal ended March 31, 2021	Fiscal ended March 31, 2020
Purchase of goods and services	Balaji Amines Limited	932.34	798.82	335.46
	MVL Medisynth Private Limited	-	-	4.38
Sale of goods and services	Balaji Amines Limited	202.62	169.47	36.28
	MVL Medisynth Private Limited	-	-	2.39
	SVS Sourcings Private Limited	9.07	-	-
Lease rent of office	Balaji Amines Limited	0.06	0.06	0.07
Interest charged	Balaji Amines Limited	54.32	60.44	53.91
Loan accepted in the year	Balaji Amines Limited	20.00	310.00	1,436.90
	Ande Prathap Reddy	-	-	40.00
Loan repayment in the year	Balaji Amines Limited	133.48	-	1,300.00
	Ande Prathap Reddy	40.00	-	-
Interest on unsecured loan	Ande Prathap Reddy	0.66	3.09	2.29

Nature of transaction	Name of related party	Fiscal ended March 31, 2022	Fiscal ended March 31, 2021	Fiscal ended March 31, 2020
Sitting fee paid	Kashinath Revappa Dhole	0.03	0.03	-
	Rajendrakumar Mohanprasad Tapadiya	0.03	0.03	-

For further details of the related party transactions, see "*Restated Financial Information-Annexure VII-Note 32. Related Parties*" on page 245.

Financing arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, directors of our Corporate Promoter, our Directors and their relatives (as defined under Companies Act, 2013) 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

Except as disclosed below, no Equity Shares have been acquired by our Promoters and the Selling Shareholders in the last one year immediately preceding the date of this Draft Red Herring Prospectus.

Name	Number of Equity Shares acquired in the preceding one year#	Weighted average price per Equity Share*#^ (₹)
Promoters		
Balaji Amines Limited	Nil	Not applicable
Ande Prathap Reddy$	10,320,000	5.50
Ande Srinivas Reddy$	Nil	Not applicable
Ram Reddy Dundurapu$	1,535,100	5.51
Rajeshwar Reddy Nomula$	1,229,800	5.50
Gaddam Hemanth Reddy$	2,580,000	5.50
Selling Shareholders (other than the Promoter Selling Shareholders)		
Achanta Annapurna	Nil	Not applicable
Dundurapu Vandana Reddy	2,764,900	5.50
Gaddam Madhumathi	Nil	Not applicable
Gaddam Tanmai Reddy	Nil	Not applicable
Eeshan Reddy Nomula	1,535,100	5.51
Nomula Deepti Rajeshwar Reddy	1,250,000	Nil@
Gaddam Laasya Reddy	Nil	Not applicable
Gaddam Komali Reddy	Nil	Not applicable
Ande Shakuntala Devi	Nil	Not applicable

***As certified by our Statutory Auditors, pursuant to their certificate dated August 10, 2022.**

 # The number of equity shares acquired and the price of acquisition have, where required been adjusted for the sub-division in the face value of the equity shares of our Company from ₹10 each to ₹2 each pursuant to a resolution of the Shareholders dated February 26, 2022, as applicable.

^ The weighted average price at which the Equity Shares were acquired in the last one year has been calculated considering the number of Equity Shares acquired on a gross basis in the last year (without considering the number of Equity Shares sold, if any).

@ Gift of equity shares.

$ Also, a Selling Shareholder.

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 the Selling Shareholders as at the date of this Draft Red Herring Prospectus, is:

Name	Number of Equity Shares held as on the date of this Draft Red Herring Prospectus	Average cost of acquisition per Equity Share*^@ (₹)
Promoters		
Balaji Amines Limited	110,000,000	6.00
Ande Prathap Reddy$	12,894,900	4.68

Name	Number of Equity Shares held as on the date of this Draft Red Herring Prospectus	Average cost of acquisition per Equity Share*^@ (₹)
Ande Srinivas Reddy$	17,570,600	2.00
Ram Reddy Dundurapu$	6,030,100	2.84
Rajeshwar Reddy Nomula$	5,979,800	2.56
Gaddam Hemanth Reddy$	4,359,795	3.97
Selling Shareholders (other than the Promoter Selling Shareholders)		
Achanta Annapurna	4,500,200	1.71
Dundurapu Vandana Reddy	6,889,900	3.41
Gaddam Madhumathi	2,500,000	2.00
Gaddam Tanmai Reddy	2,656,325	2.00
Eeshan Reddy Nomula	6,885,100	2.78
Nomula Deepti Rajeshwar Reddy	3,200,000	1.22
Gaddam Laasya Reddy	1,850,000	2.00
Gaddam Komali Reddy	1,850,000	2.00
Ande Shakuntala Devi	7,200,000	2.00

***As certified by our Statutory Auditors, pursuant to their certificate dated August 10, 2022.*

^ The number of equity shares acquired and the price of acquisition have, where required been adjusted for the sub-division in the face value of the equity shares of our Company from ₹ 10 each to ₹ 2 each pursuant to a resolution of the Shareholders dated February 26, 2022, as applicable.

@ The average cost of acquisition has been calculated considering the number of Equity Shares acquired on a gross basis (without considering the number of Equity Shares sold, if any).

$ Also, a Selling Shareholder.

Details of price at which the Equity Shares were acquired by each of our Promoters, Promoter Group, and the Selling Shareholders in the last three years immediately preceding the date of this Draft Red Herring Prospectus

The price at which equity shares were acquired by Promoters, members of the Promoter Group, and the Selling Shareholders in the last three years immediately preceding the date of this Draft Red Herring Prospectus as applicable is set forth below:

Name of Shareholder	Date of acquisition	Number of Equity Shares acquired#	Acquisition price per Equity Share (in ₹)*#
Promoters			
Ande Prathap Reddy$	October 26, 2021	10,320,000	5.50
Ram Reddy Dundurapu$	October 26, 2021	1,535,100	5.51
Rajeshwar Reddy Nomula$	October 26, 2021	1,229,800	5.50
Gaddam Hemanth Reddy$	November 9, 2021	2,580,000	5.50
Members of the Promoter Group			
Dundurapu Vandana Reddy$	October 26, 2021	2,764,900	5.50
Eeshan Reddy Nomula$	October 26, 2021	1,535,100	5.51
Nomula Deepti Rajeshwar Reddy$	November 22, 2021	1,250,000	Nil@
Saritha Nomula	October 26, 2021	1,535,100	5.51
Chandra Bhushan Reddy Nomula	August 8, 2022	18,400	216.00
Gaddam Sunitha	August 5, 2022	10,000	216.00
Gaddam Raja Reddy	August 8, 2022	5,000	216.00
SVS Food Processors Private Limited	August 6, 2022	11,500	216.00
Dundurapu Durga Reddy	August 6, 2022	4,500	216.00

** As certified by our Statutory Auditors, by way of their certificate dated August 10, 2022.*

 # The number of equity shares acquired and the price of acquisition have, where required, been adjusted for the sub-division in the face value of the equity shares of our Company from ₹10 each to ₹2 each pursuant to a resolution of the Shareholders dated February 26, 2022, as applicable.

@ Gift of equity shares.

$ Also, a Selling Shareholder.

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

Subject to receipt of requisite corporate approvals, our Company, in consultation with the Selling Shareholders and the BRLMs, may consider a further issue of Equity Shares or any other instrument as may be permissible through a private placement, preferential offer or any other method as may be permitted under applicable law to any person(s), aggregating up to ₹ 500.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("**Pre-IPO Placement**"). If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the SEBI ICDR Regulations and SCRR.

Offer of equity shares of our Company for consideration other than cash in the last one year

Our Company has not issued any equity shares of our Company for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Split or Consolidation of equity shares in the last one year

Pursuant to a Shareholders' resolution dated February 26, 2022, equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued and subscribed share capital of our Company, comprising 40,000,000 equity shares of face value of ₹10 each, was sub-divided into 200,000,000 Equity Shares of face value of ₹ 2 each.

Exemption under securities laws

Our Company has not been granted any exemption by 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 our 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 our 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.

The risks set out in this section may not be exhaustive and additional risks and uncertainties, not currently known to us or that we currently do not deem material, may arise or may become material in the future and may also adversely affect our business, results of operations, cash flows, financial condition and/or prospects. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows, and financial condition and/or prospects could be adversely affected, the trading price of our Equity Shares could decline, and investors may lose all or part of their investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Restated Financial Information" on pages 156, 113, 253 and 216, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.

The Restated Financial Information included in this Draft Red Herring Prospectus reflect our financial performance and results of operations in our first three fiscal years of manufacturing operations, i.e. in Fiscal 2020, 2021 and 2022. Since we commenced commercial production in June 2019, Fiscal 2020 reflects our first approximately nine months of manufacturing operations, and Fiscal 2021 reflects our first full year of manufacturing operations. Accordingly our financial performance and results of operations in Fiscal 2020 and Fiscal 2021 may not be strictly comparable.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. 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. In making an investment decision, prospective investors must rely on their own examinations of us and the terms of the Offer, including the merits and the risks involved.

This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 18.

Unless otherwise indicated, the financial information included herein is based on our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Information" on page 216. Unless the context otherwise requires, in this section, references to "we", "us", or "our" refer to Balaji Specialty Chemicals Limited.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Assessment of Amine Industry" released on August 4, 2022 in Mumbai (the "**CRISIL Report**") prepared and issued by CRISIL Limited, appointed pursuant to the engagement letter dated May 24, 2022, and exclusively commissioned and paid for by us to understand the industry in which we operate in connection with the Offer. The CRISIL Report is available on the website of the Company at www.balajispecialitychemicals.com/details?source_ref=NQ==. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant Fiscal. For further information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL Limited exclusively commissioned and paid for by us for* *such purpose." on page 43. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 16.*

Internal Risk Factors

1. We depend on the success of our relationships with our customers. We do not enter into long term contracts with our customers, and any loss of one or more of our key customers, or the deterioration of their financial condition or prospects, or a reduction in their demand for our products, could adversely affect our business, results of operations, financial condition and cash flows.

While we have developed an extensive customer base and in Fiscal 2022 we sold our products to 182 customers which includes manufacturers of speciality chemicals, agrochemicals and pharmaceuticals as well as distributors that further sell our products to these and other end-use industries, our business operations and financial performance is significantly dependent on our key customers.

The table below sets forth certain information relating to contribution by our top, top three and top 10 customers (our customers include end-use customers as well as distributors that sell onwards to end-use customers) to our revenue from operations in the periods indicated:

Customer concentration	Fiscal					
	2020		2021		2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Top 1	208.41	38.68%	407.30	23.35%	840.55	16.34%
Top 3	275.77	51.18%	810.52	46.47%	2,108.61	41.00%
Top 10	452.09	83.91%	1,411.24	80.92%	3,818.02	74.24%

We expect that we will continue to be reliant on our significant customers for the foreseeable future. There can be no assurance that our significant customers in the past will continue to place similar orders with us in the future. A significant decrease in business from such significant customers, whether due to circumstances specific to such customer or adverse market conditions or the economic environment generally, may materially and adversely affect our business, results of operations and financial condition. In addition, any defaults or delays in payments by a significant customer or the insolvency or financial distress of a significant customer may have an adverse effect on our business, financial condition and results of operations.

Our reliance on our significant customer(s) may also provide such customer(s) increased pricing leverage against us when negotiating orders. We cannot assure you that we will be able to maintain historic levels of business from our significant customers, or that we will be able to significantly reduce customer concentration in the future.

In addition, although we receive repeat orders from customers, we do not enter into long-term contracts with our customers and have no exclusivity arrangement with any of them. In the absence of long-term contracts, there can be no assurance that our existing customers will continue to purchase our products or that a customer will not discontinue procuring their supplies from us. Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our inventory costs, which may adversely affect our profitability and liquidity. In addition, we may not find any customers or purchasers for the surplus or excess products manufactured, in which case we would be forced to incur a loss. Our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future.

Further, in the event of any disputes with our customers including in relation to payments for the products supplied, we may have limited recourse to seek contractual remedies against our customers due to absence of formal and long term agreements with them. Our relationships with our customers are therefore dependent to a large extent on our ability to regularly meet customer requirements, including price competitiveness, efficient and timely product deliveries and consistent product quality. In the event we are unable to meet such requirements in the future, it may result in decrease in orders or cessation of business from affected customers.

2. ***Our business is dependent on our manufacturing facility and we are subject to certain risks in our manufacturing processes. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations could materially and adversely affect our business, financial condition and results of operations.***

As on the date of this Draft Red Herring Prospectus, we have a single manufacturing facility, located at Solapur, Maharashtra. Our business is dependent on our ability to efficiently manage our manufacturing facility and the operational risks associated with it, including those beyond our reasonable control. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including on account of power failure, fire, mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, non-availability of adequate labour or disagreements with our workforce, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks, could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such fiscal period. Disruptions in our manufacturing operations could delay production or require us to temporarily or permanently cease operations at our manufacturing facility and require us to incur additional expenditure to attempt to mitigate such disruption. Further, any significant malfunction or breakdown of our equipment or machinery, including our reactor, may involve significant repair and maintenance costs and cause delays in our operations. In addition, we may be subject to manufacturing disruptions in case of any contravention by us of applicable regulatory approvals until such regulatory issues are resolved. We may also be required to carry out planned shutdowns of our manufacturing facility for maintenance, statutory inspections and testing, or shut down due to equipment upgrades.

The technology used in our reactor is transferred to us for use in India pursuant to a technology transfer agreement with an international institute on an exclusive basis i.e., we will be the exclusive user of such technology in India for a period of ten years commencing June 13, 2019 (date of successful commissioning of our manufacturing facility). On termination of such arrangement, though we will continue to use such technology, however, our other competitors may gain access to such technology and manufacture similar products, which will impact our competitive position. In addition, advancement in technology could result in the technology used in our reactor becoming obsolete which could adversely affect our business and results of operations.

Further, while our manufacturing facility has been declared a *Mega Project* by the state government of Maharashtra, and is eligible for 50% state-GST refund on a gross basis, in the event such benefits are withdrawn by the state government of Maharashtra, in future, it may have an adverse impact on our business and results of operations. Further, we also availed export benefits under Export Promotion Capital Goods Scheme, Duty Drawback Scheme, Merchandise Exports from India Scheme and the Advance License Scheme in the past. In the event such export benefits are withdrawn it may impact our financials condition and results of operations.

In addition, certain raw materials such as mono ethanol amine, ammonia and hydrogen used in our manufacturing process, and certain of our finished goods are corrosive and/or flammable in nature and require expert handling and storage. Any failure in handling these raw materials and products in an appropriate manner, or any mishandling of hazardous chemicals or any adverse incident during the manufacturing process or storage, may cause industrial accidents, fire, loss of human life, damage to our and third-party property and/or environmental damage.

While we have obtained insurance policies to cover certain of these risks, there can be no assurance that these insurance policies will sufficiently cover all losses that arise or will be honoured at all. If any other industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents may result in a loss of property and/ or disruption in our manufacturing operations entirely, levy of fines, penalties or compensation and/or adverse action against our employees, officers or management, which may have a material adverse effect on our business operations and financial performance. Further, any delay in providing our products to our customers may result in loss of such customers to our competitors.

3. ***We do not enter into long-term agreements with suppliers for our raw materials and an increase in the cost of, or a shortfall in the availability or quality of such raw materials, in a timely manner or at all, could have an adverse effect on our business and results of operations.***

Our competitiveness, manufacturing costs, and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials, including mono ethanol amine which is the primary raw material used in manufacturing of our products, which we typically import from Malaysia, Thailand, China and United Kingdom.

In addition, we do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from such third-party suppliers on purchase order basis. Pricing is typically negotiated for each purchase order. The absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these costs onto our customers, which may impact our results of operations. We may not be able to pass on any increase in the price of raw materials on to our customers in case the price for our products with relevant customers have already been fixed.

In Fiscal 2020, 2021 and 2022, cost of materials consumed was ₹ 529.75 million, ₹ 1,002.81 million and ₹ 2,641.29 million, and represented 98.32%, 57.50% and 51.36%, respectively, of our revenue from operations. Cost of imported raw materials consumed was ₹ 1.35 million, ₹ 205.90 million and ₹ 1,618.56 million, and accounted for 0.37%, 20.45% and 60.79% of our total raw materials purchased in Fiscal 2020, 2021 and 2022, respectively.

The table below sets forth certain information relating to our raw materials suppliers in the periods indicated:

Supplier Concentration	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)
Top 1 (BAL)	334.36	91.02%	791.52	78.63%	780.35	29.31%
Top 5	359.41	97.84%	949.31	94.31%	2,117.54	79.53%
Top 10	366.84	99.86%	979.67	97.32%	2,488.52	93.46%

There can be no assurance that, in the event of an increase in our raw material requirements, or any decrease in availability of such raw materials with our suppliers, we may not be able to procure adequate raw materials in a timely manner.

In addition, the price and availability of such raw materials depend on various factors beyond our control, including overall economic conditions, foreign exchange rates, production levels, market demand and competition for such materials, production and transportation costs, duties and taxes and trade and regulatory restrictions.

We have historically sourced raw materials from multiple vendors in India as well as from vendors outside India, and continue to diversify our procurement base. Although we have not faced significant disruptions in the procurement of raw materials in the past, the COVID-19 pandemic temporarily affected our ability to source raw materials from vendors outside India who were unable to transport raw materials to us. The occurrence of any such event may adversely affect our business, results of operations and financial condition.

We cannot assure you that we will be able to continue to obtain adequate and quality supplies of our raw materials in the future, in a timely manner or at all. Any such decrease in or interruption to supply of raw materials, and an inability on our part to find alternate sources for the procurement of such raw materials, may have an adverse effect on our ability to manufacture our products in a timely or cost-effective manner. In addition, there can be no assurance that we will be able to enter into new or continue our existing arrangements with our raw materials suppliers on terms commercially acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business operations and financial performance.

4. ***We have a limited operating history, and we have incurred losses in the past. We may not always maintain profitability in the future.***

Although BAL has a relatively long history of operating in the manufacture of amines, our Company commenced commercial production of our products in June 2019, and we therefore have limited operating history as a manufacturer of approximately three years, and the Restated Financial Information included in this Draft Red Herring Prospectus reflect our financial performance and results of operations in our first three fiscal years of manufacturing operations, *i.e.*, in Fiscal 2020, 2021 and 2022. Since we commenced commercial production in June 2019, Fiscal 2020 reflects our first approximately nine months of manufacturing operations, and Fiscal 2021 reflects our first full year of operations. Accordingly our financial performance and results of operations in Fiscal 2020 and Fiscal 2021 may not be strictly comparable. Given our limited operating history as a manufacturer of speciality chemicals, investors are cautioned against undue reliance on the rapid growth in our business operations and the significant improvement in our financial performance in such period; there can be no assurance that we will continue to achieve such growth and strong financial performance in future fiscal periods.

We have in the past incurred, and may in the future incur, losses. We incurred a restated loss after tax of ₹ 158.70 million in Fiscal 2020. We cannot assure you that we will be able to maintain profitability or continue to generate positive cash flows from operating activities in the future. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 253. Our growth strategy may involve significant additional financial resources than anticipated, and we may not succeed in increasing our revenue from our operations compared to the increase in our operating expenses. Our revenue from operations may be impacted by various reasons, including increasing competition, challenging macro-economic environment, as well as other risks discussed elsewhere in this Draft Red Herring Prospectus. If we fail to maintain profitability, our business operations and growth strategy could be adversely affected.

5. ***Our business operations benefit from our association with our Corporate Promoter, and any deterioration in or cessation of such relationship in the future may have an adverse impact on our business operations and financial performance.***

Our Corporate Promoter, BAL, as on the date of this Draft Red Herring prospectus, holds 55.00% of our total issued and paid-up equity share capital, and following the completion of the Offer, it will hold [●]% of our post-Offer paid-up equity share capital. As a result, our Corporate Promoter, BAL, will continue to exercise significant control over us, including being able to determine the outcome of director elections and decisions requiring a majority of the total voting power of our shareholders. The interests of our Corporate Promoter, BAL, and our controlling shareholder may conflict with our interests or with the interests of our other shareholders and our controlling shareholders may not take decisions in our or other shareholders' best interests.

A conflict of interest may also arise in relation to the procurement of raw materials from BAL. Historically, BAL has been the largest supplier of raw materials to us. In Fiscal 2020, 2021 and 2022, cost of materials consumed procured from BAL aggregated ₹ 334.36 million, ₹ 791.52 million and ₹ 780.35 million, and represented 91.02%, 78.93% and 29.73% of total cost of materials consumed in these periods, and 62.06%, 45.39% and 15.17%, respectively of our revenue from operations, respectively. In addition, we sell large quantities of certain of our products to BAL, and BAL has been among our top ten customers in Fiscal 2020, 2021 and 2022. Although our transactions with BAL, in terms of procurement of raw materials and sale of our products to BAL have been conducted on arms' length basis, there can be no assurance that such transactions in the future will continue in a manner that is in the best interests of the Company or its other shareholders. For further information, see " - *We enter into certain related party transactions in the ordinary course of our business and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.*" on page 53.

In addition, our Registered Office has been licensed to us by BAL for a period of three years with effect from April 1, 2022. In addition, as on the date of this Draft Red Herring Prospectus, our Company does not hold any trademark or other intellectual property relating to its business operations. In particular, we do not own the "Balaji" or "Balaji Speciality Chemicals Limited" name, brand or trademark. While BAL has made certain applications with the Trade Marks Registry, as on the date of this Draft Red Herring Prospectus, trademarks related to "Balaji" and "Balaji Speciality Chemicals Limited" and our logo are not registered in favour of BAL. We currently use the "Balaji Speciality Chemicals Limited" name and logo pursuant to a license agreement dated July 29, 2022 entered into between us and BAL, under which BAL has granted to us license to use the name and trademark "Balaji Speciality Chemicals Limited" and the associated logo on a the non-exclusive, non-assignable and a non-sub-licensable basis, in relation to (i) the goods and services (as defined in the license agreement); (ii) part of our corporate name; and (iii) part of our domain name in India only with effect from August 20, 2010 for an annual consideration of ₹ 50,000, the term of which shall be in perpetuity unless terminated. Such license agreement may be terminated at any time by BAL and our Company pursuant to mutual written agreement or by BAL on the occurrence of certain events, which include us ceasing to be a subsidiary / sister concern / associate of BAL, by BAL by giving notice to our Company in the event of a material breach or default in performance of any of our obligations and where such breach or default is not corrected by us within a stipulated time, or if BAL or our Company becoming insolvent or being declared bankrupt. Under the terms of the license agreement, we shall not register, procure or assist any third party to register any other word mark or device mark which is similar to or which is likely to cause confusion or deception by comparison with the licensed marks and copyrights of BAL. In the event of termination of such license agreement, we would be required to change our corporate name, brand and logo, which may involve significant expenditure in terms of developing a new brand and market recognition, as well as undertake rebranding of our business operations, business, financial condition and results of operations.

Further, we derive certain benefits as a subsidiary of our Corporate Promoter, such as the use of the "Balaji Speciality Chemicals Limited" name and logo and attracting management talent. For further information, see "*Our Business – Competitive Strengths - Ability to leverage research and development capabilities and strategic guidance from Balaji Amines Limited* " on page 163. If our Corporate Promoter, fails to maintain majority shareholding in our Company as a result of dilution or otherwise, we may not able to benefit from its parentage, which would adversely affect our business and results of operations.

6. ***Restrictions on import of raw materials and an increase in shipment cost may adversely impact our business and results of operations.***

We currently rely on imported raw materials for a significant majority of our raw material requirements. In Fiscal 2020, 2021 and 2022, cost of material consumed relating to imported raw materials was ₹ 1.35 million, ₹ 205.90 million and ₹ 1,618.56 million, and accounted for 0.37%, 20.45% and 60.79% of our total raw materials purchased in Fiscal 2020, 2021 and 2022, respectively. The import of certain of our raw materials is regulated by the various regulatory requirements, including those under the Manufacture, Storage and Import of Hazardous Chemical Rules, 1989, as amended, which empowers the relevant authority to undertake any measures that it deems fit, particularly in relation to chemicals proposed to be imported that may result in industrial accidents. Such measures include denying approval for import of such chemicals. There can be no assurance such regulations will not become more stringent in the future, which could potentially restrict our ability to import raw materials from other jurisdictions. While raw materials we import from China and other jurisdictions are not currently subject to any regulatory ban or restriction, there can be no assurance that such regulations will not evolve into more stringent regulations, which would place onerous requirements on us and consequently restrict our ability to import raw materials. There can also be no assurance that, under these circumstances, we will be successful in identifying alternate suppliers for such raw materials or we will be able to source such raw materials at favourable terms in a timely manner. While we have not in the past experienced any significant challenge in importing requisite raw materials, there can be no assurance that we will not experience any such challenges in the future.

7. ***Our business is dependent on sale of a few kinds of specialty chemicals, and in particular on sale of Ethylenediamine. These chemicals are sold for use in various end-use industries. Any reduction in demand for these chemicals may have an adverse effect on our business prospects and financial performance.***

Our business is significantly dependent on sale of a few kinds of specialty chemicals, and in particular on sale of Ethylenediamine. The table below sets forth the relative contribution of these five chemicals of our total revenue from operations in the relevant periods:

Category	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Ethylenediamine	360.99	67.00%	1,204.68	69.08%	3,849.16	74.85%
Piperazine(1)	89.03	16.52%	174.62	10.01%	530.91	10.32%
Diethylenetriamine	44.53	8.26%	134.29	7.70%	410.83	7.99%
Amino Ethyl Ethanol Amines	2.99	0.55%	18.36	1.05%	60.40	1.17%
Amino Ethyl Piperazine	0.04	0.01%	1.65	0.09%	28.05	0.55%
Others(2)	41.23	7.65%	210.41	12.06%	263.45	5.12%
Total	538.81	100.00%	1,744.01	100.00%	5,142.80	100.00%

(1) Anhydrous form.
(2) Others include steam and mixture of higher amines.

These chemicals are sold for use in a range of end-use industries, including by various speciality chemicals, agrochemicals and pharmaceuticals manufacturers, across wide range of applications.

The following table sets forth the split of our revenues from operations depending on the nature of our end-use customers (including sales to distributors for onward sales to end-use customers):

Category	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Speciality Chemicals(1)	241.14	44.75%	899.45	51.57%	3,098.78	60.25%
Agrochemicals(1)	237.05	44.00%	747.94	42.89%	1,669.47	32.46%
Pharmaceuticals(1)	60.62	11.25%	96.62	5.54%	374.55	7.28
Total	538.81	100.00%	1,744.01	100.00%	5,142.80	100.00%

(1) Calculated on the basis of the nature of the significant majority of the business operations of our end-customers including end-customers served by our distributors.

However, sale of our products may decline as a result of, amongst other factors: seasonality of demand for our products of our end-customers; our customers' failure to successfully market their products or to compete effectively; loss of market share (including pursuant to import of such chemicals from outside India); macro-economic conditions in our key markets or the markets of our key end-customers; increase in competition; pricing pressures; and change in government policies and regulatory action. Any and all of these factors may have an adverse effect on our business prospects and sales of our products would decline substantially. There can be no assurance that such lack of demand for any of our key products, particularly a significant reduction in sales of Ethylenediamine, could potentially be off-set by sales of our other products. Accordingly, any significant downturn in the industrial use of our key products, in particular Ethylenediamine, could have a significant impact on our business prospects and financial performance.

8. We derive our revenue from operations from a limited number of markets and any adverse developments in any key markets could adversely affect our business prospects and financial performance.

Our historical revenue from operations have primarily been dependent on a few key markets, which include India, China, Turkey, Malaysia, Republic of Korea, United States of America, Belgium, United Arab Emirates, Germany, United Kingdom, Kuwait and Italy.

The table below provides certain information relating to our key markets including India and key export markets in the periods indicated:

Category	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
India	527.26	97.85%	1,333.70	76.48%	3,900.15	75.84%
Key export markets[(1)]	11.08	2.06%	408.34	23.41%	1.194.52	23.23%
Other export markets[(2)]	0.47	0.09%	1.97	0.11%	48.13	0.94%
Total	538.81	100.00%	1,744.01	100.00%	5,142.80	100.00%

[(1)] *We identify the following markets as our key export markets, based on historical and prospective sales in such markets: China, Malaysia, Turkey, United States of America, Republic of Korea, Germany and Belgium.*

[(2)] *We identify the following markets as other markets, based on historical and prospective sales in such markets: United Arab Emirates, United Kingdom, Italy and Kuwait.*

Historically, revenue from operations relating to export sales have depended significantly on sales of our products to China. In Fiscal 2020, 2021 and 2022, revenue from operations from sales to China were ₹ nil, ₹ 365.36 million and ₹ 742.56 million, respectively, and accounted for nil, 89.04% and 59.76% of our overall export sales in such periods, respectively. Any developments in the global chemical industry or the industries in which our customers operate could have an impact on our sales from exports. From time to time, quotas and tariff and non-tariff trade barriers may be imposed on our products in such export markets and there can be no assurance that markets where we seek to sell our products will not impose trade restrictions on us in future. In particular, given the continuing geo-political tension and associated diplomatic relations between India and China, in the event of any future regulatory, trade, tariff or other developments that impact our sales to China our exports sales will be adversely impacted in a significant manner.

In addition, revenues from our key and other export markets may decline as a result of increased competition, regulatory action, pricing pressures including those resulting from anti-dumping measures, fluctuations in the demand for or supply of our products or services, or the outbreak of an infectious disease such as the COVID-19 pandemic. Our failure to effectively address these circumstances or successfully introduce new products in these markets could adversely affect our business, prospects, results of operations and financial condition. Further, our export markets are subject to risks that are specific to such markets, as well as risks associated with exporting products to export markets. These risks include complying with changes in laws, regulations and policies applicable in our export markets, including restrictions on trade, import and export license requirements, tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies. In the event we are unable to effectively address or comply with changes in laws in applicable export markets, or meet applicable regulatory requirements, we may be subject to penalties and other regulatory actions, which could adversely affect our reputation, business, prospects, results of operations and financial condition.

9. Our single manufacturing facility is located in Solapur, Maharashtra. Any adverse development affecting Maharashtra or its surrounding areas may have an adverse effect on our business, prospects, financial condition and results of operations.

Our single manufacturing facility is located in Solapur, state of Maharashtra, in India. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the State or local governments in this region could adversely affect our manufacturing activities, result in modification of our business strategy, or require us to incur significant capital expenditure, or suspend our operations. Any such adverse development affecting continuing operations at our manufacturing facility could result in significant loss from an inability to meet customer orders and production schedules and could materially impact our business reputation. In addition, we also depend on availability of workers near Solapur for our manufacturing operations. While we have not in the past faced any disruption in manufacturing operations on basis of any shortages in manpower, there can be no assurance that we will not experience any such disruption in the future. The occurrence of, or our inability to effectively respond to, any such event, could have an adverse effect on our business prospects and financial performance.

10. We are subject to strict quality requirements, regular inspections and audits, and sales of our products is dependent on our quality controls and standards. Any failure to comply with quality standards may adversely affect our business prospects and financial performance, including cancellation of existing and future orders.

All our products and manufacturing processes are subject to stringent quality standards and specifications of our customers. As a result, any failure on our part to maintain applicable standards and manufacture products according to prescribed quality specifications, may lead to loss of reputation and goodwill, cancellation of the order, loss of customers, rejection of the product, which will require us to incur additional cost, that may not be borne by the customer, which could have an adverse impact on our business prospects and financial performance. Additionally, it could expose us to pecuniary liability and/ or litigation. Certain of our customers have also audited our manufacturing facility and manufacturing processes in the past, and may undertake similar audits periodically in the future. These audits play a critical role in customer retention, and any issues identified in such audit and our failure to address such issues may result in loss of the relevant customer. Quality defects resulting from errors and omission may result in customers cancelling current or future orders resulting in damage to our reputation, loss of customers, which could adversely affect our business prospects and financial performance.

The quality of our products is critical to the success of our business, which, in turn, depends on a number of factors, including the design of our system, and the implementation and application of our quality control policies and guidelines. Any significant failure or deterioration of our quality control system could result in defective or substandard products, which, in turn, may result in delays in the delivery of our products and the need to replace defective or substandard products. Further, we may be required to incur additional expenditure in upgrading our quality control systems, and obtain and maintain additional quality certifications and accreditations.

11. Our commercial success depends on the success of our customer's products with end consumers. If there is any decline in the demand for our customer's products, our revenues and profitability could be adversely affected.

Our products are used by our end-customers in a range of industries, including speciality chemicals, agrochemicals, and pharmaceuticals. For further information, see "*Our Business*" on page 156. In the event of quality issues in our customers' products that can ultimately be attributed to our products, we may face a number of consequences, including, lower demand for, and decreased sales of, the relevant products, leading to inventory write-offs, potential recall or withdrawal of the relevant products; withdrawal or cancellation of regulatory approvals for our manufacturing 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 not been any such instances in the past, there can be no assurance that our products will at all times comply with customer specifications, and the rejection of a large volume of products could adversely affect our operations.

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

12. We are subject to increasingly stringent environmental, health and safety laws, regulations and standards. Non-compliance with and adverse changes in health, safety, labour, and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations and financial condition.

We are subject to a wide range of laws and government regulations, including in relation to safety, health, labour, and environmental protection. These safety, health, labour, and environmental protection laws and regulations impose controls on air and water release or discharge, noise levels, storage handling, the management, use, generation, treatment, processing, handling, storage, transport or disposal of hazardous materials, including the management of certain hazardous waste, and exposure to hazardous substances with respect to our employees, along with other aspects of our manufacturing operations. For instance, there is a limit on the amount of pollutant discharge that our manufacturing facility may release into the air and water. Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facility. The occurrence of any of these events could have an adverse effect on our business, results of operations and financial condition.

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

We are also subject to the laws and regulations governing employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, and work permits. There is a risk that we may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. We cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant. For further details on the laws and regulations applicable to us, see "*Key Regulations and Policies*" on page 177.

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

Our manufacturing processes involve manufacturing, storage and transportation of various hazardous substances including ammonia, and certain raw materials that we use in production that are highly corrosive, hazardous and toxic chemicals, and we are required to obtain approvals from various authorities for storing hazardous substances which results in high compliance costs and could potentially expose us to liability. 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, destruction of inventory of finished goods and/or raw materials and environmental contamination. In the event of occurrence of any such accidents, our business operations may be interrupted. Any industrial accident, any shutdown of our Manufacturing Facility or any environmental damage caused by our operations could increase the regulatory scrutiny and result in enhanced compliance requirements including on use of raw materials which would, amongst others, increase the cost of our operations. While there have been no such instances in the past, we cannot assure you that any such instances will not happen in the future. Any of these occurrences may result in the shutdown of our Manufacturing Facility and expose us to civil and / or criminal liability which could have an adverse effect on our business, financial condition and results of operations. Further, such occurrences may result in the termination of our approvals for storing such substances or penalties thereunder.

14. We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing facility, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for our manufacturing facility such as registrations and licenses granted under the Factories Act, 1948 and Industries (Development and Regulation) Act, 1951. For further information on material approvals relating to our business and operations, see "*Government and Other Approvals*" on page 291.

Several of these approvals are granted for a limited duration. These approvals expire from time to time and we are required to make applications for renewal of such approvals. As on the date of this Draft Red Herring Prospectus, our Company has obtained all material approvals in relation to our business. However, we have made or are in the process of making applications to the relevant authorities to reflect the change in our name from "Balaji Speciality Chemicals Private Limited" to "Balaji Speciality Chemicals Limited". For details, see "*Government and Other Approvals*" on page 291.

Our business is also subject to inspections under certain applicable laws including the Indian Boilers Act, 1923, and the Legal Metrology Act, 2009. Further, approvals required by us are subject to numerous conditions, such as regularly monitoring emissions in the work environment and segregating and disposing off waste, scrape material, and boiler ash as per the guidelines laid down in the environmental clearance approval, and we cannot assure you that these conditions will be met at all times or that these approvals would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations or growth prospects.

We are also required to make certain payments to various statutory authorities from time to time, including but not limited to payments pertaining to employee provident fund, employee state insurance, income tax and excise duty. While such undisputed dues are regularly deposited during the year with the appropriate authorities, there have been delays in this respect in the past, including the employees' provident fund and contributions to employees' state insurance fund in Fiscal 2022. We cannot assure you to that we will be able to pay our statutory dues timely, or at all, in the future. Any failure or delay in payment of such statutory dues may expose us to statutory and regulatory action, as well as significant penalties, and may adversely impact our business, results of operations and financial condition.

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

Government regulations and policies of India as well as our exports markets can affect the demand for, expenses related to and availability of our products. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits, incentives and subsidies or anti-dumping duties levied by India or other countries, could adversely affect our business and results of operations. Further, regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the regulations governing the development of our products and use of products by our customers may have an adverse impact on our operations. We may be required to alter our manufacturing and sales and distribution process and target new markets, and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us. We cannot assure you that we will be able to comply with such regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products and/ or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

16. ***An inability to effectively manage our growth and expansion may have a material adverse effect on our business prospects and future financial performance.***

We commenced commercial production in June 2019, and have experienced significant growth in operations and strong financial performance within a relatively short period of time. Our total revenue from operations has increased at a CAGR of 208.95% from ₹ 538.81 million in Fiscal 2020 to ₹ 5,142.80 million in Fiscal 2022. However, there can be no assurance that our growth strategy will be successful or that we will be able to continue to expand further, or at the same rate.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategies include increase our manufacturing capacities and, diversifying our product portfolio, expanding our global footprints and increasing our export sales, and expanding our customer base and increasing wallet share with existing customers. For further information, see "*Our Business – Strategies*" on page 165. Our ability to achieve our growth strategies will be subject to a range of factors, including our ability to identify market opportunities and demands in the industry, develop products using our reactor technologies and our ability to continue to develop specialty chemicals, compete with existing companies in our markets, consistently exercise effective quality control, hire and train qualified personnel and undertake complex chemistries. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategies. We may face increased risks when we enter new markets in India and internationally, and may find it more difficult to hire, train and retain qualified employees in new regions. In addition, we may have difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards.

Our business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. There can be no assurance that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition and profitability.

17. ***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.***

As on the date of this Draft Red Herring Prospectus, we operate one manufacturing facility. In particular, the level of our capacity utilization can impact our operating results. High capacity utilization allows us to spread our fixed costs, resulting in higher gross profit margin. Our product mix also affects capacity utilization of our manufacturing facility, and the demand and supply balance and the average selling prices of our products, would in turn affect our gross profit margin.

Our capacity utilization is affected by the availability of raw materials, industry/ market conditions as well as by the product requirements of, and procurement practice followed by, our customers. In the event that we are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business prospects and financial performance. Further, if our customers place orders for less than anticipated volume or cancel existing orders or change their policies resulting in reduced quantities being supplied by us, it could result in the under-utilization of our manufacturing capacities. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production or utilization of our manufacturing capacity for a particular product. Any such mismatch leading to over or under utilization of our Manufacturing Facility could adversely affect our business, results of operations, financial condition and cash flows. For further information, see "*Our Business – Capacity and Capacity Utilisation*" on page 171.

18. ***We may not be successful in penetrating new export markets.***

Expansion into new export markets subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new markets, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. As part of our strategy, intend to target additional export markets, increase exports, focus on marketing including at international exhibitions and by leveraging the customer network of our Corporate Promoter, BAL. We believe establishing a local presence in such international markets would facilitate our sales, marketing and business development activities and provide us with timely insights into the economic, product requirements and regulatory environment in such markets. 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 shall be adversely affected. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices; exposure to expropriation or other government actions; and political, economic and social instability.

19. ***Our inability to accurately forecast demand for our products and manage our inventory or working capital balances may have an adverse effect on our business, results of operations, cash flows and financial condition.***

Our relationship with our customers is generally on a non-exclusive basis. We conduct business with our customers primarily on the basis of purchase orders that are placed from time to time. Consequently, there is no commitment on the part of such customers to continue to place new purchase orders with us and as a result, our revenue and consequent cash flow may fluctuate significantly from time to time. The fluctuation in demand for our products may either require us to increase production or decrease production and inventories at short notice, which may result in us bearing additional costs and incurring losses. While we maintain a reasonable level of inventory of raw materials, work in progress and finished products, if we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may end up manufacturing lesser quantities of products than required, which could result in the loss of business. At times when we have overestimated demand, we may have incurred costs to build capacity or purchased more raw materials and manufactured more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, cash flows and financial condition.

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

20. ***The current and continuing impact of the COVID-19 pandemic on our business and operations, including its impact on the ability or desire of consumers to purchase our products, may have an adverse effect on our business, results of operations, financial condition and cash flows.***

The impact of the pandemic on our business, operations and financial performance have included and may continue to include the following:

- Temporary closure of our office and decline in availability of workforce due to employees contracting the virus, rationalization of workforce, and restrictions on travel and movement due to lockdowns imposed by various state governments, affecting commute of employees to their places of work and business development activities.

- Adverse impacts to our revenue, profitability and growth rates – particularly as operating expenses do not decrease at the same pace as revenue declines. Many of our expenses are less variable in nature and may not correlate to changes in revenues, such as depreciation, employee benefit expenses and other costs associated with operating and maintaining our manufacturing facility.

- Disruptions of the services we receive from third-parties including our suppliers and transportation and logistics partners, due to limited and sporadic availability of raw materials, fluctuating and unpredictable demands, and disruptions in supply chain.

- Compliance with evolving government regulations, including with respect to social distancing measures and sanitization practices. Although we are currently in compliance with such guidelines, any failure in the future to fully comply or adhere to the measures and guidelines or any other similar regulations could lead to the imposition of penalties, fines or other sanctions, which could have an adverse impact on our business.

Additionally, there can be no assurance that we will be able to successfully achieve our business plan or expansion strategies in the event of subsequent waves of COVID1-9 pandemic or any other pandemic in India that lead to additional restrictive measures or hamper overall economic recovery. Even though we have taken various initiatives like temperature checks at the gates of our manufacturing facility, spreading awareness of the disease, vaccination drives, and frequent sanitation of our manufacturing facility, we cannot assure you that in the event of another COVID-19 wave additional restrictions will be put back in place or if another lockdown would be re-imposed to control the spread of COVID-19.

In addition, if our Key Managerial Personnel or a significant percentage of our workforce is unable to work due to COVID-19 illness, quarantine, limitations on travel or other government restrictions in connection with the COVID-19 pandemic, our operations may be negatively impacted. An outbreak or perceived outbreak of the COVID-19 pandemic connected to our manufacturing facility could also cause negative publicity directed at any of our customers and cause them to avoid our products, which could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and prospects.

21. We are subject to risks associated with rejection of supplied products, and consequential claims and associated product liability costs due to defects in our products, which could generate adverse publicity or adversely affect our business, results of operations or financial condition.

We develop, manufacture and sell a range of chemicals, which are primarily used as raw materials for products in end-use industries such as specialty chemicals, agrochemical and pharmaceutical industries. The products that we produce are subject to risks such as contamination, adulteration and product tampering during their production, transportation or storage. Defects, if any, in our products could lead to rejection of supplied products and consequential financial claims. We are also exposed to risks associated with product liability claims if the use of our products results in personal injury. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid.

We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling, which may lead to the deterioration of our products, or from defects arising from deterioration in our quality controls. Further, while we seek to conform our products to meet a variety of specifications and regulatory requirements, there can be no assurance that product liability claims or recall claims against us will not arise, whether due to product malfunctions, defects, or other causes. Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation, divert our management's time, adversely affect our goodwill and impair the marketability of our products. Further, there may be instances where our Company is unable to meet the timelines for delivery of the products to its customer. Any such time overrun may result in termination of the arrangement, price negotiations and reputational harm, which may have an adverse impact on our business and financial position.

22. ***Our Company, and our Corporate Promoters are involved in certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.***

There are outstanding legal proceedings involving our Company and our Corporate Promoter which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent that such amounts are ascertainable and quantifiable and include amounts claimed jointly and severally, as applicable. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations.

A summary of such outstanding criminal proceedings, taxation proceedings, actions taken by statutory and regulatory Authorities, and other material pending litigation as on the date of this Draft Red Herring Prospectus (as disclosed in the chapter "*Outstanding Litigation and Other Material Developments*" on page 286 in accordance with the SEBI ICDR Regulations and the Materiality Policy) involving our Company and Corporate Promoter is set out below:

Name of Entity	**Criminal Proceedings**	**Tax Proceedings**	**Statutory or Regulatory Proceedings**	**Disciplinary actions by SEBI or Stock Exchanges**	**Other Material litigation***	**Aggregate amount involved ** (₹ in million)**
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	2	Nil	Nil	Nil	5.65
Corporate Promoter						
By our Corporate Promoter	5	Nil	Nil	Nil	6	152.28
Against our Corporate Promoter	Nil	5	Nil	Nil	Nil	29.65

**In accordance with the Materiality Policy.*
*** To the extent quantifiable.*

We cannot assure you that any of these on-going matters will be settled in favour of our Company and/or Corporate Promoter, respectively, or that no additional liability will arise out of these proceedings. An adverse outcome in any such proceedings may have an adverse effect on our business, financial position, prospects, results of operations and our reputation. Further, we cannot assure you that there will be no new material legal and/or regulatory proceedings involving our Company, Promoters, Directors and/or Group Companies in the future.

23. ***We face foreign exchange risks that could adversely affect our results of operations and cash flows.***

We have foreign currency payables for procurement of certain raw materials and costs incurred during our export sales business operations and from our receivables, and other payables, and are therefore exposed to foreign exchange risk between the Indian Rupee, Renminbi and U.S. dollars. Any significant fluctuation in the value of the Indian Rupee against such currencies may adversely affect our results of operations. As of March 31, 2022, ₹ 193.04 million of our foreign currency exposure was unhedged. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows.

24. ***We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition. In addition, certain of our financing agreements involve variable interest rates and an increase in interest rates may adversely affect our results of operations and financial condition.***

The speciality chemicals industry is working capital intensive in nature, and we fund a large part of our operations through financing from banks. As of June 30, 2022, we had total financial indebtedness of ₹ 1,304.49 million. For further information on our secured borrowings, see "*Financial Indebtedness*" on page 283. We usually finance our working capital requirements mainly through our internal accruals and arrangements with banks. As we intend to pursue a strategy of continued investment in our development activities, we will incur additional expenditure in the current and future fiscal periods. We propose to fund such expenditure through a combination of debt, equity and internal accruals. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment.

The actual amount and timing of our future capital requirements may also differ from estimates as a result of, among other things, change in business plans due to prevailing economic conditions, unanticipated expenses, new consumption themes or products, and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. We may also have difficulty accessing capital markets, which may make it more difficult or expensive to obtain financing in the future. We may not be successful in obtaining additional funds in a timely manner, or on favourable terms or at all. If we do not have access to additional capital, we may be required to delay, postpone or abandon or reduce capital expenditures and the size of our operations, any of which may adversely affect our business, financial conditions and results of operations.

Moreover, certain of our financing documents contain provisions that may limit our ability to incur future debt and create security and require us to obtain the respective lenders' consent prior to carrying out certain activities and entering into certain transactions. Some of the corporate actions that currently require prior consent from certain lenders include, effecting changes to the capital structure of our Company, availing of additional borrowings, making amendments to our Memorandum of Association or Articles of Association, implementing any scheme of expansion, modernisation or diversification and permitting any merger, demerger, amalgamation, consolidation, restructuring or reorganisation, permitting any transfer of the controlling interest and/or making any drastic change in the management set-up. While, as on the date of this Draft Red Herring Prospectus, we have obtained requisite consents from our lenders for undertaking the Offer, failure to obtain requisite consents in the future in a timely manner or at all could have significant consequences on our business, prospects and operations. While we have not breached any covenants in the past, a failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, suspension of further access/ withdrawals, either in whole or in part, for the use of the loans/facilities, imposition of penal interest, appointment of a nominee director by the lender on our Board and enforcement of security. Additionally, working capital facilities availed by us are typically repayable on demand. In the event any or all of our lenders, demand immediate repayment of facilities availed from them, we may be unable to procure alternative financing in a timely manner at acceptable terms.

Our ability to service our indebtedness will depend on our future performance and our ability to generate cash, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, our contractual obligations, or to fund our other liquidity needs, we may be forced to sell our assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives.

We are susceptible to changes in interest rates and the risks arising therefrom. Certain of our financing agreements provide for interest at variable rates and the lenders are entitled to charge the applicable rate of interest, which is a combination of a base rate/MCLR rate that depends upon the policies of the RBI and a contractually agreed spread. Also see "*Financial Indebtedness*" on page 283 for a description of interest payable under our financing agreements. Further, in recent years, the GoI has taken measures to control inflation, which included tightening the monetary policy by raising interest rates. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows, and financial condition.

Further, while we propose to utilize the proceeds from this Offer for repayment/prepayment of certain borrowings availed by us, the ability to repay/prepay such borrowings is subject to various factors. For further information, see "*Objects of the Offer*" on page 95.

25. Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations.

The cost and availability of capital depends on our credit ratings. Our term loan facilities and working capital facilities were assigned CARE AA- (CE); Positive (unsupported rating of CARE A-) on October 5, 2021. Credit ratings reflects the opinion of the rating agency on our management, track record, diversified clientele, increase in scale and operations and margins, medium term revenue visibility and operating cycle.

Our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, or any downgrade in our credit ratings could increase borrowing costs, will give the right to our lenders to review the facilities availed by us under our financing arrangements and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows.

26. A portion of the Net Proceeds may be utilized for repayment or pre-payment of certain loans availed by our Company from HDFC Bank Limited, one of the BRLMs.

We propose to repay or pre-pay certain loans availed by our Company from one of the BRLMs, HDFC Bank Limited from the Net Proceeds. The loan sanctioned to our Company by HDFC Bank Limited was done as part of its separate lending activities in the ordinary course of business and we do not believe that there is any conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations. The Board of Directors of our Company have chosen the loans and facilities to be repaid/prepaid based on commercial considerations. For further details see "*Objects of the Offer*" on page 95.

27. Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL Limited exclusively commissioned and paid for by us for such purpose.

We have availed the services of an independent third-party research agency, CRISIL Limited, appointed by our Company on May 24, 2022, to prepare an industry report titled "*Assessment of Amine Industry*" dated August 4, 2022 in Mumbai ("**CRISIL Report**") for purposes of inclusion of such information in this Draft Red Herring Prospectus to understand the industry in which we operate. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. The CRISIL Report uses certain methodologies for market sizing and forecasting. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. For further details, including disclosures made by CRISIL Limited in connection with the preparation and presentation of their report, see "*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation*" on page 15.

28. Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.

We provide our customers with certain credit periods, as part of our standard payment terms. While we generally limit the credit we extend to our customers based on their financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, there is a risk that our estimates may not be accurate. In Fiscal 2020, 2021 and 2022, our trade receivables were ₹ 335.63 million, ₹ 389.38 million and ₹ 1,559.40 million, respectively. Any increase in our receivable turnover days or write-offs will negatively affect our business. 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, financial condition and results of operations.

29. We are dependent on third party transportation providers for the supply of raw materials and delivery of our products.

As a manufacturing business, our success also depends on the uninterrupted supply and transportation of the various raw materials required for our Manufacturing Facility and of our products from our Manufacturing Facility to our customers, or intermediate delivery points such as ports, both of which are subject to various uncertainties and risks. We transport our raw materials and our finished products by road, air and sea. Our suppliers undertake the delivery of our raw materials and we rely on third party logistic companies and freight forwarders to deliver our products. We do not have formal contractual relationships with such logistic companies and freight forwarders. Transportation strikes may also have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. Any recompense received from insurers or third party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

30. Information relating to the installed manufacturing capacity and capacity utilisation of our manufacturing facility 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 installed manufacturing capacity of our manufacturing Facility and capacity utilisation included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management including the standard capacity calculation practice in the specialty chemical manufacturing industry, and the capacities of principal equipment, such as the reactor, and that of ancillary equipment used in the manufacture of our products. These assumptions and estimates include: (i) continuous manufacturing operations for 24 hours per day, 26 days per month and 12 months in a year; (ii) design capacity of 30,000 MT per year considering 7,488 hours of continuous operation. Our reactor has a rated theoretical installed capacity of 30,000 MT per year based on the aforesaid assumptions and estimated 7,488 hours continuous operation through the year in terms of total volume of specialty chemicals produced. While we have obtained a certificate dated August 10, 2022 from Kulkarni Mukund Murlidhar, chartered engineers in relation to such installed manufacturing capacity of our Manufacturing Facility and capacity utilisation, future capacity utilisation may vary significantly from the estimated production capacities of our manufacturing facility and historical capacity utilisation. For further information, see "*Our Business - Capacity and Capacity Utilisation*" on page 171. Further, the installed capacity, capacity utilisation and other related information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to capacity information that may be computed and presented by other comparable companies in the industry in which we operate.

31. We are dependent on a number of key personnel, including certain of our Individual Promoters, our Key Managerial Personnel and our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations, financial condition and cash flows.

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of certain of our Individual Promoters, our senior management and Key Managerial Personnel are valuable for the growth and development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, our results of operations and our cash flows. For further details, see "*Our Management*" and "*Our Promoters and Promoter Group*" on pages 187 and 205, respectively.

The continued operations and growth of our business is dependent upon our ability to attract and retain personnel, including our scientists, who have the necessary and required experience and expertise. Competition for individuals with specialized knowledge and experience is intense in our industry. The loss of the services of any key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, any unauthorized disclosure of our production processes by our employees to any third party may have a material adverse impact on our business prospects. As of March 31, 2020, 2021 and 2022 seven, five and three permanent employees resigned from our Company, respectively and the attrition rate for our employees for Fiscal 2020, 2021 and 2022 were 1.15%, 0.51% and 0.26%, respectively. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management personnel. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

32. As of March 31, 2022, we had contingent liabilities which have not been provided for in our financial statements and could adversely affect our financial condition.

As of March 31, 2022, our contingent liabilities that have not been accounted for in our financial statements were as follows:

Particulars	Amount (₹ million)
Claims against the Company not acknowledged as debts	
Income tax	5.65

(i) The above claims pertains to income tax – TDS on payments made to foreign companies / non-residents for Fiscals 2018 and 2019. Our Company has filed appeals with CIT(A) of Income Tax and the same are pending for disposal. Our Company has paid an amount of ₹ 1.13 million under protest.

(ii) Our Company based on its legal assessment does not believe that any of the pending claims require a provision as at the balance sheet date, as the likelihood of the probability of an outflow of resources at this point of time is low.

If any of the claims in these contingent liabilities materialise, fully or partly, our financial condition could be materially and adversely affected. For further information on our contingent liabilities, see "*Restated Financial Information – Annexure VII- Contingent liabilities and commitments (to the extent not provided for*" on page 243.

33. Any negative operating cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.

The following table sets forth certain information relating to our operating cash flows for the periods indicated:

Particulars	Fiscal 2020	Fiscal 2021	Fiscal 2022
	(₹ million)		
Net cash flow generated from / (used in) operating activities	(122.27)	184.26	542.14

Negative operating cash flows over extended periods, or significant negative operating cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further information, see "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*" on pages 216 and 253, respectively.

34. Our Statutory Auditors have included certain observations in our Restated Financial Information as required under the Companies (Auditor's Report) Order, 2016 / Companies (Auditor's Report) Order, 2020, as applicable.

Our Statutory Auditors have included certain observations for Fiscal 2021 and 2022 in their reporting under the Companies (Auditor's) Report Order, 2016 ("**CARO 2016**") / Companies (Auditor's Report) Order, 2020 ("**CARO 2020**"), as applicable. These observations included statutory dues which have not been deposited on account of disputes as set out below:

Fiscal 2022 – CARO 2020

Nature of Dues	Name of the statute	Amount (in ₹ million)	Period to which the amount related	Forum where the dispute is pending
TDS on payments made to foreign companies / non-resident	Income Tax Act, 1961	2.14	2017-2018	CIT (Appeals)
TDS on payments made to foreign companies / non-resident	Income Tax Act, 1961	3.51	2018-2019	CIT (Appeals)

Further, our Statutory Auditors have included an observation for Fiscal 2022 according to which our Company had been sanctioned working capital limits in excess of ₹ 50.00 million, in aggregate, from banks or financial institutions on the basis of security of current assets. While the quarterly statements filed by our Company for the third quarter of Fiscal 2022 were in agreement with the books of accounts, certain discrepancies were found in the quarterly statements for the first and second quarters of Fiscal 2022.

For further information, see "*Restated Financial Information – Annexure VI – Part B: Non-adjusting items – For the year ended March 31, 2022*" on page 231.

Fiscal 2021 – CARO 2016

Nature of Dues	Name of the statute	Amount (in ₹ million)	Period to which the amount related	Forum where the dispute is pending
TDS on payments made to foreign companies / non-resident	Income Tax Act, 1961	2.14	2017-2018	CIT (Appeals)

In addition, our previous statutory auditors have included the following emphasis of matter in the audited financial statements for Fiscal 2021, which have been subsequently adjusted as part of our Restated Financial Information.

"*The company has not made the provision for tax of ₹ 15.33 million in the books relying on the judicial precedent of Hon. Karnataka High court case of Best Trading and Agencies Ltd., 119 taxmann.com 129."*

For further information, see "*Restated Financial Information – Annexure VI – Part A – Note 5 – Tax expenses relating to earlier years*" on page 230.

35. Our operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

The success of our operations depends on availability of labour and maintaining good relationship with our workforce. Shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. While we have not experienced any major prolonged disruption in our business operations due to disputes or other problems with our work force in the past, there can be no assurance that we will not experience any such disruption in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has labour legislations that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. The GoI has introduced (a) the Code on Wages, 2019, as amended; (b) the Code on Social Security, 2020, as amended; (c) the Occupational Safety, Health and Working Conditions Code, 2020, as amended; and (d) the Industrial Relations Code, 2020, as amended. These new enactments, once implemented, are intended to consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse impact on us. Once these enactments are implemented, we may be required to incur additional expenditure to achieve compliance with such enactments For further details, see "*Key Regulations and Policies*" on page 177.

36. Failures in internal control systems could cause operational errors which may have an adverse impact on our profitability.

We are responsible for establishing and maintaining adequate internal control measures commensurate with the size and complexity of operations. Internal control systems comprising policies and procedures are designed to ensure sound management of our operations, safekeeping of our assets, optimal utilization of resources, reliability of our financial information and compliance. The systems and procedures are periodically reviewed and routinely tested and cover all functions and business areas.

While we believe that we have adequate controls, 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 guarantee effective internal controls in all circumstances. Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. These factors may have an adverse effect on our reputation, business, results of operations, cash flows and financial condition. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

37. Our manufacturing facility is dependent on adequate and uninterrupted supply of electricity, water and fuel. Any shortage or disruption in electricity, water, or fuel supply may lead to disruption in operations, higher operating cost and consequent decline in our operating margins.

Our production operations require adequate supply of electricity, other fuel and water, the shortage or non-availability of which may adversely affect our operations. In Fiscal 2020, 2021 and 2022, the power and fuel costs were ₹ 80.21 million, ₹ 161.13 million, and ₹ 490.90 million, for each respective period which accounted for 14.89%, 9.24% and 9.55% of our total revenue from operations, respectively.

We source most of our electricity requirements from local utilities and our own diesel generator sets. Inadequate electricity, diesel for our generators could result in interruption or suspension of our production operations. In particular, any significant increase in cost of diesel/fuel could result in unanticipated increase in production cost. Further, we currently source our water from local body water supply and there can be no assurance that such supply will not be adversely impacted in the future. Any failure on our part to obtain alternate sources of electricity, fuel, or water, in a timely manner, and at an acceptable cost, may cause a slowdown or interruption to our production process and have an adverse effect on our business, financial condition and results of operations. Further, the recent increase in the prices of fuel and electricity may result in an increase in our electricity and fuel expenses which may have increase our operating cost in general and may have an adverse impact on our business, financial condition and results of operations.

38. ***We may not successfully protect our technical know-how, which may result in the loss of our competitive advantage.***

We have developed a range of technical know-how relating to the manufacturing process of our products. This knowledge base has enhanced our ability to manage our manufacturing costs and improve our product quality to compete more effectively in the speciality chemical industry. Our technical know-how has been derived from the past experience of our management team and key employees as well as our research and development efforts. Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the manufacturing process. Certain of our employees have access to confidential product information and amongst others, and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Such technical know-how cannot be protected under the Indian legal system by way of registration with competent authorities, and as a result, we have to rely on employee confidentiality undertakings, a less effective means of protection. Further, if the confidential technical information in respect of our products or business becomes available to third parties or the public, any competitive advantage we may have over our competitors could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have a material adverse effect on our business, results of operations, financial condition, cash flows and/or prospects.

39. ***Our manufacturing facility is located on land not owned by us and we have only leasehold rights. Our Registered Office has also been licensed to us by our Corporate Promoter, BAL. In the event we lose or are unable to renew such leasehold rights, our business, financial condition and results of operations may be adversely affected.***

Our Registered Office has been licensed to us by our Corporate Promoter for a period of three years from April 1, 2022. Further, our manufacturing facility located at Plot No. E-8/1, MIDC, Chincholi, Tal - Mohol, Solapur 413 255, Maharashtra, India, is also held by us on a leased basis from Maharashtra Industrial Development Corporation for a period of 95 years from December 1, 2011.

We cannot assure you that we will be able to renew our lease and license arrangements on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations 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, prospects, results of operations and financial condition. If we are unable to renew the lease or the license or relocate on commercially suitable terms, it may have a material adverse effect on our business, results of operation and financial condition.

40. ***The equity shares of our Corporate Promoter, BAL, are listed on BSE and NSE and are subject to the continuous disclosure obligations under the SEBI Listing Regulations.***

The equity shares of our Corporate Promoter, BAL, are listed on BSE and NSE, and accordingly, BAL is subject to continuous disclosure obligations under the SEBI Listing Regulations. In accordance with the SEBI Listing Regulations, our Corporate Promoter, BAL, is required to publish its quarterly financial results on a consolidated basis (which includes our unaudited standalone financial results) subject to limited review by its statutory auditors, within 45 days from the completion of the relevant quarter ("**Limited Reviewed Financial Information**"). Accordingly, our Corporate Promoter, BAL, will be required to disclose its Limited Reviewed Financial Information for the quarter ended June 30, 2022, within the statutory prescribed timelines, to BSE and NSE, which will be prepared after considering, among other things, the unaudited financial results of our Company. Investors are cautioned against placing any reliance or basing their investment decision on the Limited Reviewed Financial Information. Further, see "*Other Regulatory and Statutory Disclosures- Disclaimer from our Company, our Directors, the Selling Shareholders and the Book Running Lead Managers* " on page 296.

41. ***Technology failures could disrupt our operations and adversely affect our business operations and financial performance.***

IT systems are critical to our ability to manage our production process, inventory management, customer management, financial management, data handling, and supply chain management and in turn, to maximize efficiencies and optimize costs. Our IT systems enable us to coordinate our operations, from automated production to logistics and transport, invoicing, customer relationship management and decision support. For details, see "*Business – Information Technology*" on page 175.

If we do not allocate and effectively manage the resources necessary to implement and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies and, in some instances, loss of customers. Challenges relating to the revamping or implementation of new IT structures can also subject us to certain errors, inefficiencies, disruptions and, in some instances, loss of customers. Our IT systems, and the systems of our third party IT service providers may also be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. Although we have security initiatives and disaster recovery plans in place to mitigate its risk to these vulnerabilities, such measures may not have been effectively implemented or may not be adequate to ensure that its operations are not disrupted.

42. Our insurance cover may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage which could adversely affect our results of operations and financial condition.

Our insurance policies currently cover our manufacturing facility, our employees and our equipment. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain business risks. 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. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost, or at all. Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, flood, and accidents affect our manufacturing facility and our Registered Office. As of March 31, 2020, 2021 and 2022, the aggregate coverage of the insurance policies obtained by us (which includes aggregate coverage of plant and machinery, building, EDA catalyst, raw materials, stock and finished goods) was ₹ 2,820.00 million, ₹ 2,758.66 million, and ₹ 2,718.30 million, which constituted 124.45%, 128.13%, and 130.32% of the total insured assets (which include plant and machinery, building, EDA catalyst, stocks- raw materials, work-in-progress, stores and spares, packing materials and finished goods) of the Company, respectively.

While we believe that we have obtained insurance against losses which are most likely to occur in our line of business, there may be certain losses which may not be covered by the insurance policies, which we have not ascertained as on the date. Therefore, we cannot assure you that we will continue to accurately ascertain and maintain adequate insurance policies for losses that may be incurred in the future. Further, we cannot assure you that any insurance claim made by us in the future will honoured fully, in part or on time. For further information on the insurance policies availed by us, see "*Our Business - Insurance*" on page 176.

43. Pricing pressure from customers may affect our gross margin, profitability and ability to increase our prices, which in turn may materially adversely affect our business, results of operations and financial condition.

Pursuing cost-cutting measures while maintaining rigorous quality standards may lead to an erosion of our margins, which may have a material adverse effect on our business, results of operations and financial condition. In addition, estimating amounts of such price reductions is subject to risk and uncertainties, as any price reduction is the result of negotiations and other factors. Accordingly, companies like us must be able to reduce their operating costs in order to maintain profitability. Such price reductions may affect our sales and profit margins. If we are unable to offset customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, our business, results of operations and financial condition may be materially adversely affected. Our customers also negotiate for larger discounts in price as the volume of their orders increases. To maintain our profit margins, we seek price reductions from our suppliers, improved production processes to increase manufacturing efficiency and streamlined product designs to reduce costs. There can be no assurance that we will be able to avoid future customer price reductions or offset the impact of any such price reductions through continued technology improvements, improved operational efficiencies, cost-effective sourcing alternatives, new manufacturing processes, cost reductions or other productivity initiatives, which may adversely affect our business, financial condition and results of operations.

44. ***Negative publicity against us, our Corporate Promoter, our suppliers, our customers or any of our or their affiliates could cause us reputational harm and could have a material adverse effect on our business, financial condition, results of operations and prospects.***

From time to time, we, our Corporate Promoter, our suppliers, our customers or any of our or their affiliates may be subject to negative publicity in relation to our or their business or staff, including publicity covering issues such as anti-corruption, safety and environmental protection. Such negative publicity, however, even if later proven to be false or misleading, and even where the entities or individuals implicated are members or employees of our suppliers, customers or our or their affiliates and not of us, could lead to a temporary or prolonged negative perception against us by virtue of our affiliation with such joint venture partners, suppliers, customers or affiliates. Our reputation in the marketplace is important to our ability to generate and retain business. In particular, damage to our reputation could be difficult and time-consuming to repair, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

45. ***We may be subject to fraud, theft, employee negligence or similar incidents which may adversely affect our results of operations and financial condition.***

Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during stocking or delivery. Our industry typically does not encounter inventory loss on account of employee theft, vendor fraud, and general administrative error. We maintain large amounts of inventory at our Manufacturing Facility at all times and had a total inventory of ₹ 220.04 million, as of March 31, 2022. Although we have not experienced any such instances, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

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

We are required to keep confidential certain details of our customers. In the event of any breach or alleged breach of our confidentiality arrangements with our customers, these customers may initiate litigation against us for breach of confidentiality obligations. Moreover, if our customers' confidential information is misappropriated by us or our employees, our customers may seek damages and compensation from us. Assertions of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have a material adverse effect on our business, financial condition and results of operations. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost.

47. ***Our Promoters have provided guarantees in connection with our borrowings. Our business, financial condition, results of operations and prospects may be adversely affected by the revocation of all or any of the guarantees provided by our Promoters in connection with our Company's borrowings.***

Our Promoters have provided guarantees for our borrowings. If any of these guarantees are revoked, our lenders may require alternative guarantees or cancel such loans or facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations and prospects may be adversely affected by the revocation of all or any of the guarantees provided by our Promoters in connection with our Company's borrowings. For further information, see "*Restated Financial Information*", "*History and Certain Corporate Matters - Details of guarantees given* *to third parties by our Promoters, participating in the Offer for Sale*" and "*Financial Indebtedness*" on pages 216, 186 and 283, respectively. Further, the documentation in relation to certain borrowings availed by our Company from the State Bank of India, require us to offer a personal guarantee from our Individual Promoters , if the personal guarantee furnished by them to Bank of Baroda for a loan availed by our Company was not withdrawn prior to March 31, 2022. As on the date of this Draft Red Herring Prospectus, the personal guarantee issued by our Individual Promoters in favour of Bank of Baroda has not been withdrawn. We cannot assure you that we will not be required to furnish a personal guarantee from our Individual Promoters in favour of State Bank of India or that State Bank of India will not seek to penalise us for the delay in furnishing such personal guarantee from our Individual Promoters.

48. The objects of the Offer include funding working capital requirements of our Company which are based on certain assumptions and estimates.

The objects of the Offer include funding working capital requirements which are based on management estimates and certain assumptions in relation to inter alia sales of our products in the future, the cost and holding periods of inventories of raw materials and finished goods as well as capacity utilisation. For details, see "*Objects of the Offer*" on page 95. The working capital requirements and deployment of funds may be subject to change due to factors beyond our control including force majeure conditions, an increase in defaults by our customers, availability of funding from banks or financial institutions. Accordingly, such working capital requirements and deployment of proceeds may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

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

We intend to use the Net Proceeds for the purposes described in "*Objects of the Offer*" on page 95. As on the date of this Draft Red Herring Prospectus, our funding requirements are based on management estimates in view of past expenditures, and have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on current conditions and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. While we will use the Net Proceeds in the manner specified in "*Objects of the Offer*" on page 95, the amount of Net Proceeds to be actually used will be based on our management's discretion. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

50. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.

We propose to utilize the Net Proceeds for the purposes described in "*Objects of the Offer*" on page 95. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

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

51. The average cost of acquisition of Equity Shares by the Selling Shareholders including our Promoters could be lower than the floor price of the Price Band.

The Selling Shareholders' (including our Promoters) average cost of acquisition of Equity Shares in our Company may be lower than the floor price of the Price Band as may be decided by the Company acting through the Board of Directors or IPO Committee and the Selling Shareholders, in consultation with the BRLMs. For further details regarding average cost of acquisition of Equity Shares by our Promoters and the Selling Shareholders in our Company and built-up of Equity Shares by our Promoter in our Company, please refer to "*Capital Structure*" on page 80.

52. Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financing arrangements.

Our Company has not declared or paid any dividend on the equity shares for the last three Fiscals, as per our Restated Financial Information and from April 1, 2022, until the date of this Draft Red Herring Prospectus. Any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company's ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, have profits to pay dividends to our Company's shareholders in future. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends at any point in the future. For details pertaining to dividend declared by our Company in the past, see "*Dividend Policy*" on page 215.

53. Our Company will not receive any proceeds from the Offer for Sale.

The Offer comprises Fresh Issue of ₹ 2,500 million and an Offer for Sale aggregating up to 26,000,000 Equity Shares by the Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale. The proceeds from the Offer for Sale (after applicable deductions) will be transferred to the each of the Selling Shareholders, in proportion to its respective portion of the Equity Shares transferred by each of them in the Offer for Sale and will not result in any creation of value for us or in respect of your investment in our Company.

54. Our Promoters and certain of our Directors hold Equity Shares in our Company and are interested in our Company's in addition to their normal remuneration and reimbursement of expenses.

Our Promoters and certain of our Directors are interested in our Company, in addition to normal remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or their relatives' holding in our Company. Further, other than as disclosed in "*Summary of Offer Document – Summary of related party transactions*" and "*Related Party Transactions*" on pages 23 and 252, respectively, there are no other transactions entered into by our Company with our Promoters, and Directors. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties.

Our Corporate Promoter is also interested in our Company to the extent of: (i) an annual consideration of ₹ 50,000 from our Company in terms of the license agreement dated July 29, 2022 entered into between our Company and the Corporate Promoter; (ii) licensor fee receivable by it from our Company in terms of the leave and license agreement dated June 27, 2022 executed between our Company and the Corporate Promoter, granting our Company a license to use our Registered Office. For further information, see "- *Our business operations benefit from our association with our Corporate Promoter, and any deterioration in or cessation of such relationship in the future may have an adverse impact on our business operations and financial performance*." on page 31.

For further information on the interest of our Directors, and Promoters, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management – Interest of Directors*", "*Our Promoters and Promoter Group - Interest of our Promoters in our Company*", "*Our Promoters and Promoter Group–Interest of Promoters in the property of our Company*" and "*Our Business-Intellectual Property*" on pages 92, 209, 209 and 175, respectively.

55. Conflicts of interest may arise out of similar business undertaken by our Company, our Corporate Promoter, our Group Companies, and/or business ventures in which certain of our Directors are interested.

As at the date of this Draft Red Herring Prospectus, our Corporate Promoter, our Group Companies and certain of our Directors are engaged in or have interests in entities that are engaged in businesses similar to ours. For instance, our directors Ande Prathap Reddy, Rajeshwar Reddy Nomula, Ram Reddy Dundurapu, Gaddam Hemanth Reddy, Ande Srinivas Reddy, Amarender Reddy Minupuri, Kashinath Revappa Dhole are also directors on BAL, which is in a similar line of business as our Company. As a result, conflict of interest may arise in future in allocating business opportunities amongst our Company, Corporate Promoter and/or certain of our Directors, where our respective interest diverge. The main objects, contained in the memorandum of association, of our Group Companies are similar to our Company. We cannot assure you that our Group Companies, will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. We cannot assure you that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. In the event that any conflicts of interest arise, our Directors may make decisions regarding our operations, financial structure or commercial transactions that may not be in our shareholders' best interest. It may also enable a competitor to take advantage of a corporate opportunity at our expense. Such decisions could have a material adverse effect on our business, financial condition, results of operations and prospects. Should we face any such conflicts in the future, there is no guarantee that they will get resolved in our favour.

56. We enter into certain related party transactions in the ordinary course of our business and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. For further details, see "*Summary of the Offer Document - Summary of related party transactions*" and "*Restated Financial Information-Annexure VII-Note 32. Related Parties*" on pages 23 and 245 respectively. These transactions principally include purchase of goods and services, sale of goods and services, lease and rent of office, loan accepted, loan repayment and interest charged. While all such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions. There can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance to you that these or any future related party transactions that we may enter into, individually or in aggregate, will not have an adverse effect on our business, financial condition and results of operations. All related party transactions that we may enter into post-listing, will be subject to an approval by our Audit Committee, Board, or Shareholders, as required under the Companies Act and the SEBI Listing Regulations. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

In Fiscal 2020, 2021 and 2022, BAL was among our top 10 customers and total revenue generated from BAL was ₹36.28 million, ₹ 169.47 million and ₹ 202.62 representing 6.73%, 9.72% and 3.94%, respectively of our revenue from operations. In addition, our Corporate Promoter, BAL has been our largest raw material supplier in the last three Fiscals. In Fiscal 2020, 2021 and 2022, the purchase of raw materials from BAL amounted ₹ 334.36 million, ₹ 791.52 million and ₹ 780.35 million, and represented 62.06%, 45.39% and 15.17%, respectively, of our revenue from operations and 91.02%, 78.63% and 29.31% of the total cost of materials consumed, respectively. Hence, in Fiscal 2020, 2021 and 2022, the aggregate amount of such related party transactions was ₹ 3,211.68million, ₹ 1,341.88 million and ₹ 1,392.61 million respectively. The percentage of the aggregate value of such related party transactions to our total revenue from operations in Fiscal 2020, 2021 and 2022 was 596.07%, 76.95% and 27.08%% respectively.

57. We will continue to be controlled by our Promoters and members of Promoter Group after the completion of the Offer.

As of the date of this Draft Red Herring Prospectus, our Promoters and members of the Promoter Group hold 97.98% of the issued, subscribed and paid-up Equity Share capital of our Company. Upon completion of the Offer, our Promoters and members of Promoter Group will continue to hold majority of our equity share capital, which will allow them to continue to control the outcome of matters submitted to our Shareholders for approval. After this Offer, our Promoters and members of Promoter Group will continue to exercise significant control or exert significant influence over our business and major policy decisions, including but not limited to control the composition of our Board, delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us. The interests of our Promoters and members of Promoter Group may conflict with your interests and the interests of our other shareholders, and our Promoters and members of Promoter Group could make decisions that may adversely affect our business operations, and hence the value of your investment in the Equity Shares.

58. We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the Indian specialty chemicals industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance 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 specialty chemicals industry, many of which provide such non-GAAP financial 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 financial statements as reported under applicable accounting standards disclosed elsewhere in this Draft Red Herring Prospectus.

These non-GAAP financial 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 therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*" on page 259.

59. Our customers may engage in transactions in or with countries or persons that are subject to United States and other sanctions.

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organisations also administer similar economic sanctions. While we have not in the past entered into transactions with customers located in countries to which certain OFAC-administered and other sanctions apply, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. If it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers' dealings in or with countries or with persons that are the subject of U.S. sanctions.

External Risk Factors

60. Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.

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

Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our equity shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

61. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding, and/or earthquakes), epidemics, pandemics such as COVID-19, and man-made disasters, including acts of war, terrorist attacks, and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, and results of operations. Recent developments in the ongoing conflict between Russia and Ukraine has resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, increase in supply chain, logistics times and costs, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India. Our operations may be adversely affected by fires, natural disasters, and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity, and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic, and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1, and H1N1 strains of influenza in birds and swine and more recently, the SARS-CoV-2 virus and human monkeypox (MPX). A worsening of the current outbreak of the COVID-19 pandemic or future outbreaks of SARS-CoV-2 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

62. Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and results of operations.

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.

63. If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect the component industry, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Accordingly, any adverse regulatory change in this regard could lead to fluctuation of prices of raw materials and thereby increase our operational cost. For details on the laws applicable to us, please see "*Key Regulations and Policies*" on page 177.

The Income Tax Act, 1961 ("**IT Act**") was amended to provide domestic companies an option to pay corporate income tax at the effective rate of approximately 25.17% (inclusive of applicable surcharge and health and education cess), as compared to effective rate of 34.94% (inclusive of applicable surcharge and health and education cess), provided such companies do not claim certain specified deductions or exemptions. Further, where a company has opted to pay the reduced corporate tax rate, the minimum alternate tax provisions would not be applicable. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. Due to the COVID -19 pandemic, the Government of India had also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, amongst others, the Central Goods and Services Tax Act, 2017 and Customs Tariff Act, 1975.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company and such dividends were generally exempt from tax in the hands of the shareholders. However, the Government of India has amended the IT Act to abolish the DDT regime. Accordingly, any dividend distributed by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the Company is required to withhold tax on such dividends distributed at the applicable rate.

Further, the Government of India has notified the Finance Act, 2022 ("**Finance Act**"), which has introduced various amendments to the IT Act. As such, there is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Further, there is no assurance that the countries where our customers are located will not implement any new regulations and policies requiring us to obtain approvals and licenses and/or will not impose onerous requirements and conditions on the export of our products to such countries. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

Similarly, changes in other laws may require additional compliances and/or result in us incurring additional expenditure. For instance, the Government of India has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020; (iii) the Code on Social Security, 2020; and (iv) the Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations. Once these codes are in force, we may be required to incur additional expenditure to ensure compliance with them. Further, a draft of the Personal Data Protection Bill, 2019 has been introduced before the Lok Sabha on December 11, 2019, which has been referred to a joint parliamentary committee by the Parliament. Recently, the joint parliamentary committee tabled a report on the Personal Data Protection Bill, 2019 before the Parliament of India on December 16, 2021 to submit its general and clause-by-clause recommendation, including a revised version of the Personal Data Protection Bill, 2019 ("**2021 Bill**"). While the Personal Data Protection Bill, 2019 was focused on personal data with limited reference to sharing of non-personal data, the 2021 Bill has expanded the scope to cover non-personal data as well, because of which was proposed to be called the "Data Protection Bill", rather than the "Personal Data Protection Bill". The Ministry of Electronics and Information Technology is yet to submit the revised version of the data protection bill before the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

64. We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business including allegations of cartelization.

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

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

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

65. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, United States, United Kingdom, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

66. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a law suit in India.

Our Company is a company incorporated under the laws of India and all of our Directors are located in India. All of our assets, our Key Managerial Personnel and officers are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India is not party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

Risks Relating to the Equity Shares and this Offer

67. The trading volume and market price of the Equity Shares may be volatile following the Offer.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities 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;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in volume of Equity Shares traded; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

68. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

69. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares and dividend received.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

The Finance Act, 2020 ("**Finance Act 2020**") had stipulated that the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act 2020 also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain 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 certain securities, other than debentures, on a delivery basis is currently specified under the Finance Act 2020. These amendments have come into effect from July 1, 2020. Under the Finance Act 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. Further, the Finance Act, 2021 ("Finance Act 2021"), which followed, removed the requirement for DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, financial condition, results of operations and cash flows.

70. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately five Working Days from the Bid/ Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/ Offer Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges pursuant to changes in applicable law or otherwise. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

71. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.

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

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, all investments under the foreign direct investment route 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, will require the prior approval of the Government of India, as prescribed in the Consolidated FDI Policy dated October 15, 2020 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 of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 340.

73. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

Our Restated Financial Information for Fiscal 2020, 2021 and 2022 have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

74. 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 BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and Selling Shareholders in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for the Offer Price*" on page 106 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see "*Other Regulatory and* Statutory *Disclosures – Price information of past issues handled by the BRLMs*" on page 300. 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.

75. ***QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid amount) at any stage after submitting a bid, and Retail Individual Investors, Eligible Employees Bidding in Employee Reservation Portion and Balaji Amines Shareholders Bidding are not permitted to withdraw their Bids after Bid/Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to block 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. Similarly, Retail Individual Investors, Eligible Employees Bidding in Employee Reservation Portion and Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/ Offer Closing date, but not thereafter. While we are 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, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment.

We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing. Therefore, Bidders will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise between the dates of submission of their Bids and Allotment.

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

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in does not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

77. ***A third-party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or 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 subsequent to completion of the Offer. 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 our shareholders, such a takeover may not be attempted or consummated because of the SEBI Takeover Regulations.

78. ***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 wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder of our Company than as a shareholder of an entity in another jurisdiction.

79. Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain "foreign passthru payments" made by certain non-U.S. financial institutions (including intermediaries). If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered "foreign passthru payments". Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered "foreign passthru payments". The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign passthru payments" and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as "foreign passthru payments". Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares[1]	Up to [●] Equity Shares, aggregating up to ₹ [●] million
of which:	
Fresh Issue [1] [6]	Up to [●] Equity Shares, aggregating up to ₹ 2,500.00 million
Offer for Sale [2]	Up to 26,000,000 Equity Shares aggregating up to ₹ [●] million.
The Offer comprises:	
Employee Reservation Portion[7]	Up to [●] Equity Shares aggregating up to ₹ [●] million
Balaji Amines Shareholder Reservation Portion[8]	Up to [●] Equity Shares aggregating up to ₹ [●] million
Net Offer[1][8][9]	Up to [●] Equity Shares aggregating up to ₹ [●] million
The Net Offer comprises:	
A) QIB Portion [3] [4][5]	Not less than [●] Equity Shares
of which:	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion[4] [5]	Not more than [●] Equity Shares
of which:	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size more than ₹ 0.20 million to ₹ 1.00 million	[●] Equity Shares
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] [5]	Not more 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)	200,000,000 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" on page 95 for information about the use of the Net Proceeds arising from the Fresh Issue. 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 June 1, 2022, and the Fresh Issue has been approved by a resolution of our Shareholders dated June 2, 2022.

(2) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale as part of the Offer in terms of the SEBI ICDR Regulations. The Selling Shareholders has approved the transfer of the Offered Shares, pursuant to the Offer for Sale. For details of authorizations received for the Offer, see "Other Regulatory and Statutory Disclosures" on page 294.

(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. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 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 QIB Bidders (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 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 (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 318.

(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, subject to applicable law. In the event of an undersubscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in

the first instance towards subscription for 90% of the Fresh Issue. If there remains any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made pro rata towards Equity Shares offered by Selling Shareholders, and thereafter, towards the balance Fresh Issue. For further details, please see the section entitled "Offer Procedure" on page 318.

(5) *Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Investors and Retail Individual Investors, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor 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 Category shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹1.00 million, two-thirds of the Non-Institutional Category shall be reserved for Bidders with an application size of more than ₹1.00 million and the unsubscribed portion in either of the above sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Investors. The allocation of Equity Shares to each Non-Institutional Investor shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Category, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the SEBI ICDR Regulations. Allocation to Anchor Investors shall be on a discretionary basis. For details, see "Offer Procedure" on page 318.*

(6) *Our Company, in consultation with the Selling Shareholders and the Book Running Lead Managers, may consider a Pre-IPO Placement aggregating up to ₹ 500.00 million, prior to the filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers. If the Pre-IPO Placement is undertaken, the amount raised pursuant to such Pre-IPO Placement will be reduced from the amount of the Fresh Issue, subject to compliance with the SEBI ICDR Regulations and the SCRR.*

(7) *Our Company and Selling Shareholders, in consultation with the Book Running Lead Managers, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees, which shall be announced at least two Working Days prior to the Bid / Offer Opening Date. For details, see "Offer Procedure" and "Offer Structure" on pages 318 and 312 respectively.*

(8) *Our Company and Selling Shareholders, in consultation with the Book Running Lead Managers, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹ [●] per Equity Share) to Balaji Amines Shareholders which shall be announced at least two Working Days prior to the Bid / Offer Opening Date. For details, see "Offer Procedure" and "Offer Structure" on pages 318 and 312 respectively.*

For details, including in relation to grounds for rejection of Bids, see "*Offer Procedure*" on page 318. For details of the terms of the Offer, see "*Terms of the Offer*" on page 306.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Financial Information as at and for the Fiscals ended March 31, 2022, March 31, 2021, and March 31, 2020. The summary financial information presented below should be read in conjunction with "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 216 and 253, respectively.

[***Remainder of this page intentionally kept blank***]

RESTATED BALANCE SHEET

(₹ in million, unless otherwise stated)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
I. ASSETS				
NON-CURRENT ASSETS				
(a)	Property, plant and equipment	1,878.61	2,002.99	2,113.20
(b)	Capital work-in-progress	-	-	-
(c)	Right-of-use assets	0.11	0.01	0.06
(d)	Financial assets			
	Other financial assets	19.03	18.55	17.04
(e)	Deferred tax assets (net)	-	30.84	64.01
(f)	Other non-current assets	1.13	-	0.06
		1,898.88	**2,052.39**	**2,194.37**
CURRENT ASSETS				
(a)	Inventories	220.04	162.10	166.23
(b)	Financial assets			
	(i) Trade receivables	1,559.4	389.38	335.63
	(ii) Cash and cash equivalents	34.12	19.55	14.94
	(iii) Bank balances other than (ii) above	0.22	0.32	0.74
	(iv) Other financial assets	0.43	4.41	0.93
(c)	Current tax assets (net)	-	-	0.14
(d)	Other current assets	303.01	402.29	329.46
		2,117.22	**978.05**	**848.07**
TOTAL ASSETS		**4,016.10**	**3,030.44**	**3,042.44**
II. EQUITY AND LIABILITIES				
EQUITY				
(a)	Equity share capital	400.00	400.00	400.00
(b)	Other equity	1,474.79	385.32	281.33
		1,874.79	**785.32**	**681.33**
LIABILITIES				
NON-CURRENT LIABILITIES				
(a)	Financial liabilities			
	(i) Borrowings	1,235.74	1,661.97	1,662.56
	(ii) Lease liabilities	0.06	-	0.01
(b)	Provisions	1.70	1.07	0.40
(c)	Deferred tax liabilities (net)	149.19	-	-
(d)	Other non-current liabilities	17.83	-	25.71
		1,404.52	**1,663.04**	**1,688.68**
CURRENT LIABILITIES				
(a)	Financial liabilities			
	(i) Borrowings	430.63	382.17	372.96
	(ii) Lease liabilities	0.05	0.01	0.05
	(iii) Trade payables			
	a) Total outstanding dues of micro enterprises and small enterprises	59.18	5.44	4.42
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises	165.82	125.91	196.97
	(iv) Other financial liabilities	23.11	67.25	93.73
(b)	Other current liabilities	35.29	0.50	0.89
(c)	Provisions	0.04	0.04	0.01
(d)	Current tax liabilities (net)	22.66	0.76	-
		736.79	**582.08**	**672.43**
TOTAL EQUITY AND LIABILITIES		**4,016.10**	**3,030.44**	**3,042.44**

RESTATED STATEMENT OF PROFIT AND LOSS

(₹ in million, unless otherwise stated)

Particulars	For the Fiscal ended March 31, 2022	For the Fiscal ended March 31, 2021	For the Fiscal ended March 31, 2020
INCOME			
Revenue from operations	5,142.80	1,744.01	538.81
Other income	17.62	14.77	2.34
Total Income	**5,160.42**	**1,758.78**	**541.15**
EXPENSES			
Cost of materials consumed	2641.29	1002.81	529.75
Changes in inventories of finished goods and work-in-progress	(12.50)	19.13	(131.38)
Employee benefits expense	32.24	22.16	14.47
Finance costs	154.93	190.02	155.63
Depreciation and amortisation expenses	128.35	110.68	74.42
Other expenses	675.57	261.54	121.62
Total expenses	**3,619.88**	**1,606.34**	**764.51**
Profit/(loss) before tax	**1,540.54**	**152.44**	**(223.36)**
Tax expenses:			
Current tax	271.07	15.33	-
Deferred tax	180.02	33.16	(64.01)
Tax expense relating to earlier years	-	-	(0.65)
Total tax expense	**451.09**	**48.49**	**(64.66)**
Profit/(Loss) for the year	**1,089.45**	**103.95**	**(158.70)**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
i. Re-measurement gains/ (losses) of post-employment defined benefit plans	0.03	0.05	-
ii. Income tax related to above	(0.01)	(0.01)	-
Other comprehensive income (OCI) for the year (net of tax)	0.02	0.04	-
Total comprehensive income for the year	**1,089.47**	**103.99**	**(158.70)**
Earnings per Equity Share			
1. Basic (₹)	5.45	0.52	(0.79)
2. Diluted (₹)	5.45	0.52	(0.79)

RESTATED STATEMENT OF CASH FLOWS

(₹ in million, unless otherwise stated)

Particulars	For the Fiscal ended March 31, 2022	For the Fiscal ended March 31, 2021	For the Fiscal ended March 31, 2020
(A) CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax:	1,540.54	152.44	(223.36)
Adjustments for:			
Depreciation and Amortisation Expenses	128.35	110.68	74.42
Interest on borrowings	146.93	185.33	149.64
Interest expense on lease liabilities	0.01	0.01	0.01
Interest income	(1.30)	(0.92)	(1.45)
Liabilities written back	-	(7.24)	(0.53)
Preliminary Expenses written off	-	-	5.44
Operating cash flows before working capital adjustments	**1814.53**	**440.30**	**4.17**
Adjustments for working capital :			
(Increase) / decrease in Inventories	(57.94)	4.13	39.13
(Increase)/ decrease in Trade receivables	(1,170.02)	(53.75)	(335.63)
(Increase) / decrease in Financial assets other than trade receivables	4.03	(3.51)	0.15
(Increase) / decrease in Other assets	97.67	(74.20)	1.21
Increase/ (decrease) in Trade payables	93.65	(62.80)	185.57
Increase / (decrease) in other financial liabilities	(43.90)	(25.99)	(15.19)
Increase / (decrease) in provisions	0.66	0.75	0.41
Increase / (decrease) in other liabilities	49.85	(26.67)	(2.09)
	788.53	**198.26**	**(122.27)**
Income tax paid	(246.39)	(14.00)	-
NET CASH FLOW GENERATED FROM/(USED IN) OPERATING ACTIVITIES	**542.14**	**184.26**	**(122.27)**
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(3.92)	(0.42)	(101.57)
(Increase)/Decrease in capital advances	-	0.06	3.19
Interest income on deposits and others	1.34	1.37	1.50
NET CASH FLOW GENERATED FROM/(USED IN) INVESTING ACTIVITIES	**(2.58)**	**1.01**	**(96.88)**
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from non-current borrowings	120.00	343.44	1,977.40
Repayment from non-current borrowings	(546.23)	(253.13)	(1,658.39)
(Repayment) / proceeds from current borrowings (Net)	48.46	(81.69)	65.35
Interest paid	(147.17)	(189.82)	(150.59)
Repayment of lease liabilities	(0.06)	(0.06)	(0.06)
NET CASH FLOW GENERATED FROM/(USED IN) FINANCING ACTIVITIES	**(525.00)**	**(180.66)**	**233.71**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**14.57**	**4.61**	**14.56**
Cash and cash equivalents at the beginning of the year	19.55	14.94	0.38
Cash and cash equivalents at the end of the year	**34.12**	**19.55**	**14.94**
Reconciliation of Cash and Cash equivalents with the Balance Sheet			
Cash and Bank Balances as per Balance Sheet			
Balance with banks			
- in current accounts	25.09	19.54	14.94
- Debit balance in cash credit accounts	8.99	-	-
Cash on hand	0.04	0.01	-
Cash and cash equivalents at the end of the year	**34.12**	**19.55**	**14.94**

GENERAL INFORMATION

Registered Office of our Company

2nd Floor, Balaji Towers No. 9/1A/1,
Hotgi Road, Aasara Chowk,
Solapur – 413 224,
Maharashtra, India
Telephone: +91 217 2606 006
Website: www.balajispecialitychemicals.com

Company Registration Number and Corporate Identity Number

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

Registration number: 137162

Corporate identity number: U24299PN2010PLC137162

The Registrar of Companies

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

Registrar of Companies
PCNTDA Green Building
Block A, 1st and 2nd floor
Near Akurdi Railway Station,
Akurdi, Pune – 411 044,
Maharashtra, 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 of Director	Designation	DIN	Address
Ande Prathap Reddy	Chairman and Whole-time Director	00003967	8-2-293/82/A, Plot No. 1204, Road No. 60, Jubilee Hills, Shaikpet, Hyderabad – 500 033, Telangana, India
Rajeshwar Reddy Nomula	Managing Director	00003854	Plot No. 41/A, Disha Vihar, Hotgi Road,Bijapur Road, Solapur – 413 003, Maharashtra, India
Ram Reddy Dundurapu	Whole-time Director	00003864	A1, Gangadhar Housing Society, Opposite Kinara, Hotgi Road, Solapur – 413 003, Maharashtra, India
Gaddam Hemanth Reddy	Whole-time Director	00003868	Plot no. 780, Road No – 44, Jubilee Hills, Shaikpet, Hyderabad – 500 033, Telangana, India
Rajendrakumar Mohanprasad Tapadiya	Independent Director	00103949	Rupabhavani Mandir, 7/1, Vardhman Nagar Bhavani Peth, Rupabhavani Road, Solapur – 413 002, Maharashtra, India
Kashinath Revappa Dhole	Independent Director	01076675	17/79, Civil Lines, Gandhi Nagar, Solapur North, Solapur - 413 003, Maharashtra, India
Amarender Reddy Minupuri	Independent Director	05182741	Plot No. 77, Parkview Enclave, Bowenpally, Tirumalagiri Manovikasnagar, Hyderabad – 500 009, Andhra Pradesh, India
Suhasini Yatin Shah	Independent Director	02168705	51, Sarvodya Housing Society, Hotagi Road, Solapur – 413 003, Maharashtra, India

For further details of our Board of Directors, see "*Our Management - Board of Directors*" on page 187.

Company Secretary and Compliance Officer

Srinivas Bodige is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Srinivas Bodige
2nd Floor, Balaji Towers No. 9/1A/1,
Hotgi Road, Aasara Chowk,
Solapur – 413 224,
Maharashtra, India
Telephone: +91 217 2451559
E-mail: investors@balajispecialitychemicals.com

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Managers or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances, 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.

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) 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's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary(ies) where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than UPI Bidders) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediary(ies) in addition to the 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 Book Running Lead Managers where the Anchor Investor Application Form was submitted by the Anchor Investor.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 0.50 million, shall use UPI. Eligible Employees Bidding under the Employee Reservation Portion for up to ₹ 0.50 million, Balaji Amines Shareholders Bidding under the Balaji Amines Shareholder Reservation Portion for up to ₹ 0.20 million and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 0.20 million and up to ₹ 0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Book Running Lead Managers

HDFC Bank Limited
Investment Banking Group
Unit No. 401 & 402, 4th Floor,
Tower B, Peninsula Business Park,
Lower Parel, Mumbai 400 013,
Maharashtra, India
Telephone: +91 22 3395 8233
E-mail: bsclipo@hdfcbank.com

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg, Prabhadevi,
Mumbai – 400 025
Maharashtra, India
Telephone: +91 22 6630 3030
Email: bscl.ipo@jmfl.com
Website: www.jmfl.com

Website: www.hdfcbank.com
Investor grievance e-mail: investor.redressal@hdfcbank.com
Contact person: Kunal Thakkar
SEBI registration no.: INM000011252

Investor grievance e-mail: grievance.ibd@jmfl.com
Contact person: Prachee Dhuri
SEBI registration no.: INM000010361

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, due diligence of Company including its operations / management / business plans / legal etc., Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of Red Herring Prospectus, Prospectus and RoC filing	BRLMs	HDFC
2.	Drafting and approval of all statutory advertisements	BRLMs	HDFC
3.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 2 above, including corporate advertising and brochures and filing of media compliance report.	BRLMs	JM Financial
4.	Appointment of intermediaries - Registrar to the Offer, advertising agency and printer including coordination of agreements to be entered into with such intermediaries	BRLMs	HDFC
5.	Appointment of intermediaries - Banker(s) to the Offer, Sponsor Bank, share escrow agent and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	JM Financial
6.	International institutional marketing of the Offer, which will cover, inter alia: • Preparation of road show presentation and FAQs • Marketing strategy • Finalising the list and division of international investors for one-to-one meetings • Finalising international road show and investor meeting schedules	BRLMs	JM Financial
7.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Marketing Strategy • Finalising the list and division of domestic investors for one-to-one meetings • Finalising domestic road show and investor meeting schedules	BRLMs	HDFC
8.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget • Finalising brokerage, collection centres • Finalising centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Offer material including form, RHP/ Prospectus and deciding on the quantum of the Offer material	BRLMs	HDFC

Sr. No.	Activity	Responsibility	Co-ordination
9.	Conduct non-institutional marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget • Finalising centres for holding conferences etc.	BRLMs	JM Financial
10.	Coordination with Stock Exchanges for Anchor coordination, Anchor CAN and intimation of anchor allocation, book building software, bidding terminals and mock trading and deposit of 1% security deposit with the designated stock exchange	BRLMs	JM Financial
11.	Managing the book and finalization of pricing in consultation with Company and Selling Shareholders	BRLMs	HDFC
12.	Post-Offer activities – management of escrow accounts, finalisation of the basis of allotment based on technical rejections, post Offer stationery, essential follow-up steps including follow-up with bankers to the Offer and Self Certified Syndicate Banks and coordination with various agencies connected with the post-offer activity such as registrar to the offer, bankers to the offer, Self-Certified Syndicate Banks etc. listing of instruments, demat credit and refunds/ unblocking of monies, announcement of allocation and dispatch of refunds to Bidders, etc., payment of the applicable STT on behalf of Promoter Selling Shareholder, coordination for investor complaints related to the Offer, including responsibility for underwriting arrangements, submission of final post issue report and coordination with SEBI and Stock Exchanges for refund of 1% security deposit.	BRLMs	JM Financial

Legal Counsel to the 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

Legal Counsel to the BRLMs as to Indian law

IndusLaw
#1502B, 15th Floor, Tower – 1C,
"One World Centre", Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013
Maharashtra, India
Telephone: +91 22 4920 7200

Legal Counsel to the BRLMs as to International Law

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

Legal Counsel to the Selling Shareholders as to Indian Law

Sterling Associates
B-104, Raylon Arcade,

Kondivita Lane, Andheri- East,
Mumbai 400 059
Maharashtra India
Telephone: +91 22 4603 2709

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083, Maharashtra, India
Tel: +91 22 4918 6200
E-mail: balajispeciality.ipo@linkintime.co.in
Investor grievance e-mail: balajispeciality.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No: INR000004058

Banker(s) to the Offer

Escrow Collection Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Refund Bank(s)

[●]

Sponsor Bank

[●]

Bankers to our Company

Bank of Baroda
Corporate Financial Services (CFS) Branch,
Mantri Court, R. Ambedkar Road,
Near RTO, Pune 411 001
Maharashtra, India
Telephone: +91 990941 0670
E-mail: CORPUN@bankofbaroda.com
Contact Person: Neelu Sadda, Relationship Manager
Website: www.bankofbaroda.in

HDFC Bank Limited
Fortune Square, Near Deep Bungalow Chowk,
Model Colony, Shivaji Nagar
Pune 411 016
Maharashtra, India
Telephone: +91 932471 4406, +91 20 6769 4666
E-mail: prashant.iyer@hdfcbank.com
Contact Person: Prashant Iyer, Zonal Head
Website: www.hdfcbank.com

State Bank of India
Industrial Finance Branch,
Navbharat Chambers, Raj Bhavan Road,
Somajiguda, Hyderabad 500 082
Telangana, India
Telephone: +91 944033 4369, +91 630983 6668
E-mail: rm 1.ifbhyd@sbi.co.in
Contact Person: N Suresh Kumar (Asst General Manager & Relationship Manager)
Website: www.sbi.co.in

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.nseindia.com/products-services/initial-public-offerings-asba-procedures or at such other websites as may be prescribed by SEBI from time to time.

SCSBs eligible as Issuer Banks for UPI Mechanism and eligible mobile applications

In accordance with SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) and 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 the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIIs) 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, which may be and 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 stock broker network of the Stock Exchanges, 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 https://www.bseindia.com and https://www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, 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 https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, 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 10, 2022 from the Statutory Auditors namely, M. Anandam & Co, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 (5) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the examination report dated July 28, 2022 on the Restated Financial Information, and the statement of possible special tax benefits dated August 10, 2022 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "experts" and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received written consent dated August 10, 2022 from Kulkarni Mukund Murlidhar, Chartered Engineer, 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 his capacity as the chartered engineer in respect of information certified by him, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Statutory Auditor of our Company

M. Anandam & Co., Chartered Accountants
7 'A', Surya Towers,
Sardar Patel Road, Secunderabad 500 003
Telangana, India
Telephone: +91 40 2781 2377, +91 40 2781 2034
E-mail: info@anandam.in
Firm registration no: 000125S
Peer review no: 011966

Changes in the auditors

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

Sr. No.	Particulars	Date of change	Reason for change
1.	**Pandhare & Co., Chartered Accountants** "Arth-Shilp" 594-A, South Kasba, Near Date Ganpati Temple, Navi Peth, Solapur 413 007 **Tel**: +91 217 2622 370 **Email**: office@capandhare.co.in **Peer review number**: Nil **Firm Registration number**: 107292W	August 30, 2019	Appointment as statutory auditors of our Company
2.	**Pandhare & Co., Chartered Accountants** "Arth-Shilp" 594-A, South Kasba, Near Date Ganpati Temple, Navi Peth, Solapur 413 007 **Tel**: +91 217 2622 370 **Email**: office@capandhare.co.in **Peer review number**: Nil **Firm Registration number**: 107292W	May 30, 2022	Resignation as statutory auditors of our Company
3.	**M. Anandam & Co., Chartered Accountants** 7 'A', Surya Towers, Sardar Patel Road, Secunderabad 500 003 Telangana, India	May 30, 2022	Appointment as the new statutory auditors of the Company

Sr. No.	Particulars	Date of change	Reason for change
	Tel: +91 40 2781 2377, +91 40 2781 2034 **Email**: info@anandam.in **Peer review number**: 011966 **Firm Registration number**: 000125S		

Grading of the Offer

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

Appraising Entity

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

Monitoring Agency

Our Company shall in compliance with Regulation 41 of the SEBI ICDR Regulations, appoint a Monitoring Agency, prior to filing of the Red Herring Prospectus, for monitoring the utilization of the Net Proceeds. For details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Offer*" on page 95.

Credit Rating

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

Debenture Trustee

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing

A copy of this Draft Red Herring Prospectus has been electronically filed through the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and has been emailed to SEBI as specified in Regulation 25(8) of the SEBI ICDR Regulation and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure –Division of Issues and Listing –CFD."

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act would be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would 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 Minimum Bid Lot will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra where our Registered 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. Pursuant to the Book Building Process, the Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs after the Bid/Offer Closing Date.

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 and

Sponsor bank, as the case may be. Anchor Investors are not permitted to participate in the Offer through the ASBA process. Retail Individual Investors shall 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) by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the Net QIB Portion and Non-Institutional Bidders Bidding in the Non-Institutional Portion are not allowed 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. RIIs Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion, Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIIs, Non-Institutional Investors and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. In this regard, our Company have appointed the BRLMs to manage this Offer and procure Bids for this Offer.

The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. 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 obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after the Allotment; and (ii) final approval of the RoC after the Prospectus is filed with the RoC.

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 "*Offer Procedure*" on page 318.

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 intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each BRLM shall be as per the Underwriting Agreement. It is proposed that 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 pursuant to the Underwriting Agreement:

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

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

The abovementioned 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 the SEBI ICDR Regulations.

In the opinion of our Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as merchant bankers with SEBI or 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 commitment set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them.

CAPITAL STRUCTURE

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

(in ₹, except share data)

		Aggregate value at face value	Aggregate value at Offer Price[1]
A	**AUTHORIZED SHARE CAPITAL**		
	225,000,000 Equity Shares (having a face value of ₹ 2 each)	450,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	200,000,000 Equity Shares (having a face value of ₹ 2 each)	400,000,000	-
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer of up to [●] Equity Shares (having a face value of ₹ 2 each) aggregating up to ₹ [●] million [2]	[●]	[●]
	Of which		
	Fresh Issue of up to [●] Equity Shares (having a face value of ₹ 2 each) aggregating up to ₹ 2,500.00 million^	[●]	[●]
	Offer for Sale of up to 26,000,000 Equity Shares (having a face value of ₹ 2 each) aggregating up to ₹ [●] million	[●]	[●]
	Which includes:		
	Employee Reservation Portion of up to [●] Equity Shares (having a face value of ₹ 2 each) aggregating up to ₹ [●] million [3]	[●]	[●]
	Balaji Amines Shareholder Reservation Portion of up to [●] Equity Shares (having a face value of ₹ 2 each) aggregating up to ₹ [●] million [4]	[●]	[●]
	Net Offer of [●] Equity Shares (having a face value of ₹ 2 each) aggregating up to ₹ [●] million	[●]	[●]
D	**ISSUED, SUBSRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares (having a face value of ₹ 2 each)	[●]	-
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	440,000,000	
	After the Offer	[●]	

^ *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 500.00 million. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the SEBI ICDR Regulations and the SCRR.*

(1) *To be updated upon finalization of the Offer Price.*

(2) *The Offer has been authorized by our Board dated June 1, 2022, and the Fresh Issue has been authorized by a special resolution of our Shareholders dated June 2, 2022. 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" on pages 64 and 294, respectively.*

(3) *Our Company and the Selling Shareholders, in consultation with the BRLMs, may offer an Employee Discount of up to [●] % to the Offer Price (equivalent of ₹ [●] per Equity Share), which shall be announced at least two Working Days prior to the Bid/ Offer Opening Date. For further details, see "Offer Structure" beginning on page 312.*

(4) *Our Company and the Selling Shareholders, in consultation with the BRLMs, may offer a Shareholder Discount of up to [●] % to the Offer Price (equivalent of ₹ [●] per Equity Share), which shall be announced at least two Working Days prior to the Bid/ Offer Opening Date. For further details, see "Offer Structure" beginning on page 312.*

Changes in the authorised share capital of our Company

For details of the changes to our Company's authorised share capital in the last 10 years, see "*History and Certain Corporate Matters – Amendments to our Memorandum of Association*" on page 183.

Notes to the Capital Structure

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

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

Date of allotment	Name of allottee(s)	Reason for/Nature of allotment	No. of equity shares allotted	Cumulative no. of equity shares	Face value per equity share (₹)	Issue price per equity share (₹)	Form of consideration
August 20, 2010	2,500 equity shares to Ram Reddy Dundurapu, 5,000 equity shares to Ande Srinivas Reddy and 2,500 equity shares to Gaddam Tanmai Reddy	Initial subscription to the Memorandum of Association	10,000	10,000	10	10	Cash
October 28, 2014	40,000 equity shares to Rajeshwar Reddy Nomula, 36,500 equity shares to Ram Reddy Dundurapu, 132,000 equity shares to Gaddam Tanmai Reddy, 20,000 equity shares to Gaddam Hemanth Reddy, 335,500 equity shares to Ande Srinivas Reddy, 25,000 equity shares to Dundurapu Vandana Reddy, 1,500 equity shares to Gaddam Srujan Reddy, 70,000 equity shares to Eeshan Reddy Nomula, 90,000 equity shares to Nomula Deepti Rajeshwar Reddy, 10,000 equity shares to Ande Shakuntala Devi, 400,000 equity shares to Balaji Greenfield Technoventures Private Limited, 129,540 equity shares to Mani and 100,000 equity shares to Gaddam Madhumathi	Private placement	1,390,040	1,400,040	10	10	Cash
May 28, 2016	4,300,000 equity shares to Balaji Speciality Fine Chem Products Private Limited	Rights issue	4,300,000	5,700,040	10	10	Cash
May 8, 2017	524,000 equity shares to Ande Prathap Reddy, 1,160,000 equity shares to Rajeshwar Reddy Nomula, 860,000 equity shares to Ram Reddy Dundurapu, 396,765 equity shares to Gaddam Tanmai Reddy, 335,959 equity shares to Gaddam Hemanth Reddy, 3,179,500 equity shares to Ande Srinivas Reddy, 800,000 equity shares to Dundurapu	Rights issue	12,299,960	18,000,000	10	10	Cash

Date of allotment	Name of allottee(s)	Reason for/Nature of allotment	No. of equity shares allotted	Cumulative no. of equity shares	Face value per equity share (₹)	Issue price per equity share (₹)	Form of consideration
	Vandana Reddy, 3,236 equity shares to Gaddam Srujan Reddy, 400,000 equity shares to Shritha Reddy Gaddam, 1,000,000 equity shares to Eeshan Reddy Nomula, 300,000 equity shares to Nomula Deepti Rajeshwar Reddy, 1,430,000 equity shares to Ande Shakuntala Devi, 770,500 equity shares to Achanta Annapurna, 400,000 equity shares to Gaddam Madhumathi, 370,000 equity shares to Gaddam Komali Reddy and 370,000 equity shares to Gaddam Laasya Reddy						
November 9, 2017	3,340,000 equity shares to Balaji Amines Limited	Private placement	3,340,000	21,340,000	10	30	Cash
December 4, 2017	500,000 equity shares to Balaji Amines Limited	Private placement	500,000	21,840,000	10	30	Cash
December 9, 2017	1,660,000 equity shares to Balaji Amines Limited	Private placement	1,660,000	23,500,000	10	30	Cash
January 3, 2018	1,660,000 equity shares to Balaji Amines Limited	Private placement	1,660,000	25,160,000	10	30	Cash
January 16, 2018	1,660,000 equity shares to Balaji Amines Limited	Private placement	1,660,000	26,820,000	10	30	Cash
January 31, 2018	1,660,000 equity shares to Balaji Amines Limited	Private placement	1,660,000	28,480,000	10	30	Cash
February 7, 2018	1,660,000 equity shares to Balaji Amines Limited	Private placement	1,660,000	30,140,000	10	30	Cash
March 16, 2018	1,660,000 equity shares to Balaji Amines Limited	Private placement	1,660,000	31,800,000	10	30	Cash
March 27, 2018	8,200,000 equity shares to Balaji Amines Limited	Private placement	8,200,000	40,000,000	10	30	Cash
Pursuant to the resolution of our Shareholders dated February 26, 2022, the face value of the equity shares of our Company was sub-divided from ₹10 each into ₹2 each and consequently the issued and paid-up equity share capital of our Company stood altered from ₹400,000,000 (divided into 40,000,000 equity shares of ₹10 each) to ₹400,000,000 (divided into 200,000,000 Equity Shares of ₹ 2 each).							

2. ***Equity Shares issued through bonus or for consideration other than cash or out of revaluation reserves***

   Our Company has not issued Equity Shares through bonus or for consideration other than cash or out of revaluation reserves.

3. ***Preference shares***

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

4. ***Issue of Equity Shares pursuant to schemes of arrangement***

   Our Company has not allotted any Equity Shares pursuant to any scheme of arrangement approved under Sections 391-394 of the erstwhile Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.

5. ***Issue of Equity Shares 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 Equity Shares at a price lower than the Offer Price in the last one year***

   The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs after the Bid/ Offer Closing Date. Our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus.

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

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of Equity 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 Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of voting rights			Total as a % of (A+B+C)							
								Class eg: Equity Shares	Class eg: Others	Total				Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
(A)	Promoter and Promoter Group	21	195,951,220	-	-	195,951,220	97.98	195,951,220	-	195,951,220	97.98	-	97.98	-	-	-	-	195,951,220
(B)	Public	187	4,048,780	-	-	4,048,780	2.02	4,048,780	-	4,048,780	2.02	-	2.02	-	-	-	-	4,048,780
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**208**	**200,000,000**	**-**	**-**	**200,000,000**	**100.00**	**200,000,000**	**-**	**200,000,000**	**100.00**	**-**	**100.00**	**-**	**-**	**-**	**-**	**200,000,000**

8. As on the date of the filing of this Draft Red Herring Prospectus, our Company has 208 Shareholders.

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

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

Sr. No.	Name of the Shareholder	No. of Equity Shares held of face value of ₹ 2 each	Percentage of the Equity Share capital (%)
1.	Balaji Amines Limited	110,000,000	55.00
2.	Ande Srinivas Reddy	17,570,600	8.79
3.	Ande Prathap Reddy	12,894,900	6.45
4.	Ande Shakuntala Devi	7,200,000	3.60
5.	Dundurapu Vandana Reddy	6,889,900	3.44
6.	Eeshan Reddy Nomula	6,885,100	3.44
7.	Ram Reddy Dundurapu	6,030,100	3.02
8.	Rajeshwar Reddy Nomula	5,979,800	2.99
9.	Gaddam Hemanth Reddy	4,359,795	2.18
10.	Achanta Annapurna	4,500,200	2.25
11.	Nomula Deepti Rajeshwar Reddy	3,200,000	1.60
12.	Gaddam Tanmai Reddy	2,656,325	1.33
13.	Gaddam Madhumathi	2,500,000	1.25
14.	Shritha Reddy Gaddam	2,000,000	1.00
	Total	**192,666,720**	**96.33**

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

Sr. No.	Name of the Shareholder	No. of Equity Shares held of face value of ₹ 2 each	Percentage of the Equity Share capital (%)
1.	Balaji Amines Limited	110,000,000	55.00
2.	Ande Srinivas Reddy	18,000,000	9.00
3.	Ande Prathap Reddy	13,500,000	6.75
4.	Ande Shakuntala Devi	7,200,000	3.60
5.	Dundurapu Vandana Reddy	6,889,900	3.44
6.	Eeshan Reddy Nomula	6,885,100	3.44
7.	Ram Reddy Dundurapu	6,430,100	3.22
8.	Rajeshwar Reddy Nomula	6,379,800	3.19
9.	Gaddam Hemanth Reddy	4,599,795	2.30
10.	Achanta Annapurna	4,500,200	2.25
11.	Nomula Deepti Rajeshwar Reddy	3,200,000	1.60
12.	Gaddam Tanmai Reddy	2,656,325	1.33
13.	Gaddam Madhumathi	2,500,000	1.25
14.	Shritha Reddy Gaddam	2,000,000	1.00
	Total	**194,741,220**	**97.37**

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

Sr. No.	Name of the Shareholder	No. of equity shares held of face value of ₹ 10 each#	Percentage of the equity share capital (%)
1.	Balaji Amines Limited	22,000,000	55.00
2.	Balaji Speciality Fine Chem Products Private Limited	4,300,000	10.75
3.	Ande Srinivas Reddy	3,600,000	9.00
4.	Ande Shakuntala Devi	1,440,000	3.60
5.	Rajeshwar Reddy Nomula	1,280,000	3.20
6.	Eeshan Reddy Nomula	1,070,000	2.68
7.	Ram Reddy Dundurapu	979,000	2.45

Sr. No.	Name of the Shareholder	No. of equity shares held of face value of ₹ 10 each#	Percentage of the equity share capital (%)
8.	Achanta Annapurna	900,040	2.25
9.	Dundurapu Vandana Reddy	825,000	2.06
10.	Ande Prathap Reddy	636,000	1.59
11.	Gaddam Tanmai Reddy	531,265	1.33
12.	Gaddam Madhumathi	500,000	1.25
13.	Gaddam Hemanth Reddy	403,959	1.01
14.	Shritha Reddy Gaddam	400,000	1.00
	Total	**38,865,264**	**97.17**

 # Pursuant to the resolution passed by our Shareholders dated February 26, 2022, equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued and subscribed share capital of our Company, comprising 40,000,000 equity shares of face value of ₹10 each, was sub-divided into 200,000,000 Equity Shares of face value of ₹ 2 each. The table above does not account for such sub-division.

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

Sr. No.	Name of the Shareholder	No. of equity shares held of face value of ₹ 10 each#	Percentage of the equity share capital (%)
1.	Balaji Amines Limited	22,000,000	55.00
2.	Balaji Speciality Fine Chem Products Private Limited	4,300,000	10.75
3.	Ande Srinivas Reddy	3,600,000	9.00
4.	Ande Shakuntala Devi	1,440,000	3.60
5.	Rajeshwar Reddy Nomula	1,280,000	3.20
6.	Eeshan Reddy Nomula	1,070,000	2.68
7.	Ram Reddy Dundurapu	979,000	2.45
8.	Achanta Annapurna	900,040	2.25
9.	Dundurapu Vandana Reddy	825,000	2.06
10.	Ande Prathap Reddy	636,000	1.59
11.	Gaddam Tanmai Reddy	531,265	1.33
12.	Gaddam Madhumathi	500,000	1.25
13.	Gaddam Hemanth Reddy	403,959	1.01
14.	Shritha Reddy Gaddam	400,000	1.00
	Total	**38,865,264**	**97.17**

 # Pursuant to the resolution passed by our Shareholders dated February 26, 2022, equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued and subscribed share capital of our Company, comprising 40,000,000 equity shares of face value of ₹10 each, was sub-divided into 200,000,000 Equity Shares of face value of ₹ 2 each. The table above does not account for such sub-division.

10. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or 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.

11. 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.

12. **Details of Shareholding of our Promoters and members of the Promoter Group**

- As on the date of this Draft Red Herring Prospectus, our Promoters hold, in aggregate, 156,835,195 Equity Shares, equivalent to 78.42% of the issued, subscribed, and paid-up Equity Share capital of our Company.

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

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

The following table sets forth details of the build-up of the shareholding of our Promoters since incorporation of our Company:

Date of allotment/ transfer	Nature of consideration	Nature of transaction	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)*
(A) Balaji Amines Limited							
November 9, 2017	Cash	Private placement	3,340,000	10	30	8.35	[●]
December 4, 2017	Cash	Private placement	500,000	10	30	1.25	[●]
December 9, 2017	Cash	Private placement	1,660,000	10	30	4.15	[●]
January 3, 2018	Cash	Private placement	1,660,000	10	30	4.15	[●]
January 16, 2018	Cash	Private placement	1,660,000	10	30	4.15	[●]
January 31, 2018	Cash	Private placement	1,660,000	10	30	4.15	[●]
February 7, 2018	Cash	Private placement	1,660,000	10	30	4.15	[●]
March 16, 2018	Cash	Private placement	1,660,000	10	30	4.15	[●]
March 27, 2018	Cash	Private placement	8,200,000	10	30	20.50	[●]
Pursuant to the resolution of our Shareholders dated February 26, 2022, equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, 22,000,000 equity shares of face value of ₹10 each held by Balaji Amines Limited, was sub-divided into 110,000,000 Equity Shares of face value of ₹ 2 each.							
Total Shareholding of Balaji Amines Limited (A)			**110,000,000**			**55.00**	[●]
(B) Ande Prathap Reddy							
November 6, 2015	Cash	Transfer from Balaji Greenfield Techno Ventures Private Limited	112,000	10	10	0.28	[●]
May 8, 2017	Cash	Rights issue	524,000	10	10	1.31	[●]
October 26, 2021	Cash	Transfer from Balaji Speciality Fine Chem Products Private Limited	2,064,000	10	27.52	5.16	[●]
Pursuant to the resolution of our Shareholders dated February 26, 2022, equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, 2,700,000 equity shares of face value of ₹10 each held by Ande Prathap Reddy, was sub-divided into 13,500,000 Equity Shares of face value of ₹ 2 each.							
August 5, 2022	Cash	Transfer by Ande Prathap Reddy(1)	(196,200)	2	216	(0.10)	[●]
August 6, 2022	Cash	Transfer by Ande Prathap Reddy(2)	(234,500)	2	216	(0.12)	[●]
August 8, 2022	Cash	Transfer by Ande Prathap Reddy(3)	(174,400)	2	216	(0.09)	[●]
Total Shareholding of Ande Prathap Reddy (B)			**12,894,900**			**6.45**	[●]
(C) Ande Srinivas Reddy							
August 20, 2010	Cash	Initial subscription to the Memorandum of Association	5,000	10	10	0.01	[●]
October 28, 2014	Cash	Private placement	335,500	10	10	0.84	[●]

Date of allotment/ transfer	Nature of consideration	Nature of transaction	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)*
November 6, 2015	Cash	Transfer from Balaji Greenfield Techno Ventures Private Limited	80,000	10	10	0.20	[●]
May 8, 2017	Cash	Rights issue	3,179,500	10	10	7.95	[●]
Pursuant to the resolution of our Shareholders dated February 26, 2022, equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, 3,600,000 equity shares of face value of ₹10 each held by Ande Srinivas Reddy, was sub-divided into 18,000,000 Equity Shares of face value of ₹ 2 each.							
August 5, 2022	Cash	Transfer by Ande Srinivas Reddy(4)	(111,300)	2	216	(0.06)	[●]
August 6, 2022	Cash	Transfer by Ande Srinivas Reddy(5)	(47,700)	2	216	(0.02)	[●]
August 8, 2022	Cash	Transfer by Ande Srinivas Reddy(6)	(270,400)	2	216	(0.14)	[●]
Total Shareholding of Ande Srinivas Reddy (C)			**17,570,600**			**8.79**	[●]
(D) Ram Reddy Dundurapu							
August 20, 2010	Cash	Initial subscription to the Memorandum of Association	2,500	10	10	0.01	[●]
October 28, 2014	Cash	Private placement	36,500	10	10	0.09	[●]
November 6, 2015	Cash	Transfer from Balaji Greenfield Techno Ventures Private Limited	80,000	10	10	0.20	[●]
May 8, 2017	Cash	Rights issue	860,000	10	10	2.15	[●]
October 26, 2021	Cash	Transfer from Balaji Speciality Fine Chem Products Private Limited	307,020	10	27.53	0.77	[●]
Pursuant to the resolution of our Shareholders dated February 26, 2022, equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, 1,286,020 equity shares of face value of ₹10 each held by Ram Reddy Dundurapu, was sub-divided into 6,430,100 Equity Shares of face value of ₹ 2 each.							
August 5, 2022	Cash	Transfer by Ram Reddy Dundurapu(7)	(395,300)	2	216	(0.20)	[●]
August 6, 2022	Cash	Transfer by Ram Reddy Dundurapu(8)	(4,700)	2	216	(0.00)	[●]
Total Shareholding of Ram Reddy Dundurapu (D)			**6,030,100**			**3.02**	[●]
(E) Rajeshwar Reddy Nomula							
October 28, 2014	Cash	Private placement	40,000	10	10	0.10	[●]
November 6, 2015	Cash	Transfer from Balaji Greenfield Techno Ventures Private Limited	80,000	10	10	0.20	[●]
May 8, 2017	Cash	Rights issue	1,160,000	10	10	2.90	[●]
October 26, 2021	Cash	Transfer from Balaji Speciality Fine Chem Products Private Limited	245,960	10	27.49	0.61	[●]
November 22, 2021	Cash	Gift transfer to Nomula Deepti Rajeshwar Reddy	(250,000)	10	Nil	(0.63)	[●]
Pursuant to the resolution of our Shareholders dated February 26, 2022, equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, 1,275,960 equity shares of face value of ₹10 each held by Rajeshwar Reddy Nomula, was sub-divided into 6,379,800 Equity Shares of face value of ₹ 2 each.							

Date of allotment/ transfer	Nature of consideration	Nature of transaction	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)*
August 6, 2022	Cash	Transfer by Rajeshwar Reddy Nomula[(9)]	(383,900)	2	216	(0.19)	[●]
August 8, 2022	Cash	Transfer by Rajeshwar Reddy Nomula[(10)]	(16,100)	2	216	(0.01)	[●]
Total Shareholding of Rajeshwar Reddy Nomula (E)			**5,979,800**			**2.99**	[●]
(F) Gaddam Hemanth Reddy							
October 28, 2014	Cash	Private placement	20,000	10	10	0.05	[●]
November 6, 2015	Cash	Transfer from Balaji Greenfield Techno Ventures Private Limited	48,000	10	10	0.12	[●]
May 8, 2017	Cash	Rights issue	335,959	10	10	0.84	[●]
November 9, 2021	Cash	Transfer from Balaji Speciality Fine Chem Products Private Limited	516,000	10	27.52	1.29	[●]
Pursuant to the resolution of our Shareholders dated February 26, 2022, equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, 919,959 equity shares of face value of ₹10 each held by Gaddam Hemanth Reddy, was sub-divided into 4,599,795 Equity Shares of face value of ₹ 2 each.							
August 5, 2022	Cash	Transfer by Gaddam Hemanth Reddy[(11)]	(234,400)	2	216	(0.12)	[●]
August 8, 2022	Cash	Transfer by Gaddam Hemanth Reddy[(12)]	(5,600)	2	216	(0.00)	[●]
Total Shareholding of Gaddam Hemanth Reddy (F)			**4,359,795**			**2.18**	[●]
Total (A + B + C + D + E + F)			**156,835,195**			**78.42**	[●]

**Percentages have been adjusted for the sub-division of the face value of the equity shares of our Company, as applicable.*

(1) 69,000 Equity Shares transferred to Ankit Jain, 25,000 Equity Shares transferred to Vidya Ranjeet Sanghvi, 23,000 Equity Shares transferred to Dilsha Rushabh Shah, 16,200 Equity Shares transferred to Sunil Natvarlal Mehta (HUF), 10,000 Equity Shares transferred to Pratibha Navalkishore Kedia, 10,000 Equity Shares transferred to Arati Jayesh Parmar, 24,000 Equity Shares transferred to Harshad Manubhai Parekh, 12,000 Equity Shares transferred to Premilaben Kantilal Shah, and 7,000 Equity Shares transferred to Prashantkumar Rawatkumar Agarwal.

(2)20,000 Equity Shares transferred to Digish Ramesh Pandit, 9,200 Equity Shares transferred to Sonal Babulal Agarwal, 5,000 Equity Shares transferred to Shivprakash Ambadas Chavan, 3,000 Equity Shares transferred to Mallayagari Srinivas Reddy, 139,300 Equity Shares transferred to Nirav Virendrabhai Mehta, 24,000 Equity Shares transferred to Nishant Vaish, 12,000 Equity Shares transferred to Shilpa Rajesh Nagory, 11,000 Equity Shares transferred to Masoom Jayantilal Shah, and 11,000 Equity Shares transferred to Ritesh Kantilal Oswal.

(3)92,000 Equity Shares transferred to Krishna Kanth Thudi, 15,000 Equity Shares transferred to Mahendar Kumar Doshi, 10,000 Equity Shares transferred to Kaushal Jayen Shah, 5,400 Equity Shares transferred to Arun Sureshlal Watwani, 2,300 Equity Shares transferred to Rohan Mahesh Zaveri, 1,000 Equity Shares transferred to Shankarlal Pamandas Watwani, 250 Equity Shares transferred to Pinkesh Tilokchand Gurudasani, 14,800 Equity Shares transferred to Loca Srinivas Reddy, 11,000 Equity Shares transferred to Shah Tanishq Jayantilal, 10,000 Equity Shares transferred to Twanni Seth, 3,250 Equity Shares transferred to Vicky Devanand Chawla, 5,000 Equity Shares transferred to Pawle Ganesh Mallikarjun, 2,200 Equity Shares transferred to Shirish Dantkale, and 2,200 Equity Shares transferred to Sanchit Suresh Pandhare.

(4)68,500 Equity Shares transferred to Ruchi Jain Hanasoge, 7,500 Equity Shares transferred to Ridhi R Jain, 5,000 Equity Shares transferred to Hanisha Kushal Shah, 3,000 Equity Shares transferred to Zeenal Apurva Jaswani, 3,000 Equity Shares transferred to Neeta Viraj Dodhiwala, 2,300 Equity Shares transferred to Pankaj Kumar Chitlangia, 7,000 Equity Shares to Aditya Sharad Thakre, 5,000 Equity Shares transferred to Smita Chandrakant Malpani, and 10,000 Equity Shares transferred to Gaddam Sunitha (member of Promoter Group).

(5)12,000 Equity Shares transferred to Kamal Prakash Jain, 10,000 Equity Shares transferred to Mr. Jayen Narendra Shah, 5,000 Equity Shares transferred to Manisha Ankush Chavan, 5,000 Equity Shares transferred to Vishwanath Reddy Mamidi, 3,000 Equity Shares transferred to Khushboo Bhandari, 1,000 Equity Shares transferred to Lingala Tirumal Reddy, 9,200 Equity Shares transferred to Savitha Nomula and 2,500 Equity Shares transferred to Neetu T Bhandari.

(6)24,600 Equity Shares transferred to Radhesh Welling, 24,000 Equity Shares transferred to Madhur Vinodkumar Gupta, 20,000 Equity Shares transferred to Srinivasmurthy Doraiswamy, 12,500 Equity Shares transferred to Jaipal Govindswami Naidu, 10,000 Equity Shares transferred to Narayan K. Tibrewal, 10,000 Equity Shares transferred to Hanumanth Reddy Chintala, 5,000 Equity Shares transferred to Ramesh Shriniwas Heda, 5,000 Equity Shares transferred to Gaurav Govind Mundada, 5,000 Equity Shares transferred to Sumeet Sanjay Bharadia, 5,000 Equity Shares transferred to Vaishnavi Sanjeev Jadhav, 5,000 Equity Shares transferred to Padma Kumari Ambadipudi, 4,500 Equity Shares transferred

to Khushboo Kumari, 3,000 Equity Shares transferred to Tanuj Bhandari, 2,500 Equity Shares transferred to Priya Viresh Prabhu Sanganakal, 1,000 Equity Shares transferred to Shreyas Srinivas Murthy, 24,000 Equity Shares transferred to Uday Singh Shekhawat, 22,000 Equity Shares transferred to Riya Jayantilal Shah, 18,400 Equity Shares transferred to Chandra Bhushan Reddy Nomula (member of our Promoter Group), 12,000 Equity Shares transferred to Narayanan P Nair, 11,500 Equity Shares transferred to Rajesh Rajnikant Shah, 10,000 Equity Shares transferred to Himabindu Bollavaram, 6,500 Equity Shares transferred to Prasad Rajendra Tapadiya (relative of a Director), 5,600 Equity Shares transferred to Vijay Bhaskar Marathe, 5,000 Equity Shares transferred to Gaddam Raja Reddy (member of Promoter Group), 5,000 Equity Shares transferred to Jigna Jayant Jetly, 3,800 Equity Shares transferred to Shrikant Ramanujdas Tapadiya, 4,500 Equity Shares transferred to Sharad Krishna Thakre, 2,500 Equity Shares transferred to Kaushik Kumar Kathuri, and 2,500 Equity Shares transferred to Narsimha Reddy Ravipally.

(7)10,000 Equity Shares transferred to G. Gehini, 5,000 Equity Shares transferred to Kunta Sujatha Reddy, 10,000 Equity Shares transferred to Shilpa Rajesh Nagory, 9,000 Equity Shares transferred to Mehta Divya Virendrabhai, 1,000 Equity Shares transferred to Lakhan Dargad, 3,000 Equity Shares transferred to Pardeep Singh Watwani, 700 Equity Shares transferred to Sureshlal Pamandas Watwani, 5,000 Equity Shares transferred to Kunta Venkat Ram Reddy, 3,000 Equity Shares transferred to Shrenik Reddy Podduturi, 1,000 Equity Shares transferred to Revansidha Gurupadappa Kapse, 1,500 Equity Shares transferred to Hemant Shriram Bachuwar, 2,300 Equity Shares transferred to Thodupunuri Sunitha, 1,000 Equity Shares transferred to Shrikant Ramanujdas Tapadiya, 700 Equity Shares transferred to Narmada Ambadas Dikonda, 14,100 Equity Shares transferred to Rishik Teepireddi, 23,000 Equity Shares transferred to Chandrashekhar Reddy Venkat Reddy Gaddam, 46,000 Equity Shares transferred to Radhesh Welling, 15,000 Equity Shares transferred to Manthani Rajendhar , 5,000 Equity Shares transferred to Narsimha Reddy Donti, 5,000 Equity Shares transferred to Swaroopa Reddy Donti, 5,000 Equity Shares transferred to Vuppala Sundershan Reddy, 11,500 Equity Shares transferred to Bhaskar Kumar Paravathaneni, 10,000 Equity Shares transferred to M. K. Harkut, 10,000 Equity Shares transferred to Prerana Harkut, 4,000 Equity Shares transferred to Arunkumar V. Vora, 2,500 Equity Shares transferred to Manish Jagdish Jetly, 2,500 Equity Shares transferred to Jayant Jagdish Jetly, 46,000 Equity Shares transferred to Dimple Pushpak Shah, 46,000 Equity Shares transferred to Bhavana Vikas Shah, 25,000 Equity Shares transferred to Hriday Manish Shah, 21,000 Equity Shares transferred to Manish Mangilal Shah, 46,000 Equity Shares transferred to Nitin Ganpati Kulkarni, 4,000 Equity Shares transferred to Neeraj Bhandari and 500 Equity Shares transferred to Surekha Vijay Kadam.

(8) 700 Equity Shares transferred to V Krishna Reddy, 1,500 Equity Shares transferred to Lingala Tirumal Reddy and 2,500 Equity Shares transferred to Seema Manish Jetly

(9)4,500 Equity Shares transferred to Dundurapu Durga Reddy (member of Promoter Group), 7,500 Equity Shares transferred to Nalla Venkata Surekhhaa, 2,500 Equity Shares transferred to Nalla Namruth, 2,500 Equity Shares transferred to Nalla Venkata Sudarsan Reddi, 10,000 Equity Shares transferred to Poddutoori Harinath Reddy, 5,000 Equity transferred to Nalla Ravinder Reddy, 8,000 Equity Shares transferred to Suhasini Aleti, 3,500 Equity Shares transferred to Dedeepya Theja Reddy Akkati, 2,500 Equity Shares transferred to Arun Maruti Masal, 1,300 Equity Shares transferred to Sureshlal Pamandas Watwani, 9,000 Equity Shares transferred to T. Murali, 92,800 Equity Shares transferred to Virendra Bherumal Mehta, 25,000 Equity Shares transferred to Veera Precicast Private Limited, 5,000 Equity Shares transferred to Karry Suryanarayana Murthy, 10,000 Equity Shares transferred to Swachitha Malupally, 5,000 Equity Shares transferred to Manohar Valasa, 11,500 Equity Shares transferred to SVS Food Processors Private Limited (member of Promoter Group), 9,200 Equity Shares transferred to Mehta Priya Virendrabhai, 2,500 Equity Shares transferred to Punit Atul Bachuwar, 2,500 Equity Shares transferred to Smita Rahul Bachuwar, 2,500 Equity Shares transferred to Rajwardhan Vitthalrao Dikonda, 2,500 Equity Shares transferred to Pushpalata Rajvardhan Dikonda, 18,000 Equity Shares transferred to Chandrashekhar Reddy Venkat Reddy Gaddam, 15,500 Equity Shares transferred to Eaga Purushotham Malaiah, 4,500 Equity Shares transferred to Chityala Narsimha Reddy, 3,000 Equity Shares transferred to Sheetal Santosh Jawalkar, 2,300 Equity Shares transferred to Shashikant Ananrao Halkude, 2,300 Equity Shares transferred to Sunita Shashikant Halkude, 2,300 Equity Shares transferred to Akhil Shashikant Halkude, 4,500 Equity Shares transferred to Rajendrakumar Badrinarayan Tapadiya, 4,500 Equity Shares transferred to Vijay Venugopal Tapadiya, 4,500 Equity Shares transferred to Ketan Mansukhlal Vora, 11,500 Equity Shares transferred to Sirgapoor Vaidehi Reddy, 16,200 Equity Shares transferred to Jagrut Natverlal Mehta (HUF), 11,500 Equity Shares transferred to Payal R. Shah, 5,000 Equity Shares transferred to Gnana Sagar Reddy Nalla, 5,000 Equity Shares transferred to Nishikanth Nalla, 2,500 Equity Shares transferred to Sridhar Reddy Kishan Reddy Katpally, 12,500 Equity Shares transferred to Venkat Ramana Reddy Gaddam, 5,000 Equity Shares transferred to Jwalitha Nalla, 5,000 Equity Shares transferred to Mallinath Advyappa Birajdar, 7,500 Equity Shares transferred to Babulal Doshi B., 7,500 Equity Shares transferred to Kushali Mahendar Doshi, 3,000 Equity Shares transferred to Inderchand Devichand Bhandari, 3,000 Equity Shares transferred to Chandan Bai and 2,500 Equity Shares transferred to Nalla Sheetal.

(10)7,000 Equity Shares transferred to Shailesh Chhaganlal Porwal, 1,100 Equity Shares transferred to Vicky Devanand Chawla, 3,000 Equity Shares transferred to Nisha Neeraj Bhandari and 5,000 Equity Shares transferred to Mamidi Anvesh Reddy.

(11)5,000 Equity Shares transferred to Ruchika Karen Biyani, 5,000 Equity Shares transferred to Paresh Vasudeo Malu, 5,000 Equity Shares transferred to Bhavik Khushal Dedhia, 5,000 Equity Shares transferred to Jignesh K. Bheda, 5,000 Equity Shares transferred to Hemlata Dhanraj Heda, 5,000 Equity Shares transferred to Vishnudas Badrinarayan Malu (HUF), 2,500 Equity Shares transferred to Srikishan Kathuri, 25,000 Equity Shares transferred to Kashinath Revappa Dhole (an Independent Director on our Board and an independent director on BAL), 46,000 Equity Shares transferred to Gouresh Hirakant Sinari, 16,200 Equity Shares transferred to Ketan Natverlal Mehta (HUF), 7,500 Equity Shares transferred to Pritesh Vishnudas Tapadiya, 7,000 Equity Shares transferred to Marda Yogita Manoj, 2,300 Equity Shares transferred to Milind Ramesh Marda, 11,500 Equity Shares transferred to Marda Rupali Amit, 11,500 Equity Shares transferred to Sumit Kishor Marda, 4,000 Equity Shares transferred to Nandkishor Govindlal Mundada, 4,500 Equity Shares transferred to Asim Anil Sindgi, 7,000 Equity Shares transferred to Anilkumar Babulal Bidada, 4,500 Equity Shares transferred to Archana Anilkumar Bidada, 1,000 Equity Shares transferred to Mayur Ramvilas Karwa, 4,500 Equity Shares transferred to Sanjiv Jaykumar Patil (HUF), 4,500 Equity Shares transferred to Jyoti Ritesh Pallod, 2,300 Equity Shares transferred to Pushplata Motilal Loya, 23,000 Equity Shares transferred to Laxmi Drucken Komponents Private Limited, 9,000 Equity Shares transferred to Vaibhav Prakash Marda, 2,300 Equity Shares transferred to Kasat Sonali Amit, 2,000 Equity Shares transferred to Kedar Rajshekhar Birajdar, 1,000 Equity Shares transferred to Kiran Ashokkumar Raghoji, 1,000 Equity Shares transferred to Sanjiv P. Mundada, 2,300 Equity Shares transferred to Sunil Babulal Toshniwal and 2,000 Equity Shares transferred to Vishnukant Rathi.

(12)2,500 Equity Shares transferred to Jaipal Govindswami Naidu, 740 Equity Shares transferred to Vicky Devanand Chawla, 60 Equity Shares transferred to Vicky Devanand Chawla and 2,300 Equity Shares transferred to Prema Satish Boob.

- All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged or otherwise encumbered, as on the date of this Draft Red Herring Prospectus.

- Other than as disclosed below, no Equity Shares are held by the members of the Promoter Group (other than our Promoters) or the directors of our Corporate Promoter as on the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Pre-Offer		Post-Offer	
		No. of Equity Shares	Percentage of total Shareholding (%)	No. of Equity Shares	Percentage of total Shareholding (%)
Promoter Group (other than our Promoters)					
1.	Ande Shakuntala Devi	7,200,000	3.60	[●]	[●]
2.	Dundurapu Vandana Reddy	6,889,900	3.44	[●]	[●]
3.	Eeshan Reddy Nomula	6,885,100	3.44	[●]	[●]
4.	Achanta Annapurna	4,500,200	2.25	[●]	[●]
5.	Nomula Deepti Rajeshwar Reddy	3,200,000	1.60	[●]	[●]
6.	Gaddam Tanmai Reddy	2,656,325	1.33	[●]	[●]
7.	Gaddam Madhumathi	2,500,000	1.25	[●]	[●]
8.	Gaddam Laasya Reddy	1,850,000	0.93	[●]	[●]
9.	Gaddam Komali Reddy	1,850,000	0.93	[●]	[●]
10.	Saritha Nomula	1,535,100	0.77	[●]	[●]
11.	SVS Food Processors Private Limited	11,500	0.01	[●]	[●]
12.	Gaddam Sunitha	10,000	0.01	[●]	[●]
13.	Chandra Bhushan Reddy Nomula	18,400	0.01	[●]	[●]
14.	Gaddam Raja Reddy	5,000	0.00	[●]	[●]
15.	Dundurapu Durga Reddy	4,500	0.00	[●]	[●]
Total		**39,116,025**	**19.56**	[●]	[●]
Directors of our Corporate Promoter (Balaji Amines Limited)					
1.	Ande Srinivas Reddy	17,570,600	8.79	[●]	[●]
2.	Ande Prathap Reddy	12,894,900	6.45	[●]	[●]
3.	Ram Reddy Dundurapu	6,030,100	3.02	[●]	[●]
4.	Rajeshwar Reddy Nomula	5,979,800	2.99	[●]	[●]
5.	Gaddam Hemanth Reddy	4,359,795	2.18	[●]	[●]
6.	Kashinath Revappa Dhole	25,000	0.01	[●]	[●]
Total		**46,860,195**	**23.43**	[●]	[●]

- Except as disclosed in "-*Details of Shareholding of our Promoters and members of the Promoter Group-Build-up of the Promoters' shareholding in our Company*" on page 87, our Promoters, members of our Promoter Group, directors of our Corporate Promoter, our Directors or their relatives have not purchased, acquired, gifted or sold any securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

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

13. ***Details of Promoters' contribution and lock-in***

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

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

Name of Promoter	Date of allotment/ transfer of the Equity Shares	Nature of transaction	No. of Equity Shares**	Face value (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total						[●]	[●]	[●]	

** Details to be included in the Prospectus.*
*** All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.*

For details on the build-up of the Equity Share capital held by our Promoters, see "*Capital Structure-Build-up of the Promoters' shareholding in our Company*" on page 87.

(c) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under 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 or a limited liability partnership firm;

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

(v) All the Equity Shares held by the Promoters is held in dematerialised form.

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

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by the Promoters and locked in for eighteen months as specified above and Equity Shares offered by the Selling Shareholders as part of the

Offer for Sale, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment, except for (i) the Equity Shares Allotted pursuant to the Offer for Sale; (ii) any Equity Shares held by the eligible employees (whether currently employees or not) of our Company which have been allotted to them under an employee stock option scheme, prior to the Offer, except as required under applicable law, (iii) any Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI, as applicable, provided that such Equity Shares shall be locked in for a period of at least six months from the date of purchase by such shareholders, and (iv) as otherwise permitted under the SEBI ICDR Regulations. Further, any unsubscribed portion of the Offered Shares will also be locked in, as required under the SEBI ICDR Regulations.

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

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

16. ***Recording of 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.

17. ***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 eighteen months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

    However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer 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.

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

19. Our Company, 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.

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

21. Except as disclosed below, none of our Directors or Key Managerial Personnel hold any Equity Shares in our Company.

Sr. No.	Name of the Shareholder	No. of Equity Shares held	Percentage of the equity share capital (%)
1.	Ande Prathap Reddy	12,894,900	6.45
2.	Ram Reddy Dundurapu	6,030,100	3.02
3.	Rajeshwar Reddy Nomula	5,979,800	2.99
4.	Gaddam Hemanth Reddy	4,359,795	2.18
5.	Kashinath Revappa Dhole	25,000	0.01
6.	Pardeep Singh Watwani	3,000	0.00
	Total	**29,292,595**	**14.65**

22. 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 associates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

23. Except to the extent of sale of the Offered Shares in the Offer for Sale by the Selling Shareholders, our Promoters and members of our Promoter Group will not participate in the Offer.

24. Except for the Fresh Issue and the Pre-IPO Placement, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the 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.

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

OBJECTS OF THE OFFER

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

Offer for Sale

The proceeds of the Offer for Sale shall be received by the Selling Shareholders and will not form part of the Net Proceeds. Each Selling Shareholder will be entitled to its respective portion of the proceeds of the Offer for Sale after deducting its proportion of the Offer expenses and relevant taxes thereon. For further details, please see "*-Offer Expenses*" on page 102.

Fresh Issue

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

1. Repayment/pre-payment, in full or in part, of certain outstanding borrowings availed by our Company;
2. Funding working capital requirements of our Company; and
3. General corporate purposes.

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

In addition to the aforementioned Objects, our Company expects that the listing of the Equity Shares will enhance our visibility and our brand image among our existing and potential customers and creation of a public market for our Equity Shares. The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities, (ii) to undertake activities proposed to be funded from the Net Proceeds.

Net Proceeds

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

(*in ₹ million*)

Particulars	Estimated amount
Gross proceeds from the Fresh Issue(1)(2)	2,500.00
(Less) Offer related expenses in relation to the Fresh Issue (2)	[●]
Net Proceeds(2)	**[●]**

(1) *Our Company, in consultation with the Selling Shareholders and the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 500.00 million. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the SEBI ICDR Regulations and the SCRR. Upon allotment of Equity Shares and/or any other permissible instrument issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company may utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.*

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

Utilisation of Net Proceeds

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

(*in ₹ million*)

Particulars	Estimated amount(2)
Repayment/pre-payment, in full or in part, of certain outstanding borrowings availed by our Company	680.00
Funding working capital requirements of our Company	1,195.00
General corporate purposes (1)	[●]
Total (1)	**[●]**

(1) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.*

(2) *Our Company, in consultation with the Selling Shareholders and the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 500.00 million. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the SEBI ICDR Regulations and the SCRR. Upon allotment of Equity Shares and/or any other permissible instrument issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company may utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.*

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as follows:

(in ₹ million)

Particulars	Amount to be funded from Net Proceeds(2)	Estimated deployment of the Net Proceeds (in Fiscal 2023)
Repayment/pre-payment, in full or in part, of certain outstanding borrowings availed by our Company	680.00	680.00
Funding working capital requirements of our Company	1,195.00	1,195.00
General corporate purposes (1)	[●]	[●]
Total(1)(2)	[●]	[●]

(1) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.*

(2) *Our Company, in consultation with the Selling Shareholders and the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 500.00 million. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to compliance with the SEBI ICDR Regulations and the SCRR. Upon allotment of Equity Shares and/or any other permissible instrument issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company may utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.*

The aforesaid fund requirements, deployment of funds and the intended use of the Net Proceeds as described in this Draft Red Herring Prospectus are based on our current business plan, management estimates, current market conditions and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank or financial institution or any other independent agency. We may have to revise these estimates on account of a variety of factors such as our financial and market condition, business and strategy, competition and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management and may entail rescheduling or revising the planned expenditure and funding requirements. Depending upon such factors, we may have to extend the utilisation period for any of the stated Objects beyond the estimated time period, at the discretion of our management, in accordance with applicable law.

For further information on factors that may affect our internal management estimates, see "*Risk Factors – The objects of the Offer include funding working capital requirements of our Company which are based on certain assumptions and estimates." and "Risk Factors - Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.*" on page 51.

Our Company proposes to deploy the entire Net Proceeds towards the aforementioned objects in Fiscal 2023. In the event the estimated utilization of the Net Proceeds in Fiscal 2023 (as contemplated above) is not completely met due to the reasons stated above, such funds shall be utilised in the succeeding fiscal year, as may be determined by our Company, in accordance with applicable law. Subject to compliance with applicable laws, in case the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for funding other existing Objects, if necessary and/or towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with the SEBI ICDR Regulations.

Means of Finance

No amounts are proposed to be raised through any other means of finance and the entire requirement of funds for the

Objects of the Offer (other than funding the working capital requirements of our Company) are proposed to be funded from the Net Proceeds and internal accruals. The Object of funding our working capital requirements will be funded by the Net Proceeds, internal accruals and working capital facilities. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance as prescribed under Regulation 7(1)(e) of the SEBI ICDR Regulations and Paragraph 9(C)(1) of Part A of Schedule VIII of the SEBI ICDR Regulations. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and/or other lenders, subject to compliance with applicable law. We believe that such alternate arrangements would be available to fund any shortfall.

Details of the utilization of Net Proceeds

1. Repayment/pre-payment, in full or in part, of certain outstanding borrowings availed by our Company

We avail fund-based and non-fund-based facilities in the ordinary course of business from various banks. The borrowing arrangements entered into by us include, *inter alia*, term loans and working capital facilities. For further information on the financial indebtedness of our Company, see "*Financial Indebtedness*" on page 283. As of June 30, 2022, we had total outstanding borrowings of ₹ 1,304.49 million. We propose to utilise a portion of the Net Proceeds aggregating to ₹ 680.00 million for repayment or prepayment, in full or in part, of certain outstanding borrowings availed by our Company.

Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds. Given the nature of the borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and we may, in accordance with the relevant repayment schedule, repay or refinance some of the existing borrowings prior to Allotment or avail of additional credit facilities.

Further, the outstanding amounts under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Accordingly, our Company may utilise the Net Proceeds for repayment/prepayment of any such refinanced facilities (including any prepayment fees or penalties thereon) or any additional facilities obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment, repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, will not exceed ₹ 680.00 million. In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans and facilities, as the case may be. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular fiscal may be repaid/ pre-paid in part or full by our Company in the subsequent fiscal. We believe that such repayment, prepayment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment towards business growth and expansion. In addition, we believe that repayment/prepayment of the loans and/or facilities will add to the profitability of our Company due to reduced finance costs and also improve the debt-to-equity ratio of our Company.

The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) commercial considerations including, among others, the amount of the loan or facility outstanding, rate of interest and the remaining tenor of the loan or availability period of the facility, (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) cost of the borrowing, including applicable interest rates, (iv) receipt of consents for prepayment from the respective lenders and terms and conditions of such consents and waivers, as required, (v) levy of any prepayment penalties/premium and the quantum thereof and other related costs, (vi) nature and/or repayment schedule of borrowings, and (vii) provisions of any law, rules, regulations governing such borrowings. We will approach the relevant lenders after completion of this Offer for repayment/prepayment of the borrowings.

The details of the outstanding borrowings availed by our Company, proposed for repayment or prepayment, in full or in part, from the Net Proceeds are set forth below:

Sr. No.	Name of the lender	Nature of loan or facility[(2)]	Purpose of loan or facility availed as per loan or facility documentation [(1)]	Sanctioned amount (in ₹ million)[(2)]	Amount outstanding as at June 30, 2022 (in ₹ million)	Interest rate (p.a.) (as on June 30, 2022)[(2)] (%)	Repayment schedule/ scheduled repayment date[(2)]	Prepayment Penalty[(2)]
1.	Bank of Baroda	Term loan	To part finance Company's green field project for manufacturing of specialty chemicals at Solapur	500.00	212.10	8.50	To be repaid in 66 monthly instalments/October 2024	2% per annum on the balance amount of loan for the residual period
2.	HDFC Bank Limited	Term loan	For undertaking capital expenditure	500.00	212.12	7.50	To be repaid in 66 monthly instalments/October 2024	Prepayment penalty to be decided based on the mutual agreement between the lender and our Company
3.	HDFC Bank Limited	Term loan	For reimbursement of capital expenditure	500.00	356.06	7.50	To be repaid in 66 monthly instalments/May 2026	Prepayment penalty to be decided based on the mutual agreement between the lender and our Company
4.	HDFC Bank Limited	Cash credit	For the working capital requirements of the Company	250.00	72.36	7.75	To be repaid on demand	Prepayment penalty to be decided based on the mutual agreement between the lender and our Company
		Working capital demand loan			150.00	6.40		
5.	State Bank of India	Cash credit	For the working capital requirements of the Company	250.00	233.47	7.10	To be repaid on demand	2 % of the pre-paid amount
		Cash credit			4.37			
Total				**2,000.00**	**1,240.48**			

(1) In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, which requires a certificate from the statutory auditor, certifying the utilization of loans for the purposes availed, our Statutory Auditors have confirmed that the loans and facilities in the table above have been utilised for the purpose for which it was availed pursuant to certificate dated August 10, 2022.

(2) As certified by the Statutory Auditors of the Company, vide their certificate dated August 10, 2022.

In addition to the above, we may, from time to time, enter into further borrowing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are prepaid, repaid, refinanced or further drawn-down prior to the completion of the Offer, we may utilize Net Proceeds towards prepayment or repayment of such additional indebtedness availed by us, details of which shall be provided in the Red Herring Prospectus.

2. Funding working capital requirements of our Company

We fund a majority of our working capital requirements in the ordinary course of business from internal accruals and from working capital facilities availed through banks.

To ensure uninterrupted supply of our products to our customers, we believe that we will be required to maintain higher levels of inventory and that additional sales by our Company may result in an increase in the expected credit cycle agreed with customers. Additionally, the COVID-19 pandemic and geo-political tensions led supply chain disruptions may also result in an increase in our working capital requirements. Further, our strategies include increasing our manufacturing capacities, continuing to diversify our product portfolio, and continuing to increase our global footprint. For details, see "*Our Business-Strategies*" on page 165. We propose to fund our working capital requirements in Fiscal 2023 to enable utilization of the internal accruals for further investment towards such strategies.

Accordingly, we propose to utilise a cumulative amount of ₹ 1,195.00 million from the Net Proceeds to fund incremental working capital requirements of our Company in Fiscal 2023 in the manner set forth below.

Basis of estimation of working capital requirement

The details of our Company's working capital as at March 31, 2020, March 31, 2021, March 31, 2022, as derived from the Restated Financial Information, and source of funding are provided in the table below:

(in ₹ *million*)

S. No.	Particulars	As at*		
		March 31, 2020	**March 31, 2021**	**March 31, 2022**
1.	**Current Assets**			
A	Inventories	166.23	162.10	220.04
B	Trade receivables	335.63	389.38	1,559.40
C	Cash and cash equivalents and bank balances	15.68	19.87	34.34
D	Other current financial assets	0.93	4.41	0.43
E	Other current assets	329.60	402.29	303.01
Total current assets (A)		**848.07**	**978.05**	**2,117.22**
2.	**Current Liabilities**			
A	Trade payables	201.39	131.35	225.00
B	Other current financial liabilities (including lease liabilities)	97.18	67.26	23.16
C	Other current liabilities (including provisions and tax liabilities)	0.90	1.30	57.99
Total current liabilities (B)		**299.47**	**199.91**	**306.15**
3.	**Net working capital requirements (C=A-B)**	**548.60**	**778.14**	**1,811.07**
4.	**Existing funding pattern**			
A	*Working capital facilities*	191.15	109.45	157.91
B	*Internal accruals*	357.45	668.69	1,653.16

* *The working capital details as at March 31, 2020, March 31, 2021 and March 31, 2022 and the source of funding has been certified by our Statutory Auditors pursuant to their certificate dated August 10, 2022.*

On the basis of our existing working capital requirements, estimated working capital requirements and assumptions for such working capital requirements, our Board pursuant to its resolution dated August 10, 2022 has approved the projected working capital requirements for Fiscal 2023 as set forth below:

(in ₹ *million*)

Sr No	Particulars	Estimated amount as on March 31, 2023*
1.	**Current Assets**	
A	Inventories	1,508.62
B	Trade receivables	2,549.95
C	Cash and cash equivalents and bank balances	220.13
D	Other current financial assets	10.00
E	Other current assets	300.00
Total current assets (A)		**4,588.70**
2.	**Current Liabilities**	
A	Trade payables	392.23
B	Other current financial liabilities	5.05
C	Other current liabilities (including provisions and tax liabilities)	49.31
Total current liabilities (B)		**446.59**
3.	**Total working capital requirements (C=A-B)**	**4,142.11**
4.	**Source of finance**	
A.	*Working capital facilities* **(D)**	500.00
B	*Internal accruals* **(E)**	2,447.11
5.	**Net working capital requirements (F=C-(D+E))**	1,195.00
6.	**Amount proposed to be utilised from Net Proceeds (G)**	1,195.00

**The projected working capital requirements for Fiscal 2023 has been certified by our Statutory Auditors pursuant to their certificate dated August 10, 2022.*

Assumptions and justifications for our estimated working capital requirements

Provided below are details of the holding levels (days) and estimated capacity utilisation considered:

S. No.	Particulars	Number of days for the Fiscal ended (except capacity utilisation)			
		Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023 (Estimated)
1.	Inventories	126	34	14	38
2.	Trade Receivables	114	76	69	91
3.	Cash and cash equivalents and bank balances	5	4	2	6
4.	Other current financial assets	0.31	0.56	0.17	0.23
5.	Other current assets	224	77	25	13
6.	Trade Payables	108	60	24	19
7.	Other current financial liabilities	234	30	6	1
8.	Other current liabilities (including provisions and current tax liabilities)	2	0.40	4	3
9.	Capacity utilization (in %)	14.76%	37.08%	56.17%	75.00%

Note: The number of days in the table above and set forth below has been rounded off to the nearest whole number (other than with respect to: (i) other current financial assets; and (ii) other current liabilities (including provisions and current tax liabilities) for Fiscal 2021).

Set forth below are the justifications for the assumptions for the estimated working capital requirements:

(i) Inventories

Our Company has assumed the holding level for Inventories as 38 days of revenue from operations for Fiscal 2023. Such holding levels have been maintained in line with the projected business activity for Fiscal 2023 and take into consideration the global logistic issues and availability of raw materials, to maintain uninterrupted supply to the customers.

(ii) Trade Receivables

Our Company has assumed the holding level for trade receivables as 91 days of revenue from operations for Fiscal 2023. Such holding levels have been maintained in line with the projected sales for Fiscal 2023 and additional sales by our Company may result in an increase in the expected credit cycle agreed with customers.

(iii) Cash and cash equivalents and bank balances

Our Company has assumed the holding level for cash and cash equivalents and bank balances (other than cash equivalents) as 6 days of revenue from operations for Fiscal 2023.

(iv) Other current financial assets

Other current financial assets comprises of interest accrued on bank deposits and others and export credit receivable. Our Company has assumed the holding level for other current financial assets as 0.23 day of revenue from operations for Fiscal 2023. Such holding levels have been maintained in line with historical levels and projected business activity for Fiscal 2023.

(v) Other current assets

Other current assets comprises of advances to suppliers, prepaid expenses and other receivables. Our Company has assumed the holding level for other current assets as 13 days of revenue from operations for Fiscal 2023. Such holding levels have been maintained in line with the projected business activity for Fiscal 2023.

(vi) Trade Payables

Our Company has assumed the holding level for trade payables as 19 days of purchases for Fiscal 2023. Such holding levels have been maintained in line with the projected business activity for Fiscal 2023 and to secure raw materials on time.

(vii) Other current financial liabilities

Other current financial liabilities primarily comprise of expenses payable and interest accrued but not due. Our Company has assumed the holding level for other current liabilities as 1 day of purchases for Fiscal 2023.

(viii) Other current liabilities (including provisions and current tax liabilities)

Other current liabilities (including provisions and current tax liabilities) primarily comprise of statutory liabilities and provision for tax (net of advance tax). Our Company has assumed the holding level for other current liabilities (including provisions and tax liabilities) as 3 days of purchases for Fiscal 2023. Such holding levels have been maintained in line with historical levels and projected business activity for Fiscal 2023.

(ix) Capacity utilization

Our Company has assumed capacity utilization as 75.00% for the Fiscal 2023. Such estimated capacity utilization has been calculated considering the projected business activity for the Fiscal 2023.

3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes and the business requirements of our Company as approved by the Board, from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Net Proceeds, in compliance with the Regulation 7(2) of the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise the Net Proceeds include *inter alia* brand building and marketing efforts, funding growth opportunities, meeting expenses incurred towards any strategic initiatives, partnerships, or tie-ups, acquisition of fixed assets, meeting exigencies, strengthening of our manufacturing capabilities and expenses incurred by our Company in the ordinary course of business. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including the necessary provisions of the Companies Act.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amounts in the next Fiscal.

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, listing fees, selling commission and brokerage, fees payable to the BRLMs, fees payable to legal counsels, fees payable to the Registrar to the Offer and Sponsor Bank to the Offer, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, CRTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Except for (i) listing fees and stamp duty payable on issue of Equity Shares pursuant to Fresh Issue which shall be borne solely by the Company, (ii) the stamp duty payable on transfer of Offered Shares and the fees and expenses in relation to the legal counsel to the Selling Shareholders, which shall be borne solely by the respective Selling Shareholders, our Company and the Selling Shareholders shall share the costs and expenses (including all applicable taxes in relation to such costs and expenses) directly attributable to the Offer (including fees and expenses of the BRLMs, legal counsel to the Company and the BRLMs and other intermediaries, advertising and marketing expenses (other than corporate advertisements expenses undertaken in the ordinary course of business by our Company), printing, underwriting commission, procurement commission (if any), brokerage and selling commission and payment of fees and charges to various regulators in relation to the Offer) in proportion to the number of Equity Shares issued and Allotted by the Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale.

The estimated Offer related payments, expenses and taxes to be borne by the Selling Shareholders, will be deducted from the proceeds of the Offer for Sale, in proportion to their respective Offered Shares. In the event, any cost or expense is paid by our Company on behalf of the Selling Shareholders in the first instance, it will be reimbursed to our Company, by the Selling Shareholders in proportion to their respective Offered Shares, directly from the Public Offer Account.

The break-down of the estimated Offer expenses are set forth in the table below:

(in ₹ million)

Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
Fees payable to the BRLMs and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Selling Commission and processing fee for SCSBs(1)(2)	[●]	[●]	[●]
Selling commission, bidding charges and uploading charges for Members of the Syndicate (including sub-brokers), Registered Brokers, CRTAs and CDPs (3)(4)	[●]	[●]	[●]
Processing fees payable to the Sponsor Bank (5)			
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to the other advisors to the Offer	[●]	[●]	[●]
Others			
(i) Listing fees, SEBI, BSE and NSE processing fees, book building software fees and other regulatory expenses;	[●]	[●]	[●]
(ii) Printing and distribution of stationery;	[●]	[●]	[●]
(iii) Fees payable to legal counsels; and	[●]	[●]	[●]

Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
(iv) Miscellaneous.	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

* *Offer expenses include goods and services tax, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change*

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

*Portion for Retail Individual Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for the Eligible Employees**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Balaji Amines Shareholders**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[●]% 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 SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE.*

(2) *No uploading/processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Investors, Eligible Employees and Non-Institutional Investors 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 Retail Individual Investors	*₹ [●] per valid application (plus applicable taxes)*
Portion for Eligible Employees	*₹ [●] per valid application (plus applicable taxes)*
Portion for Balaji Amines Shareholders	*₹ [●] per valid application (plus applicable taxes)*
Portion for Non-Institutional Investors	*₹ [●] per valid application (plus applicable taxes)*

(3) *Selling commission on the portion for UPI Bidders using the UPI Mechanism, Eligible Employees and Non-Institutional Investors 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 Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:*

*Portion for Retail Individual Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Balaji Amines Shareholders**	*[●]% of the Amount Allotted (plus applicable taxes)*

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

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by UPI Bidders using the UPI Mechanism, Eligible Employees and Non-Institutional Investors which are procured by them and submitted to SCSB for blocking or using 3-in- 1 accounts, 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 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.

(4) *Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIIs and Non-Institutional Investors 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 UPI Bidders using the UPI Mechanism, Eligible Employees and Non-Institutional Investors which are directly procured by the Registered Broker or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

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

*Portion for Balaji Amines Shareholders**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*

** Based on valid applications*

[(5)] The processing fees for applications made by UPI Bidders using the UPI Mechanism would be as follows:

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

** For each valid application*

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

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

Interim use of funds

The Net Proceeds shall be retained in the Public Offer Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Pending utilization for the purposes described above, we will temporarily invest the funds from the Net Proceeds in deposits only with one or more scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge loan

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

Monitoring of utilisation of funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a SEBI registered credit rating agency as the monitoring agency for monitoring the utilization of Net Proceeds prior to the filing of the Red Herring Prospectus, as the Fresh Issue size exceeds ₹ 1,000 million. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilization of the Net Proceeds, including interim use under a separate head in its balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Fresh Issue from the objects of the Offer as stated above; and (ii) details of category wise variations in the actual utilization of the proceeds of the Fresh Issue from the Objects of the Offer as stated above.

Variation in objects

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the Objects of the Offer unless our Company is authorized to do so by way of a special resolution of its Shareholders and such variation will be in accordance with the applicable laws including the Companies Act 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Marathi, Marathi being the regional language of Maharashtra, where our Registered Office is situated in accordance with the Companies Act and applicable rules. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, at such price, and in such manner, in accordance with Section 13(8) and other applicable provisions of the Companies Act, our Articles of Association, and the Regulation 59 of SEBI ICDR Regulations.

Appraising entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any bank/ financial institution.

Other confirmations

Except to the extent of the proceeds received by the Selling Shareholders pursuant to the Offer for Sale, none of our Promoters or members of the Promoter Group, Directors or Key Managerial Personnel will receive any portion of the proceeds from the Offer proceeds except in the normal course of business and in compliance with applicable law. Further, except in the ordinary course of business and in compliance with applicable law, there is no existing or anticipated interest of such individuals and entities in the objects of the Offer as set out above.

BASIS FOR OFFER PRICE

The Price Band, Floor Price 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 issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 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. Investors should also see the sections entitled "*Our Business*", "*Risk Factors*" and "*Restated Financial Information*" on pages 156, 27 and 216, respectively, to have an informed view before making an investment decision.

Qualitative factors

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

- Sole manufacturer of niche chemicals in India, including Ethylenediamine, Piperazine (Anhydrous), Diethylenetriamine, Amino Ethyl Ethanol Amines and Amino Ethyl Piperazine (*source: CRISIL Report*), with significant export potential.
- Well positioned to capture industry tailwinds.
- Rapidly developed a diversified global and Indian customer base.
- Ability to leverage research and development capabilities and strategic guidance from our Corporate Promoter.
- Manufacturing Facility with stringent quality norms and procedures.
- Improving, profitability and enhancement of market share.
- Professional management team with extensive domain knowledge and supported by a committed employee base.

For details, please see the section entitled "*Our Business – Competitive Strengths*" on page 160.

Quantitative factors

Some of the information presented in this chapter is derived from the Restated Financial Information. For further information, please see the section entitled "*Restated Financial Information*" on page 216.

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

1. **Basic and Diluted Earnings per Share**

Fiscal / period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2022	5.45	5.45	3
March 31, 2021	0.52	0.52	2
March 31, 2020	(0.79)	(0.79)	1
Weighted Average	**2.76**	**2.76**	-

Notes:
(a) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights
(b) Basic EPS = Profit/(Loss) for the year divided by weighted average no. of equity shares outstanding during the year.
(c) Diluted EPS = Profit/(Loss) for the year divided by weighted average no. of equity shares outstanding during the year.
(d) Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share'.
(e) The figures disclosed above are based on the Restated Financial Statements of our Company.
(f) The Company on February 26, 2022, has approved sub-division of equity shares having face value of ₹ 10 each into 5 equity shares having face value of ₹ 2 each. Accordingly, the earnings per share has been adjusted for subdivision of shares for the current and previous years presented in accordance with the requirements of Indian Accounting Standard (Ind AS) 33 - Earnings per share.

2. **Price/Earning ("P/E") Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:**

Particulars	P/E at Floor Price (no. of times)	P/E at Cap Price (no. of times)
Based on basic EPS of ₹ 5.45 as per the Restated Financial Information for the Fiscal ended March 31, 2022	[●]	[●]
Based on diluted EPS of ₹ 5.45 as per the Restated Financial Information for the Fiscal ended March 31, 2022	[●]	[●]

Industry Peer Group P/E ratio

Particulars	P/E ratio
Highest	76.02
Lowest	52.61
Average	68.32

Notes:
(1) The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below. For further details, see "- Comparison with listed industry peers" hereunder.
(2) P/E figures for the peer are computed based on closing market price as on August 8, 2022 on NSE, divided by diluted EPS for the Financial Year 2022.

3. **Average Return on Net Worth ("RoNW")**

Fiscal/period ended	RoNW (%)	Weight
March 31, 2022	81.91%	3
March 31, 2021	14.18%	2
March 31, 2020	(20.86%)	1
Weighted Average	**42.20%**	-

Note:
(i) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights
(ii) Return on Net Worth (%) = Profit/(Loss) for the year divided by average restated net worth
(iii) Net worth has been defined as the aggregate value of the paid-up share capital and other equity.

4. **Net Asset Value per Equity Share ("NAV")**

Net Asset Value per Equity Share	(₹)
As on March 31, 2022	9.37
After the Offer	
-At the Floor Price	[●]
-At the Cap Price	[●]
Offer Price	[●]

Notes:
(a) Net Asset Value per Equity Share = Net worth as per the Restated Financial Information / Number of equity shares outstanding as at the end of year.
(b) Net worth has been defined as the aggregate value of the equity capital and other equity.

5. **Comparison of accounting ratios with listed industry peers**

Following is the comparison with our peer group companies listed in India and in the same line of business as our Company:

Name of the company	Standalone/ Consolidated	Face value (₹ per share)	Total Revenue (in ₹ million)	EPS (₹)		NAV (₹ per share)	P/E	RoNW (%)
				Basic	Diluted[1]			
Company	Standalone	2	5,160.42	5.45	5.45	9.37	-	81.91%
Peer Group								
Clean Science and Technology Limited	Consolidated	1	7,148.59	21.51	21.51	72.35	74.81	34.93%
Alkyl Amines Chemicals Limited	Standalone	2	15,569.75	44.04	43.95	193.80	69.84	25.24%
Tatva Chintan Pharma Chem Limited	Consolidated	10	4,425.41	44.59	44.59	213.44	52.61	30.01%
Neogen Chemicals Limited	Consolidated	10	4,883.20	18.70	18.70	176.12	76.02	14.34%

Notes:
(a) With respect to our Company, the information above is based on the Restated Financial Information for the year ended March 31, 2022

(b) *Financial information for listed industry peers mentioned above is for the year ended March 31, 2022 is based on disclosures/submissions made by these companies to the stock exchanges*

(c) *NAV is computed as the net worth at the end of the year divided by the closing outstanding number of equity shares*

(d) *P/E Ratio has been computed based on the closing market price of the equity shares (Source: NSE) on August 8, 2022, divided by the diluted EPS*

(e) *RoNW is computed as net profit for the period of the company divided by average net worth*

(f) *Net worth is aggregate of share capital and other equity*

The trading price of the Equity Shares could decline due to the factors mentioned in the section entitled "*Risk Factors*" on page 27 and any other factors that may arise in the future and you may lose all or part of your investments.

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. Our Company and the Selling Shareholders, in consultation with the BRLMs, is justified of the Offer Price in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with the sections entitled "*Risk Factors*", "*Our Business*" and "*Restated Financial Information*" on pages 27, 156 and 216, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the section entitled "*Risk Factors*" or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

Date: August 10, 2022

To
The Board of Directors
Balaji Speciality Chemicals Limited
2nd Floor, Balaji Towers No. 9/1A/1,
Hotgi Road, Aasara Chowk,
Solapur - 413224 , Maharashtra, India

Statement of Possible Special Tax Benefits available to Balaji Speciality Chemicals Limited and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexure, prepared by Balaji Speciality Chemicals Limited (the "**Company**"), provides the possible special tax benefits available to the Company and to the shareholders of the Company as stated in those Annexure, under:

   i. the Income Tax Act, 1961 (the "**Act**") as amended by the Finance Act, 2022 applicable for the Financial Year 2022-23 relevant to the Assessment Year 2023-24, presently in force in India; and

   ii. the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable goods and services tax legislations, as promulgated by various states, Union Territories Goods and Services Tax Act, 2017 ("**GST Acts**"), the Customs Act, 1962 ("**Customs Act**") and the Customs Tariff Act, 1975 ("**Tariff Act**"), as amended by the Finance Act 2021 applicable for the Financial Year 2021-22, Foreign Trade Policy 2015-20 ("**FTP**") as extended till September 30, 2022 vide Notification 64/2015-2020 dated March 31, 2022 (unless otherwise specified) ("**FTP**"), presently in force in India.

   The Act, the GST Acts, the Customs Act, the Tariff Act and the FTP, as defined above, are collectively referred to as the "**Relevant Acts**".

2. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Relevant Acts. Hence, the ability of the Company and/ or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions, which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil. The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the Company's management. We are informed that these Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Initial Public Offer ("**IPO**") of equity shares of face value of Rs.2 each of the Company (the "**Offer**").

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

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

4. The contents of the enclosed Annexure are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them.

5. This certificate is addressed to Board of Directors and issued at specific request of the Company. The enclosed Annexure is intended solely for your information and for inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus and any other material to be filed Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies, Maharashtra at Pune, where applicable, in connection with the Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement.

Yours Sincerely,

For and on behalf of
M. Anandam & Co.,
Chartered Accountants
ICAI Firm Registration No. 000125S

M.V. Ranganath
Partner
Membership Number: 028031
UDIN: 22028031AOUEVX3891

ANNEXURE

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

The information provided below sets out the possible special tax benefits available to the Company and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of purchase, ownership and disposal of equity shares, under the Tax Laws presently in force in India. It is not exhaustive or comprehensive analysis and is not intended to be a substitute for professional advice.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

A. Possible special tax benefits available to the Company under direct tax laws

The Company is neither eligible nor is availing any possible special corporate tax benefits under the direct tax laws.

B. Possible special tax benefits available to the Company under the indirect tax laws

1. Duty Drawback Scheme

Duty Drawback Scheme was introduced by the Ministry of Finance as a rebate for duty chargeable on any imported materials or excisable materials used in manufacture or processing of goods, in India and exported.

It is obtained on 'Free On Board' value of Export to exporter by Customs as part of indirect taxes / duties paid on Import. The duty drawback rates are published & revised by Government of India. Those exporters who avail advance license shipping bills are not eligible for this scheme.

As on March 31, 2022, the Company has received ₹ 0.44 million.

2. Advance Licence Scheme

Advance license scheme was issued under Foreign Trade Policy for the period 2015-20. The Company which gets advance license can be benefited by non-payment of basic customs duty, additional customs duty, education cess, anti-dumping duty, countervailing duty, safeguard duty, transition product-specific safeguard duty, wherever applicable and IGST as well at the time of import of inputs / raw materials. This scheme allows import of input of export items duty free subject to periodic limitations. This is purely quantity-based license & DGFT Authority allowed several items under serial input output norms or other case this scheme can be availed under adhoc norms on self-declaration basis to avail import duty free input to produce export item.

Those exporters who avails Duty Drawback Scheme cannot avail Advance License shipping bills.

As on March 31, 2022, the Company has received ₹ 56.29 million

3. State Industrial Incentive Policies

The Company has been granted exemption certificate under "Package Scheme of Incentives from the Government of Maharashtra Directorate of Industries as at February 28, 2022 for:

- Electricity Duty exemption for the period of 7 years from the date of effect of eligible certificate i.e. from January 1, 2022 to December 31, 2028;

- 100% exemption from payment of stamp duty under relevant Government notification of Revenue and Forest Department

- Industrial Promotion Subsidy ("**IPS**") of ₹ 2539.25 million equivalent to 100% of eligible investment of ₹ 2539.25 million. The IPS however is limited to 100% of eligible investment or to the extent of 50% of annual amount of SGST payable by the eligible finished products within State of Maharashtra before adjustment of set-off or credit available less the amount of benefits availed at Sr. No. 14(1) & 14(2) for the period from January 1, 2022 to December 31, 2028.

The Company has applied for claim an amount of ₹ 37.03 million under the above Scheme.

C. Possible special tax benefits available to Shareholders

The shareholders of the Company are not eligible to any possible special tax benefits under the tax laws.

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Assessment of Amine Industry" released on August 4, 2022 in Mumbai (the "**CRISIL Report**") prepared and issued by CRISIL Limited, appointed pursuant to the engagement letter dated May 24, 2022, and exclusively commissioned and paid for by us to understand the industry in which we operate in connection with the Offer. The CRISIL Report is available on the website of the Company at www.balajispecialitychemicals.com/details?source_ref=NQ==. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant Fiscal. For further information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL Limited exclusively commissioned and paid for by us for such purpose."* on page 43*. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 16.*

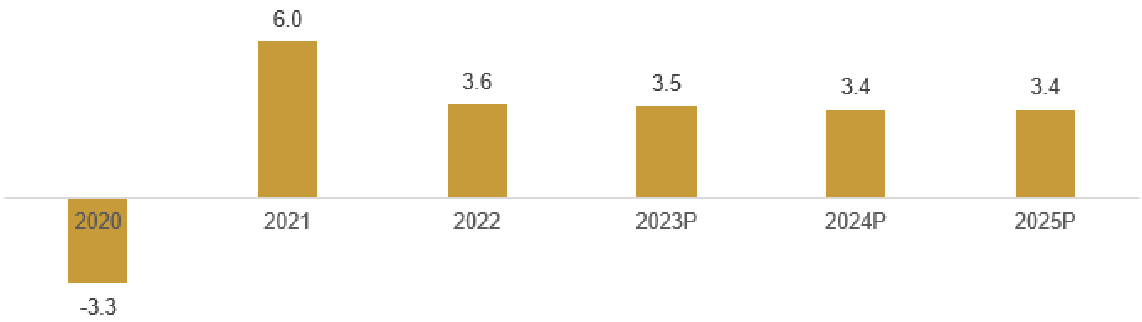
While preparing its report, CRISIL Limited has also sourced information from publicly available sources, including our Company's financial statements available publicly.

GLOBAL MACROECONOMIC OVERVIEW

Global gross domestic product ("**GDP**") growth is projected at 3.6% for 2022. Beyond 2022, it is forecast to moderate to approximately 3.4% over the medium term.

GDP outlook from 2022-2025

Expected global GDP growth rate (in Percentage)



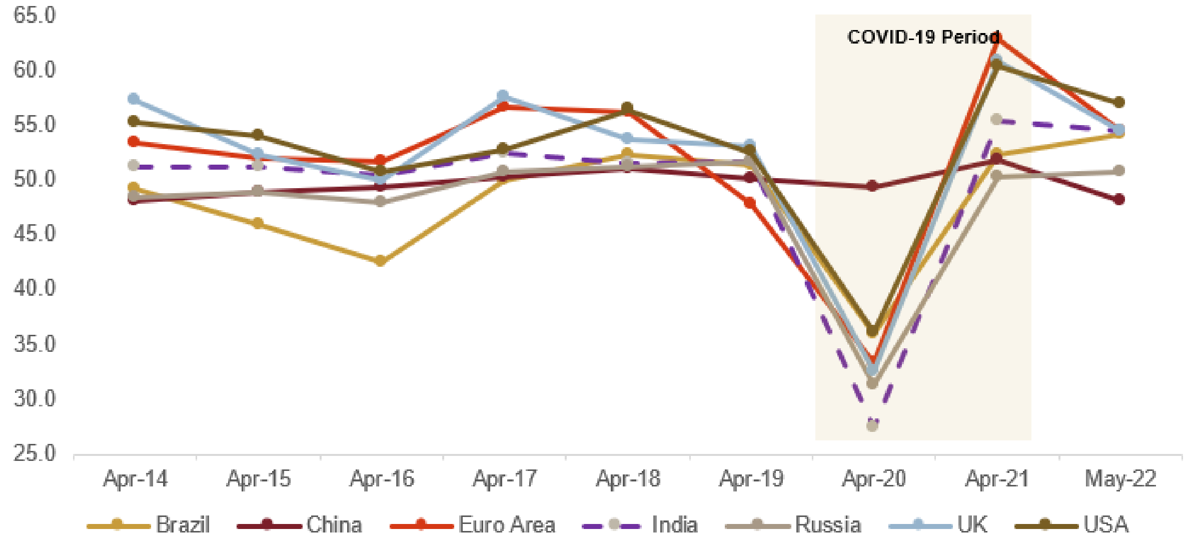
P: Projected | Data for each calendar year
Source: S&P Global Economics, Oxford Economics

Impact of COVID-19 on the manufacturing sector

The volume of products and commodities in the upstream segment fell due to pandemic-led production and supply chain disruptions. Since the onset of COVID-19 more than two years ago, uncertainty has remained one of the few constants in the industrial sector. Manufacturers who demonstrated the relevance of data, trends, and the capacity to derive key insights have had the most success.

Manufacturing PMI numbers across geographies and sizes of economies have followed roughly similar patterns in the last few years. The index plummeted in the wake of the initial lockdowns across the world, and rebounded sharply even above pre-pandemic levels, as restrictions were relaxed and fiscal incentives to boost the economy became common place across all countries. PMI has since followed a pattern wherein the scare of each wave of COVID-19 cases has impacted it severely, with the trend moderating in the later months of 2021 and continuing into 2022, even in the wake of the Russia-Ukraine conflict.

Manufacturing PMIs



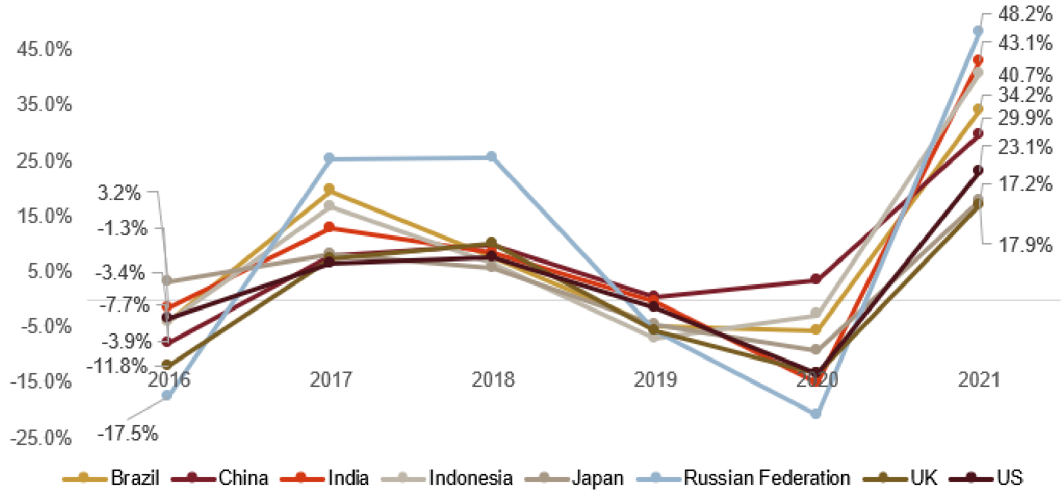
Source: S&P Global

The Indian manufacturing industry had a strong start to 2023, with significant and accelerated increases in new orders and production. Following a decline in March, international sales increased steadily. Meanwhile, rising commodity prices, the Russia-Ukraine war, and higher transportation costs aggravated inflationary pressures. India's PMI grew from 54.0 in March 2022 to 54.7 in April 2022 and remained largely unchanged at 54.6 in May 2022. It marked the 11th straight month of expansion in the manufacturing sector due to growth in output and orders, on the back of continued easing of pandemic restrictions.

Key global macroeconomic metrics indicate a sharp bounce-back from pandemic lows

The infographic below provides trade growth patterns for some key economies, highlighting very similar patterns for imports and exports.

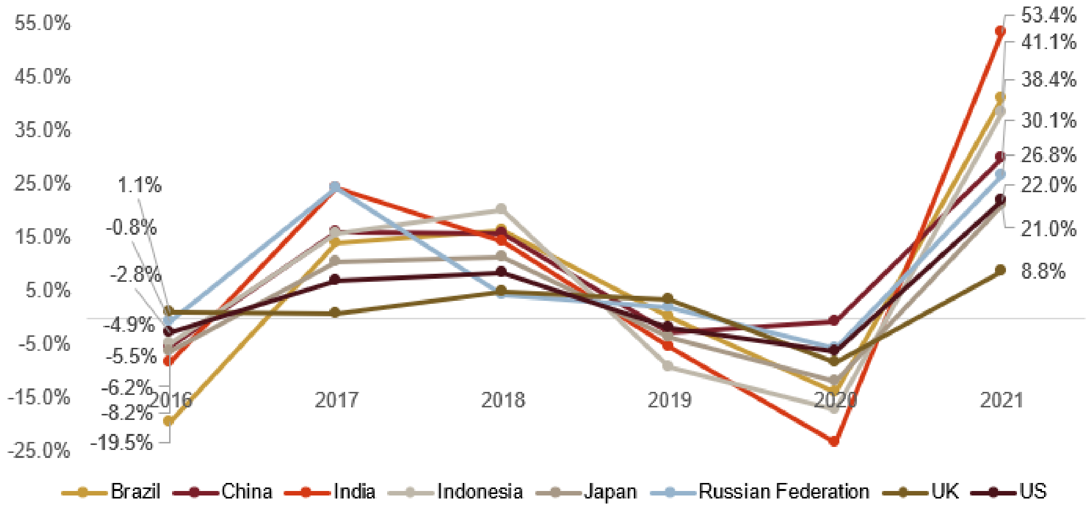
Annual growth (percentage) in exports



Source: UNCTAD

Note: Data for each calendar year

Annual growth (percentage) in imports



Source: UNCTAD

Note: Data for each calendar year

Changing outlook on manufacturing in China

China is the world's largest manufacturer in terms of output, and it earned the moniker ‘the world's factory’ shortly after joining the World Trade Organization (WTO) in 2001. Foreign firms and investors rushed to do business in the world's most populous country in the new millennium, drawn by cheap labor.

With the recent COVID-19 pandemic, some companies have expressed concerns about manufacturing in China. The pandemic, which originated in Wuhan, disrupted supply chains and crippled business production all over the world. The trade war between the US and China has prompted many businesses to rethink their global supply chains. The pandemic sent shockwaves through many multinational corporations as they realized how much they relied on Chinese manufacturing, from raw materials to contract manufacturing to production facilities, causing many to seek alternative locations.

With nearly 36% market share, China has emerged as the most dominant player in the US$ 4 trillion global chemicals industry over the past three decades. Lower labor costs, high subsidies (capital and export) and, most importantly, relaxed environmental standards have been the key drivers behind this unprecedented success. Many of these factors, however, have proven to be unsustainable in the long run. Aside from rising labor costs, China's cost advantage has been eroded by stricter pollution-control measures and the withdrawal of subsidies. The relocation of toxic manufacturing plants to dedicated industrial parks, and higher operational and capital costs have impacted the operations of Chinese chemical companies, causing significant supply-chain disruptions in the industry.

The *'China +1*' diversification model is benefitting India structurally. A large pool of technically qualified manpower, strict adherence to global manufacturing standards and strong protection of intellectual property rights, in addition to labor cost advantages, have resulted in the rapid expansion of India's chemicals industry. Furthermore, the government's push for *'Make in India*' in sectors such as pharma, automobiles, advanced chemistry cell, textiles and food processing will aid in increasing the size of the domestic end-user market, allowing manufacturers to benefit from economies of scale.

India to benefit from China’s downturn

The recent downturn in China’s speciality chemicals industry is an opportunity for Indian manufacturers, which have a cost advantage. The changing regulatory and policy landscape in China, reduced government support for Chinese manufacturers, geopolitical issues and the COVID-19 impact have prompted global companies to diversify their supply chains, thereby improving the export opportunity for Indian players. This is because, very few countries, other than India, have the requisite scale, technology (including complex chemistry capabilities), raw materials, skilled labour availability, IP protection and government support to capture this opportunity.

Parameter	US/Europe	China	India
Labour cost			
Environmental compliance			
Plant capex			
Government policy support			
Conduciveness of recent geopolitical landscape			

Note: Colour of the pie indicates relative advantage of a particular country/region vis-à-vis others in relation to a particular parameter. A fully coloured pie indicates maximum advantage compared with the other two regions.

Source: CRISIL Research

Several Indian companies are looking to set up global-sized plants to cater to growing domestic and global demand. The government is also supporting manufacturing in India. Initiatives such as '*Make in India*', corporate tax reduction to 25%, and petroleum, chemicals and petrochemicals investment regions ("**PCPIRs**"), are expected to create significant opportunities for manufacturers. This was reflected in India's Ease of Doing Business ranking improving to 63 in 2020 from 142 in 2014.

Due to its competitive advantage in multiple industries, favorable production characteristics, a favorable business environment and incentivizing government policies, India is expected to be the next best prospect to benefit from this changed position. Global macro tailwinds in some industries such as textiles, speciality chemicals, pharmaceuticals, metals and electronic manufacturing, along with sensible government reforms, are projected to set India on a sustainable economic path.

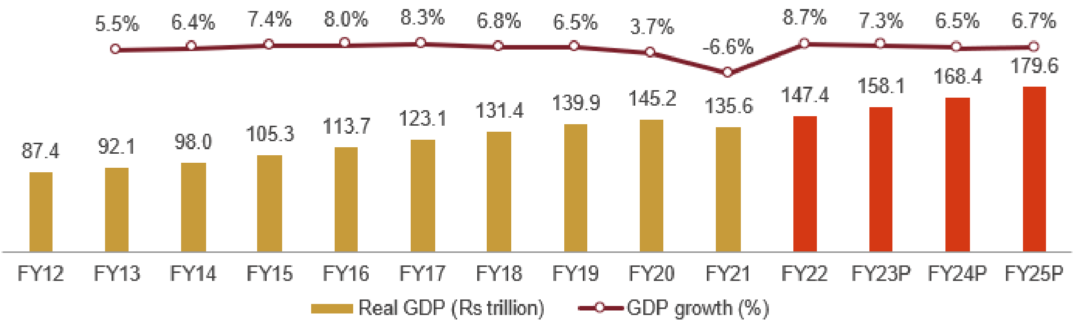
INDIA MACROECONOMIC OVERVIEW

India to remain fastest growing economy despite GDP growth of 7.3% in 2023

As per the National Statistical Office ("**NSO**") estimate released in January 2022, the country's real GDP shrunk a lower 6.6% in 2021. As per the second advance estimates released by the NSO, India's real GDP was set to grow 8.9% in 2022. However, the latest provisional estimates released by the NSO in May 2022 pegged the country's real GDP growth at 8.7% in 2022, a tad slower than the 8.9% according to the second advance estimates released in February 2022. Though the economy is gradually picking up, the recovery has been uneven. With the third wave of COVID-19 (with minimal economic impact) is over, India is looking at fewer supply disruptions from COVID-19 and a fuller resumption of services activity in the coming Fiscal.

However, slower global growth and high commodity prices, especially of oil, could put downward pressure on economic growth. Heightened geopolitical risks from the Russia-Ukraine conflict, which continues to intensify, could add headwinds. CRISIL, for the time being, has maintained its real GDP growth projection for 2023 at 7.3%, with downside risks. Even with this cut, India will remain the fastest growing large economy.

Indian GDP outlook



P: Projected

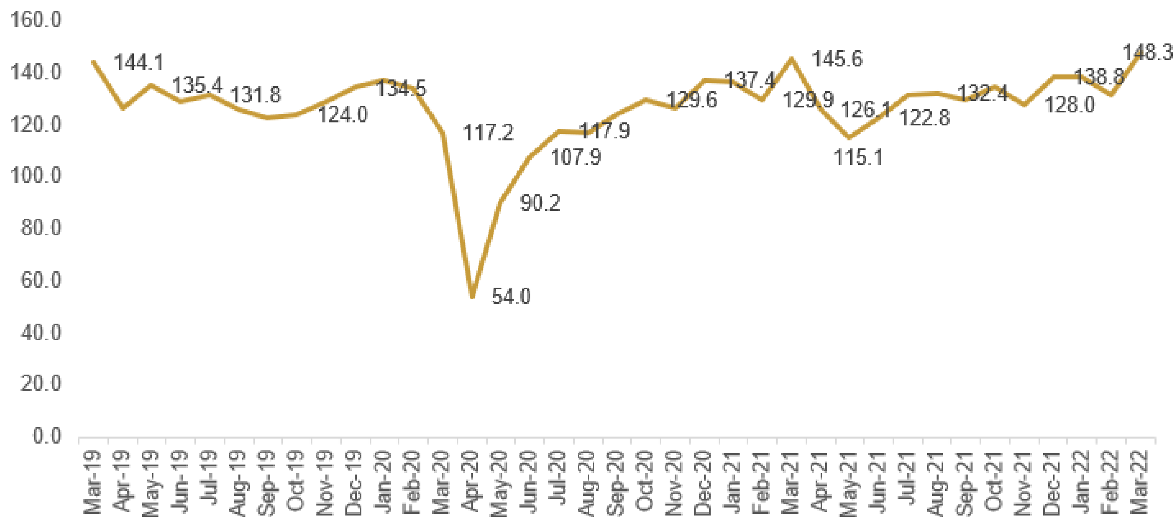
Source: CRISIL Research, Central Statistics Office (CSO), S&P Global Economics and Oxford Economics

Index of Industrial Production

The pandemic's influence on the industrial sector is represented in a negative growth rate Index of Industrial Production ("**IIP**") of 8.4% in 2021. IIP surged 20% during April-October 2021, compared to a contraction of -17.3% in the corresponding period in the previous year.

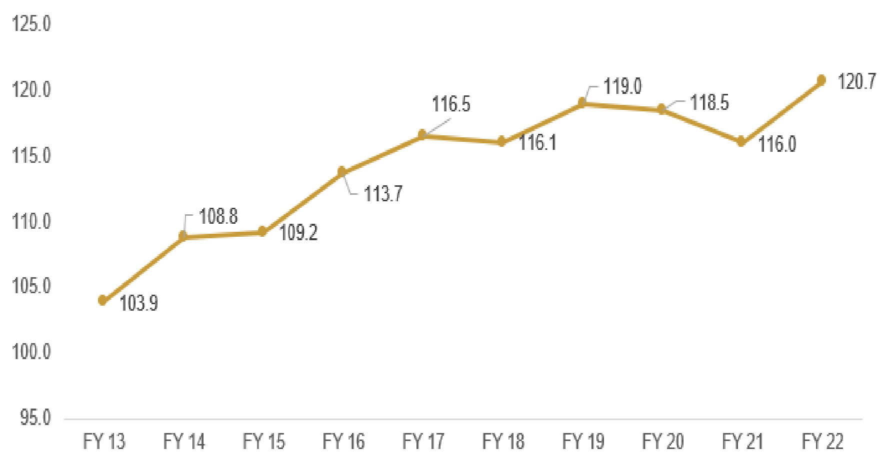
IIP witnessed a moderation in growth towards the end of 2022 - 1.9% growth in March 2022 (it had soared 24.2% in March 2021).

Value of IIP



Source: Ministry of Statistics & Programme Implementation

IIP (Manufacture of chemicals and chemical products)

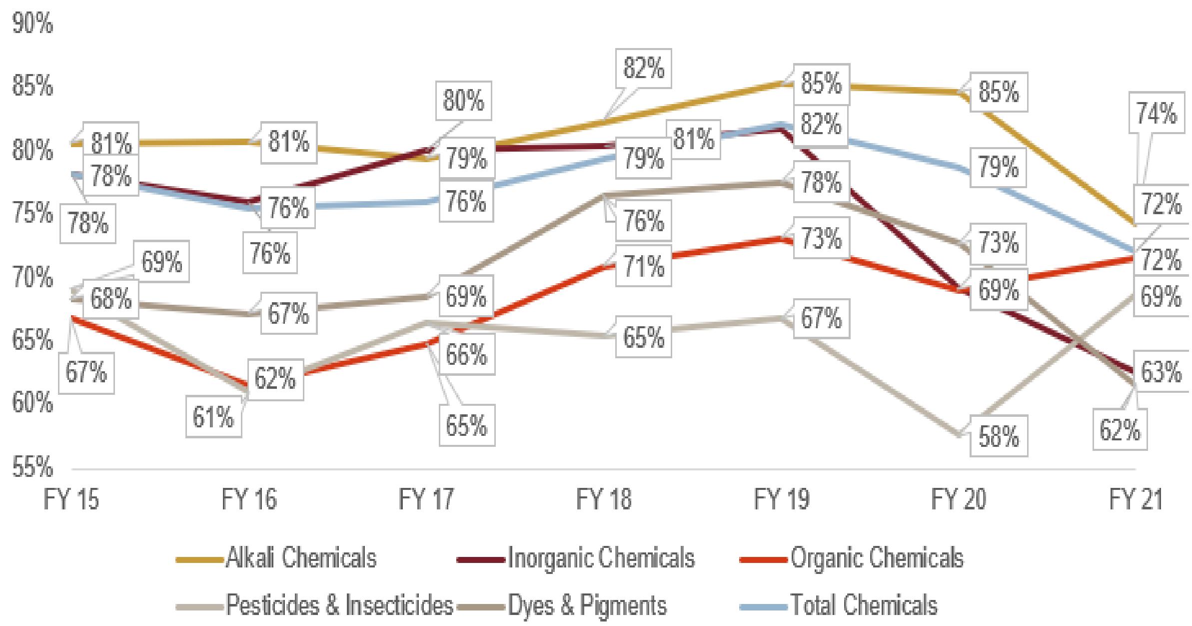


Source: Department of Chemicals and Petro-chemicals, Ministry of Chemicals and Fertilizers

Chemical sector in India is expected to grow 1.5x by 2025

India is the world's third-largest polymer consumer, fourth-largest producer of agrochemicals, and sixth-largest chemical manufacturer. India's chemicals industry accounts for 3.4% of worldwide chemicals production. The Indian chemicals industry was valued at US$ 178 billion in 2019 and is expected to grow to US$ 304 billion by 2025. The Indian chemicals sector is extremely diverse, with over 80,000 products and over 2 million people employed. The Indian chemical sector has a strong foundation for innovation because to a network of 200 national laboratories and 1,300 research and development centres. By 2025, India's chemical sector is estimated to contribute US$ 300 billion to the country's GDP. India is the world's second-largest dye maker and exporter, accounting for 16% of global production.

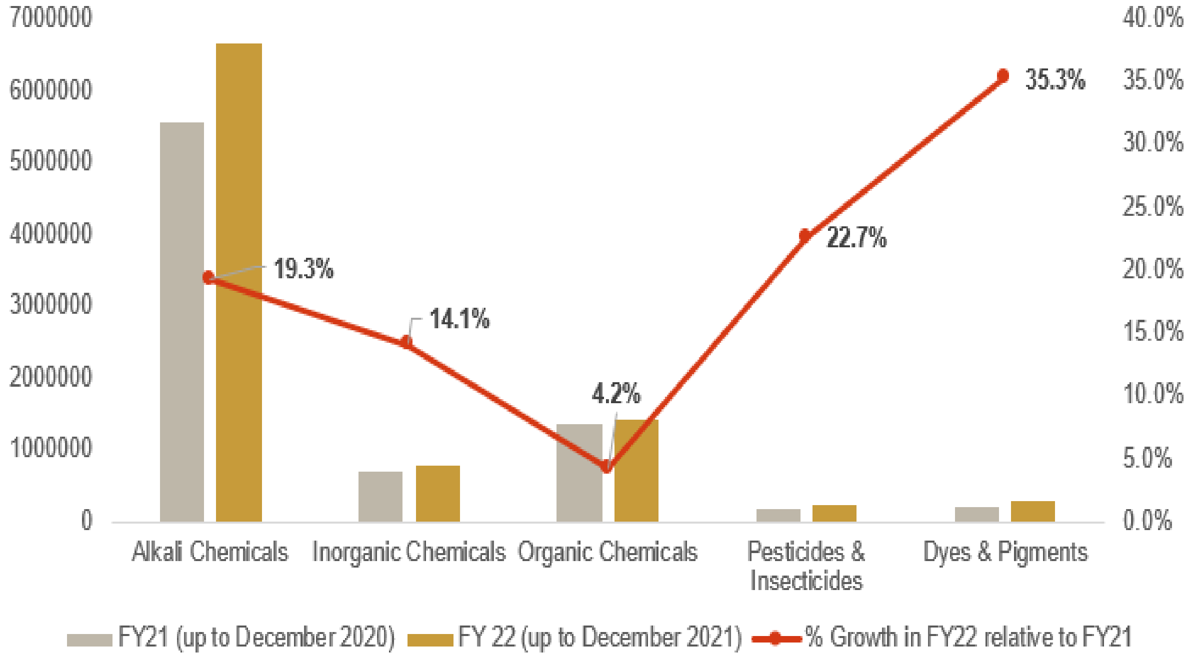
Capacity utilisation for major chemicals



Note: Based on MPRs received by the Department from manufacturers under large and medium scale units only

Source: Department of Chemicals and Petrochemicals

Production of major chemicals (in MT)



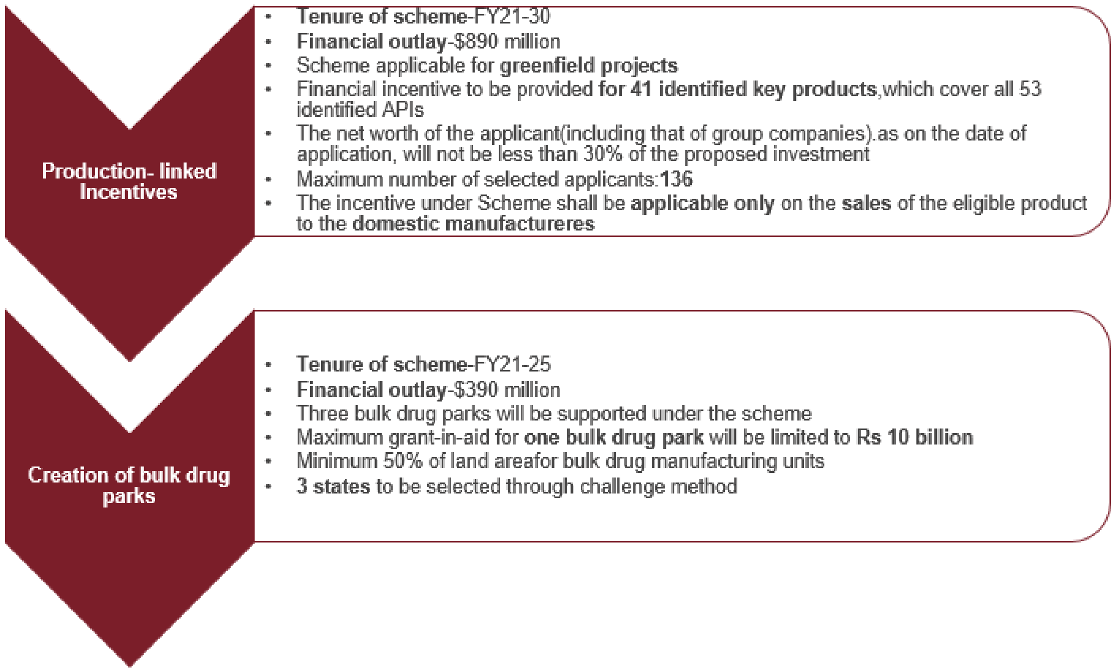
Note: Based on MPRs received by the Department from manufacturers under large and medium scale units only

Source: Department of Chemicals and Petrochemicals

PLI Scheme

PLI Scheme for active pharmaceutical ingredients (APIs)

The Union Cabinet, on March 21, 2020, approved the below schemes for the development of the Indian bulk drug sector.



Source: Government documents

The above-mentioned schemes are aimed at providing a regulatory boost to the sector by reducing the manufacturing cost of bulk drugs. With the newly announced schemes, the Indian government is also looking at creating common infrastructure facilities and reduce dependence on some critical drugs.

In addition, the 'China plus one' strategy, resulting in a number of multinationals undertaking proactive steps to reduce dependence on China for their manufacturing operations and looking at India as an alternative option, provides the opportunity for manufacturers in India.

PLI-2

The Government of India, in its notification in March 2021, extended the PLI to formulations as well as API, key starting materials covered under previous notification of production linked incentive scheme.

The objective of the scheme is to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high value goods in the pharmaceutical sector. One of the further objectives of the scheme is to create global champions out of India who have the potential to grow in size and scale using cutting-edge technology and thereby penetrate the global value chains.

PLI scheme for chemicals

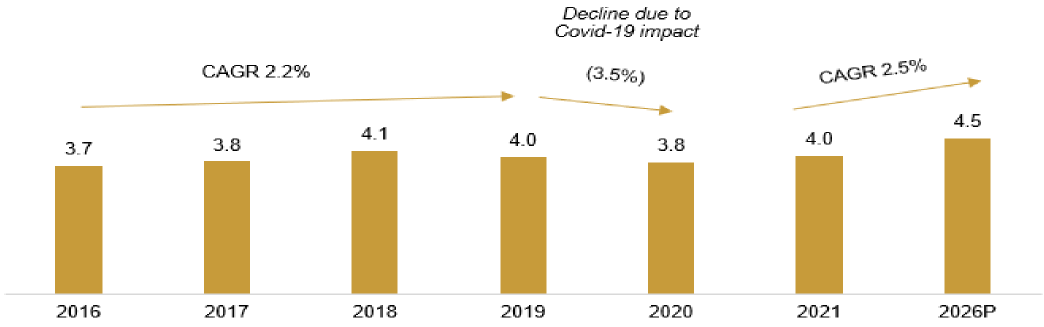
As the production of major chemicals has increased, a corresponding increase in export of chemicals was also observed relative to 2021, driven by pesticides and insecticides and dyes and pigments. However, this increase in exports was more than offset by an increase in imports, which was led by organic chemicals.

The Empowered Group of Secretaries meeting was held on July 31, 2020, to work out the details of the individual PLI schemes for the chemical sector. As per its directions, the Department of Chemicals and Petrochemicals ("**DCPC**") constituted a technical committee on August 17, 2020, to prepare the draft guidelines for the PLI scheme to promote domestic manufacturing of intermediates, bulk chemicals, and raw materials for agrochemicals, dyestuffs, and pharmaceuticals. The committee submitted its report on November 2, 2020. The DCPC has identified around 100 chemicals / intermediates imported in large value, and these chemicals are used in manufacturing the products having substantial export potential. These 100 chemicals are proposed to be supported under the PLI scheme for the chemical sector. The proposed PLI scheme aims at incentivising domestic production of intermediates and raw materials for agrochemicals, dyestuffs, and pharmaceuticals with emphasis on domestic value addition. However, the PLI scheme for chemicals has not been considered yet.

In February 2022, the Minister for Chemicals and Fertilizers said the government is planning to announce a PLI scheme for the chemical sector to promote domestic production and exports, and solve the trade deficit problem.

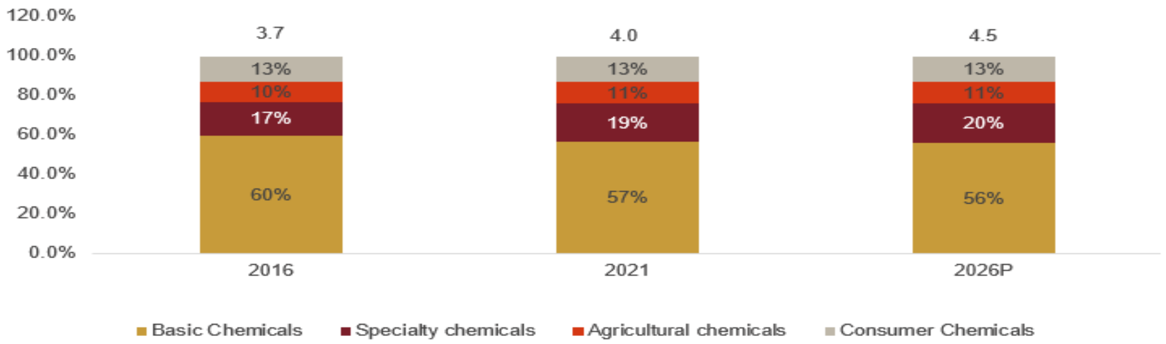
THE GLOBAL CHEMICAL AND SPECIALTY CHEMICAL INDUSTRIES

Global chemicals industry size (US$ trillion)



P: projected | Data for each calendar year
Note: Industry size excluding pharmaceuticals
Source: CRISIL Research

Global chemicals industry by segment (US$ trillion)



P: projected | Data for each calendar year
Source: CRISIL Research

India's positioning in the global chemicals industry

As of 2020, the Indian chemicals industry has an approximately 3% share in the global chemicals industry. It is sixth at the global level and fourth in Asia. The country ranks eighth in global export of chemicals (excluding pharmaceutical products) and seventh in global import of chemicals (excluding pharmaceutical products).

Chemical exports

Exporters	Exports ($ bn)	Share in world exports (in %)		
Regions / countries	2020	2005	2010	2020
EU	1,036	50.0%	46.0%	47.4%
US	212	10.9%	11.2%	9.7%
China	169	3.2%	5.2%	7.7%
Switzerland	125	4.0%	4.3%	5.7%
Japan	79	4.8%	4.6%	3.6%
South Korea	74	2.5%	2.9%	3.4%
UK	66	5.2%	4.3%	3.0%
India	53	1.0%	1.4%	2.4%
Singapore	51	2.4%	2.3%	2.3%
Canada	36	2.4%	2.0%	1.7%
Above 10	**1,901**	**86.4%**	**84.1%**	**87.0%**

Source: World Trade Organization (WTO Statistical Review, 2021)

Chemical imports

Exporters	Imports ($ bn)	Share in world imports (in %)		
Regions / countries	2020	2005	2010	2020
EU	834	41.4%	37.9%	36.2%
US	283	11.4%	10.1%	12.3%
China	212	6.7%	8.5%	9.2%
Japan	73	3.3%	3.5%	3.1%
UK	68	4.7%	4.0%	2.9%
Switzerland	57	2.3%	2.1%	2.5%
India	**53**	**1.2%**	**2.0%**	**2.3%**
South Korea	51	2.1%	2.3%	2.2%
Canada	50	2.8%	2.4%	2.2%
Mexico	43	2.1%	1.9%	1.8%
Above 10	**1,723**	**78.0%**	**74.7%**	**74.7%**

Source: World Trade Organization (WTO Statistical Review, 2021)

That said, the size of the Indian chemicals industry, excluding fertilizers and pharmaceuticals, was US$ 115 to US$120 billion in 2021. Including fertilizers and pharmaceuticals, it was US$160 to US$180 billion.

Global specialty chemicals market to log 4% to 5% CAGR by 2026

Within chemicals, specialty chemicals are a key segment, valued at US$ 750 billion to US$ 770 billion at the global level in 2021. The segment expanded at 3-4% CAGR over 2016-21.

Specialty chemicals are low volume, high-value chemicals with specific applications classified based on end-user industries. Some specialty chemicals are used in multiple industries.

Agrochemicals dominate the global specialty chemicals revenue pie, accounting for 8% to 10% share in 2021. The use of agrochemicals in fertilisers, herbicides, insecticides, and pesticides are rising because of increasing demand for agro products, led by population growth and improving propensity to buy owing to rapid industrialisation globally.

Global specialty chemicals industry classification (2021)

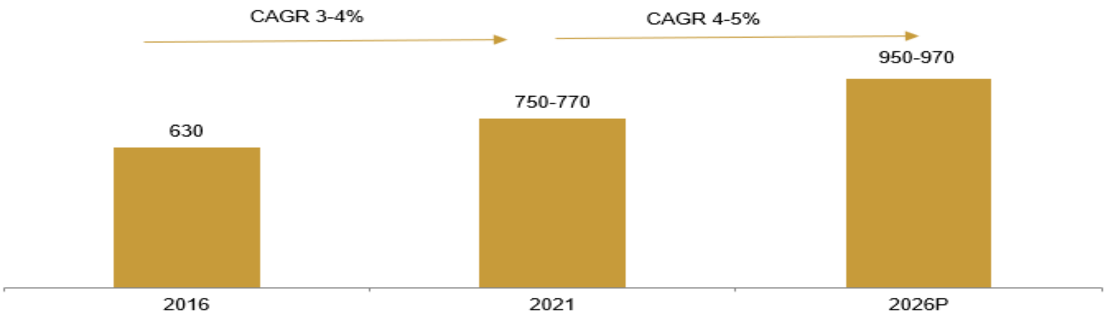
Specialty chemicals classification
Agrochemicals: 8-10% share of global market
Polymer and plastic additives
Construction chemicals
Electronic chemicals
Home and personal care chemicals: 6-7% share of global market
Performance chemicals (includes multiple sub segments): 8-10% share of global market
Pharma intermediates: 4-5% share of global market
Specialty coatings
Lubricant and oilfield chemicals
Textile chemicals
Food additives
Adhesives and sealants
Dyes and pigments
Others

Note: The performance chemical segment includes various sub-segments such as antioxidants, anti-wear additives, flotation agents, solvents, surfactants, emulsifier, solvents, and chemical intermediates

Source: CRISIL Research

In 2020, the global specialty chemicals space declined 3-4% on-year because of the fallout of Covid-19. However, the segment is estimated to have recovered in 2021. Between 2021 and 2026, the market is expected to grow at 4% to 5% CAGR to $950-970 billion.

Global specialty chemicals market size (US$ billion)



P: projected

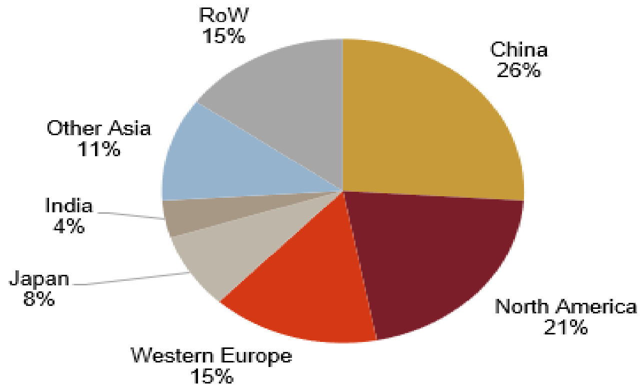
Source: CRISIL Research. Data for each calendar year

APAC is key contributor to global specialty chemicals market in 2021

Developed countries (particularly the US) and emerging countries in Asia-Pacific ("**APAC**") have seen a significant shift in the specialty chemicals industry in the past two decades. This has mainly been due to stricter environmental norms in western countries, coupled with cost advantages enjoyed by companies in emerging markets in terms of logistics and labour. The shift is also because companies are relocating closer to demand centres and optimising their supply chains.

In 2021, APAC accounted for the majority of the global specialty chemicals market, with a share of 48% to 50%, followed by North America and Western Europe.

Market share of key countries in specialty chemicals in calendar year 2021

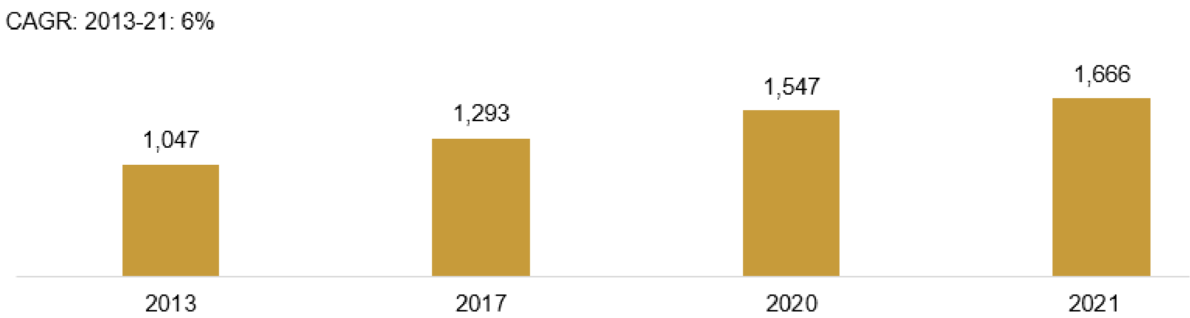


Note: CY – calendar year

Source: CRISIL Research

China's chemical industry performance

Growth of the Chinese chemical industry (EUR billion)



Source: CRISIL Research, Cefic (European Chemical Industry Council). Data for each calendar year

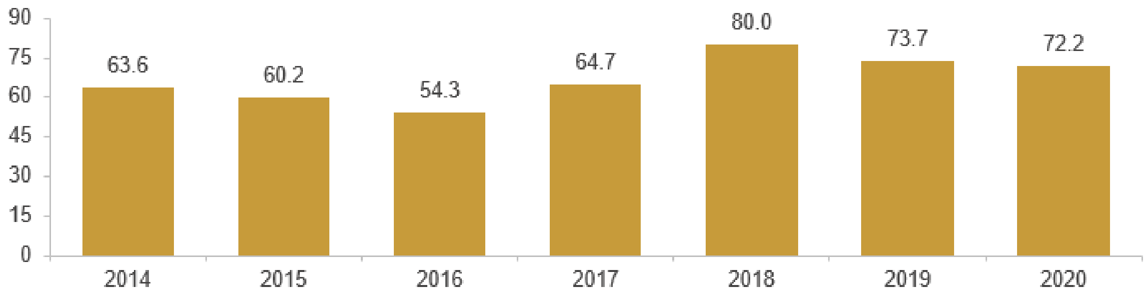
The Chinese chemical industry expanded at a CAGR of 6% during 2013-21. The industry is expected to witness a relatively slow CAGR of approximately 4% over 2021-26. Chemical demand growth is expected to taper in the consumer goods and electronics industries. Meanwhile, the automotive sector is expected to drive demand.

China’s specialty chemicals market is eroding

China’s specialty chemicals market has been on a downtrend in recent years, primarily because of environmental norms introduced by the government, which have led to the closure of several chemical plants. The Chinese government started implementing stricter environmental protection norms from January 2015 to control pollution and imposing strict penalties on polluting industries, including chemicals.

As a result, capital and operating expenditure of chemical companies are rising, making the output less competitive in the export market. China’s chemical exports have been on a downward trend since 2015. In 2017, approximately 40% of the chemical manufacturing capacity in China was temporarily shut down for safety inspections, with over 80,000 manufacturing units charged and fined for breaching emission limits. While exports rose in 2017 and 2018, as most plants restarted production, the trend has again turned south over the past two years. Domestic demand is also slowing because of slowing economic growth. China’s economy is expected to grow at relatively slower pace in the coming years, resulting in reduced domestic demand.

Trend in China’s chemical exports ($ billion)



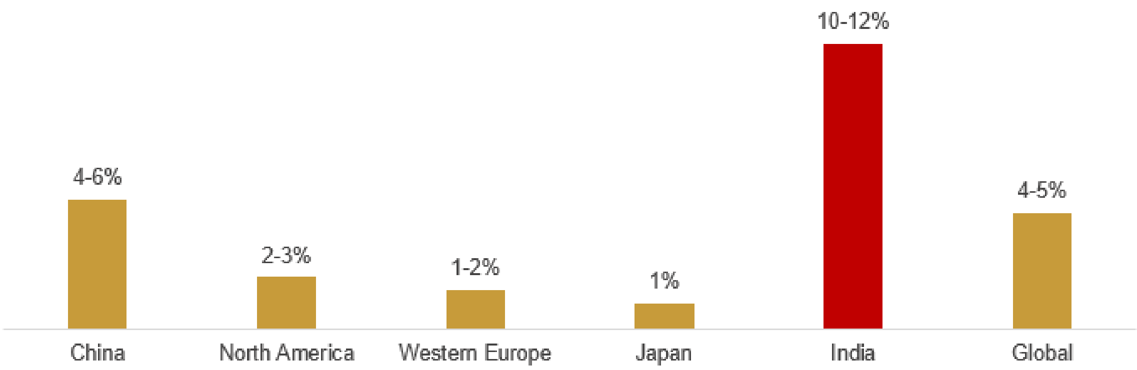
Note: Data for each calendar year

Source: UN Comtrade; export of goods under HS codes 28 and 29 considered

The Indian market is expected to grow sharply compared with other regions

By region-wise demand, India’s specialty chemicals industry is expected to post 10% to 12% CAGR over 2021-26 owing to rising demand from end-user industries, along with tight global supply on account of stringent environmental norms in China. In contrast, markets such as Americas, Europe, and Japan are expected to clock less than 3% CAGR over the next five years because of industry saturation in these regions. China’s specialty chemicals industry, which saw historic growth rates of approximately 20% and above until 2013 driven by the lower base effect while growth moderated going forward with sector exhibiting growth of CAGR of 9% to 10% over 2013-21. The sector is expected to witness relatively slow CAGR of 4% to 6% over 2021-26 owing to factors including implementation of government policies such as stringent environmental norms, changing global trade dynamics (China+1 strategy) and rising labour cost.

Region-wise growth in specialty chemicals (2021-26, CAGR)

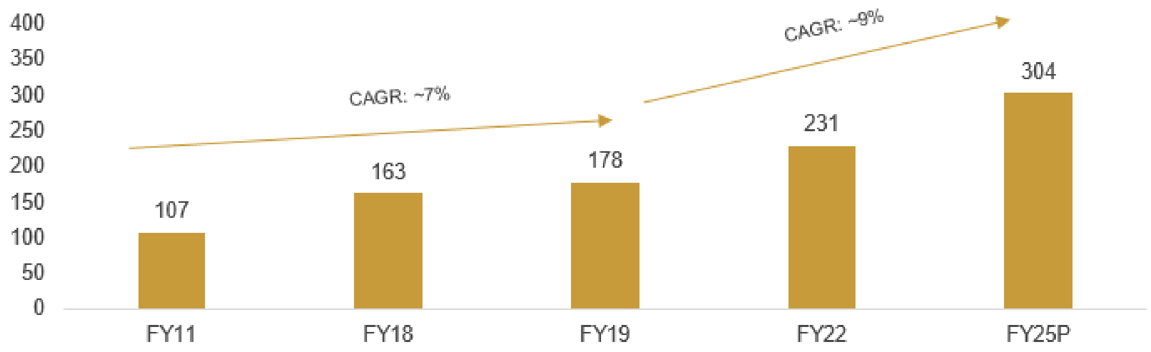


Source: CRISIL Research

INDIAN CHEMICAL AND SPECIALTY CHEMICAL INDUSTRIES

Indian chemical industry

Indian chemical industry development (US$ billion)

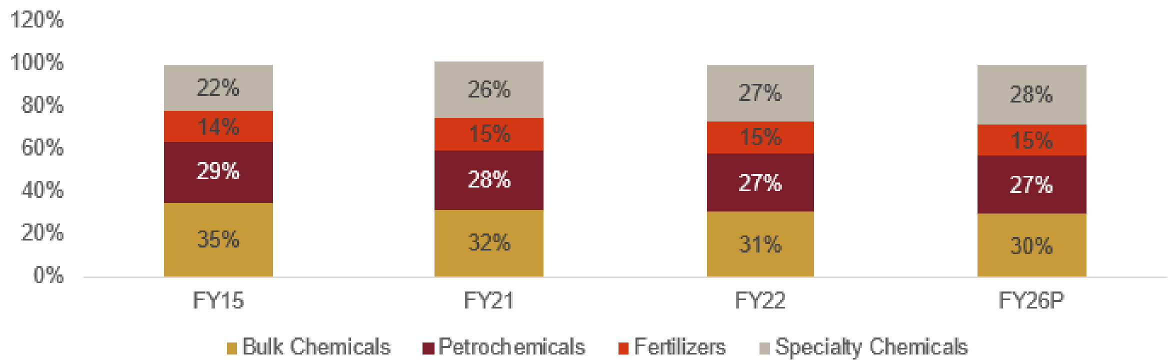


Note: Market size including (Biotech, Pharmaceuticals)
P: Projected
Source: Department of chemicals and petrochemicals

The Indian chemical industry is a key constituent of the Indian economy, accounting for 2.28% of the GVA (including pharmaceuticals) for all economic activities in 2020 compared with 2.23% in 2015. In 2020, it was ranked sixth in the world in terms of revenue (excluding pharmaceuticals) and accounted for 2.7% of the global chemical industry compared with 2.5% in 2010.

The Indian chemical industry is expected to double by 2025 at a CAGR of 9% over 2019 to 2025.

Indian chemical industry by sub-segments



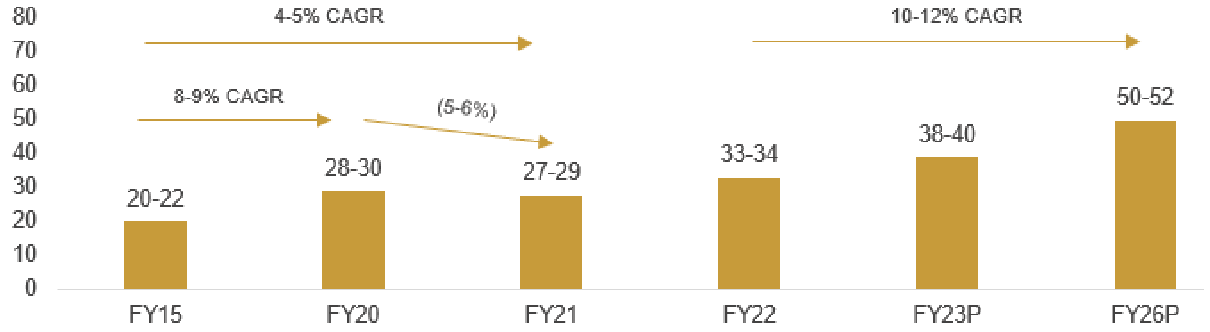
Note: Segments excluding Pharmaceuticals
P: Projected
Source: CRISIL Research

Indian specialty chemical industry

The Indian specialty chemicals industry, accounting for approximately 26% of the overall chemicals industry (excluding pharmaceuticals), was US$ 28 billion to US$30 billion in 2020. The industry expanded at 8% to 9% CAGR over 2015-20, driven by an increase in domestic offtake from various end-user industries and rising exports. However, in 2021 the industry declined 5% to 6% on-year because of a slowdown in economic activity and the consequent decline in demand from end-user industries.

The industry exhibited recovery in 2022 and is estimated between US$ 33 billion to US$34 billion. Indian specialty chemical industry is expected to reach US$ 50 to US$ 52 billion by 2026 growing at CAGR of 10% to 12% over the forecast period of 2022-2026.

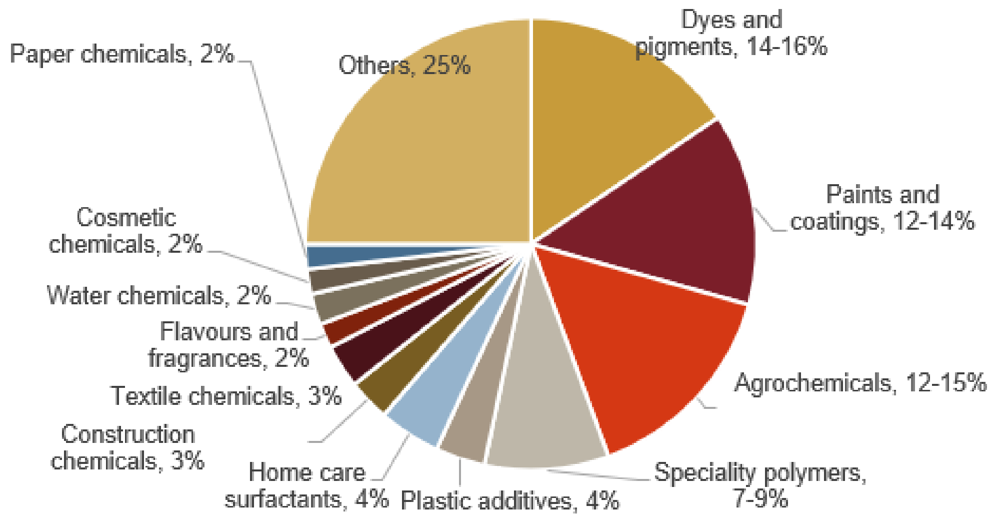
Indian specialty chemicals industry's trajectory (US$ billion)



P: Projected

Source: CRISIL Research

Major sub-segments within the specialty chemicals market (value terms) in 2022



Source: CRISIL Research

Key growth drivers for specialty chemicals industry in India

Favourable global factors

China, a major player in commodity chemicals, has seen reduced focus on specialty chemicals because of low volume and high value nature of the segment. Additionally, stricter environmental regulations introduced in 2015 have affected the output of its chemical manufacturing industry negatively. Going forward, these factors are expected to play out in favour of India's specialty chemicals industry, as exports will trend up over the next few years.

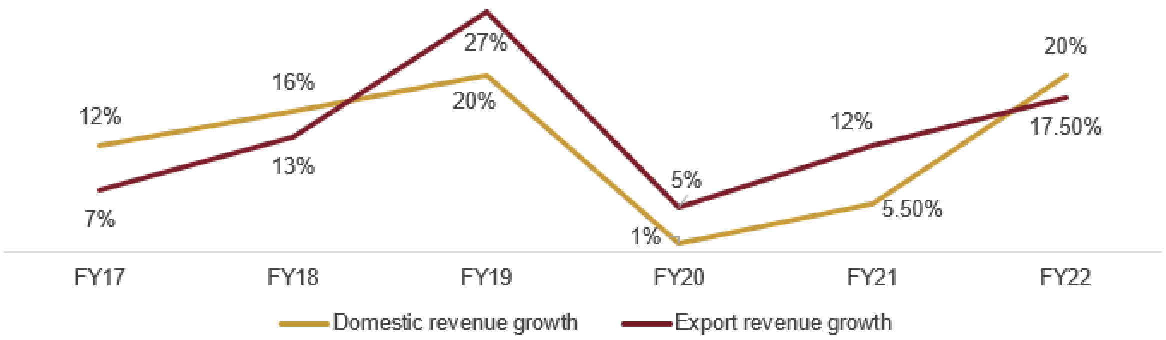
India is well-positioned to drive the specialty chemicals industry given its abundant supply of labour, land, feedstock, as well as an established legal and regulatory framework. Indian companies with strong safety, health and environment measures, strong R&D and project management, and integration are well-poised to leverage opportunities in this space. There are several players in the Indian specialty chemicals space, both organised and unorganised, each specialising in specific or diversified product segments.

Capex in speciality chemicals to increase 50% on-year this Fiscal

A revival in domestic demand and continuing robust exports will spur a 50% on-year increase in the capex of specialty chemicals manufacturers to ₹ 60,000 million to ₹ 62,000 million. That would also be well above the ₹ 50,000 million spent before the pandemic in 2020, according to a study by CRISIL of 106 rated specialty chemicals manufacturers, which account for a fourth of the sector's annual revenue of approximately ₹ 3,000 billion.

Export growth is expected to accelerate to 17% to 18% from 12% to 13% last fiscal, owing to competitive positioning of players, recovery in global demand, and the China-plus-one strategy of customers. This will also be supported by weakened competitiveness of China due to implementation of stringent environmental norms, rising labour cost, and geopolitical issues (the US-China trade war). In addition, owing to the impact of COVID-19 on the global supply chain and geo-political tensions, global suppliers are looking to diversify and expand their sourcing of products from different manufacturers across economies, including India, to minimize any disruption on their operations. Domestic growth, on its part, is likely to surge to approximately 20%, riding on strong demand from agrochemicals, fast-moving consumer goods (FMCGs), pharmaceutical and textile sectors, as well as a rise in discretionary spend.

Domestic and export revenue growth development of Indian specialty chemical companies



Notes: Based on 106 CRISIL-rated players (25% of sector's annual revenue)
Source: CRISIL Research

Key growth drivers for the Indian chemicals industry

The key growth drivers are as follows:

- Per capita consumption of chemicals in India is lower compared with western countries. Hence, there is considerable scope for new investments;
- A large population, huge dependence of the domestic market on agriculture, and strong export demand are the industry's key growth drivers;
- The shift in the geopolitical landscape and global supply chain preference from China can provide India with a platform for converting challenges into opportunities;
- The domestic market has significant growth potential as GDP and purchasing power rise; and
- World-class engineering and strong R&D capabilities.

BALAJI SPECIALTY CHEMICALS LIMITED PORTFOLIO

Balaji Specialty Chemicals Limited ("**BSCL**") is the sole manufacturer in India of niche chemicals such as Ethylenediamine ("**EDA**"), Piperazine(Anhydrous) ("**PIP**"), Diethylenetriamine ("**DETA**"), Amino Ethyl Ethanol Amines ("**AEEA**") and Amino Ethyl Piperazine ("**AEP**"),using the Monoethanol Amine ("**MEA**") process. BSCL started commercial operations in Jun 2019 and has become one of the fastest growing specialty chemicals company in India.

Introduction to amines

Amines are ammonia derivatives, having one or more hydrogen atoms being replaced by a carbon-containing substitute. The amines market is segmented by ethyleneamines, alkylamines, fatty amines, specialty amines, and ethanolamines.

Ethanolamine

Ethanolamine is a colorless liquid amino alcohol, C_2H_7NO, used as a solvent in detergent synthesis and gas purification. It is used as feedstock in the production of detergents, emulsifiers, polishes, pharmaceuticals, corrosion inhibitors, and chemical intermediates.

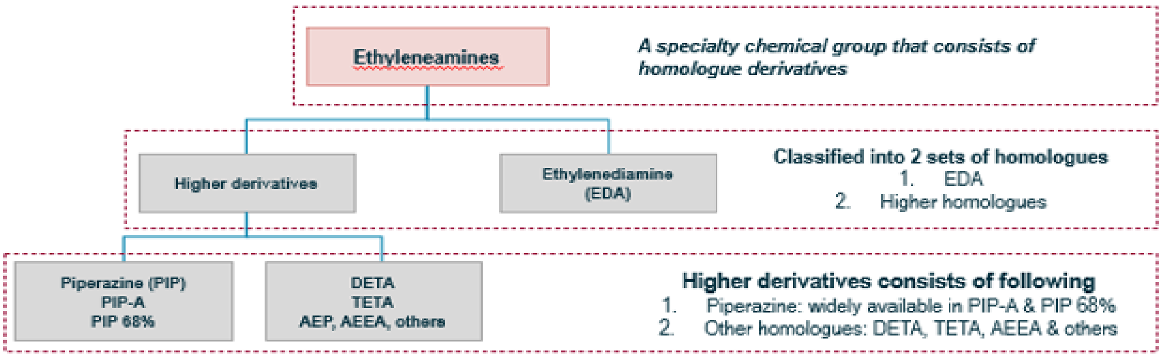
Alkylamine

Alkylamine is formed by an alkanol reaction with Ammonia in the presence of catalyst. These are mainly used as a corrosion inhibitor and in making rubber, pharmaceuticals, resins, pesticides and dyes.

Ethyleneamine

This is a class of amine compounds containing ethylene (-CH_2CH_2-) linkages between amine groups are ethyleneamines. Generally, these are colourless, low-viscosity liquids with a smell of fishy amines. These are mainly used in the production of urethane catalysts, epoxy curing agents, and asphalt additives. Ethyleneamines are a series of homologue specialty chemicals that are widely used for organic synthesis in drugs, dyes, pesticides, resins, chelates, pharma intermediates and others. It consists of various derivatives that are widely used both as an industrial raw material and as an end-product. One of the key characteristics of these derivatives is that any derivative used in any application is hard to be substituted by the other derivatives.

Ethyleneamines and derivatives



Source: CRISIL Research

At a CAGR of 10.2%, the market size of ethyleneamines is forecast to grow almost two percentage points faster than the other amines categories over the forecast period.

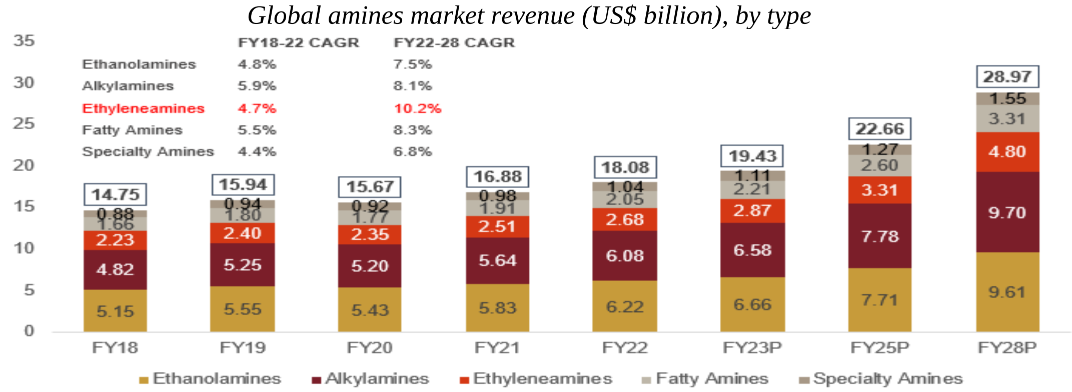
Fatty amines

Fatty amines are nitrogen-based derivatives of fatty acids/olefins derived from raw materials such as petrochemicals, fats, and oils. Fatty amines contain either a mix of carbon chains or single chain with a number of carbons ranging from right (8) to 22. Fatty amines find usage in many applications such as water treatment, agrochemicals, oilfield chemicals, asphalt additives, anti-caking and others, which include mining, personal care, fabric softener, paints and coatings, and many more.

Specialty amines

Specialty amines are important multifunctional chemicals that possess exceptional mechanical properties. Specialty amines are colourless or light-yellow liquids that are soluble in water. Specialty amines are chemical intermediaries with excellent synthesising properties. Products synthesised with specialty amines exhibit characteristics such as electric insulation and resistance to radiation, abrasion, and heat.

Global amines market revenue (US$ billion), by type



P: Projected

Source: CRISIL Research

Note: Data for fiscal years

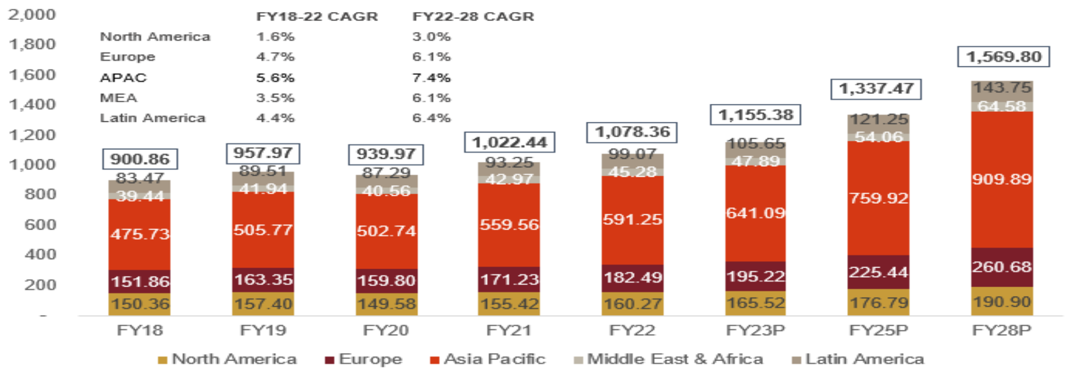
Balaji Specialty Chemicals Limited Product Portfolio

BSCL manufactures five key ethyleneamines products encompassing Ethylenediamine (“**EDA**”), Piperazine (Anhydrous)(“**PIP**”), Diethylenetriamine (“**DETA**”), Amino Ethyl Ethanol Amines (“**AEEA**”) and Amino Ethyl Piperazine (“**AEP**”).

The global market size for this basket of products was estimated to be 1,078 kilo tonne in fiscal 2022. The market grew at 4.6% CAGR between 2018 and 2022. The total market is expected to reach 1,570 kilo tonne by 2028, growing at 6.5% CAGR (2022 to 2028). The global market is presently valued at US$ 2.2 billion and is expected to grow at 6.9% CAGR to US$ 3.3 billion to 3.4 billion by 2028.

The global manufacturing landscape for ethyleneamines is characterized with presence of leading multinational companies such as Huntsman, Tosoh, AKZO Nobel, BASF, Dow Chemical, Delamines, Shandong Lianmeng Chemicals, Xingxin Chemical, Arabian Amines Company and Columbus Chemical .Apart from the global players, BSCL is the only Indian Company which has the plant and technology for manufacturing of these products. Globally, the aforementioned products are manufactured either via ethylene dichloride (EDC) route or reductive amination of mono ethanolamine route. Manufacturing of these products involves patented technology and is capital intensive.

Global market size (kilo tonnes[1]) for the products in BSCL's portfolio



[1] 1 kilo ton = 1000 MT
P: Projected
Source: CRISIL Research

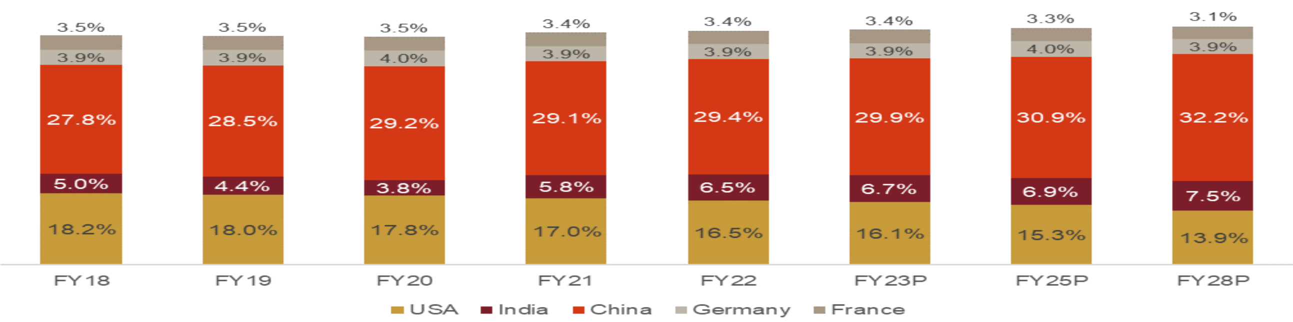
Note: Data for fiscal years

In 2022, BSCLs share of the global market in volume terms was 2.2% for EDA, 0.6% for PIP, 2.0% for DETA, 0.4% for AEEA and 0.6% for AEP. Its cumulative global market share for all five products was around 1.6% in 2022, having grown by approximately 106% CAGR in its three years of operations, 2020 to 2022.

The increasing demand in speciality chemicals, pharmaceuticals and agrochemicals from developing economies like India is likely to increase the consumption of these chemicals and its derivatives. Growing demand from these end use industries will boost the market of ethyleneamines as these plays a crucial role as an intermediate in these end-use industries.

The top five countries – China, the US, India, Germany, and France – make up the lion's share of the worldwide market at around 60%. Other important countries are Japan, Korea, Malaysia, and Brazil.

Market share of major countries (as a % of total global market revenue)



P: Projected
Source: CRISIL Research
Note: Data for fiscal years

Ethylenediamine (EDA)

EDA is ethylene amine with the lowest molecular weight. It contains two primary amine groups and is a colourless liquid, with ammonia-like odour. It is commonly used as a building block for production of many other chemical products**.**

A most prominent derivative of EDA is the chelating agent ethylenediamine tetra acetic acid (EDTA), which is derived from EDA via Strecker synthesis involving cyanide and formaldehyde. Numerous bio-active compounds and drugs contain the N-CH_2-CH_2-N linkage, including some antihistamines. Further, in recent times, ethylenediamine has been started to be used in pharmaceuticals intermediates, which is expected to grow further going forward.

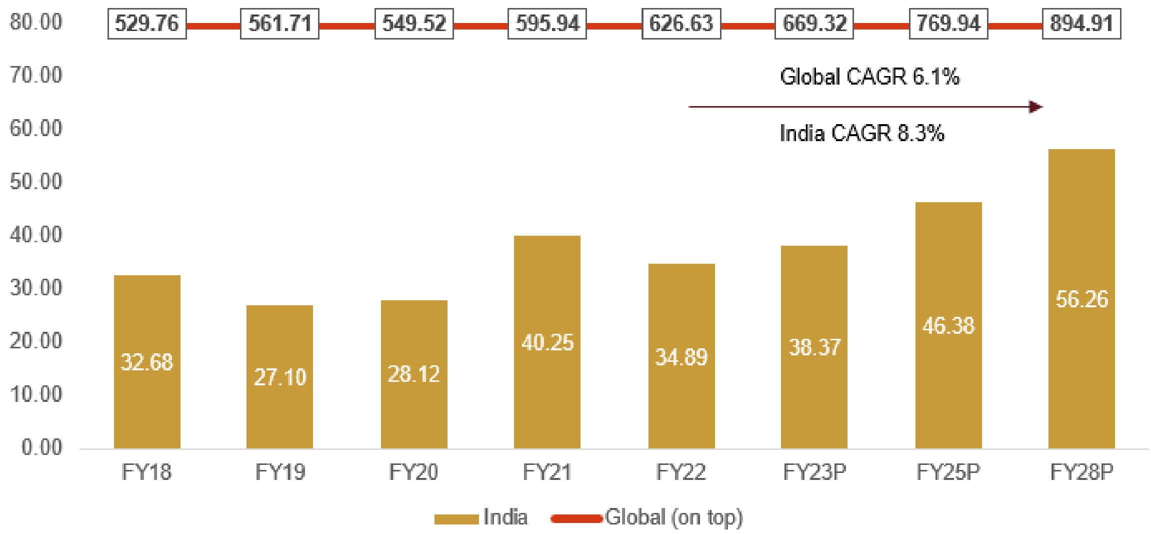
EDA application overview

Key applications	Brief overview of application usage areas
Specialty chemicals	Synthesis of a chelating agent such as ethylenediamine tetra acetic acid (EDTA) Other application areas include bleach activators, corrosion inhibitors, epoxy resins, polyamide resins (for paints, coatings polymer applications), fabric softeners, lubricants/fuel additives, emulsifiers, surfactants, textile chemicals, paper chemicals
Agrochemicals	EDA is used as main raw material for di-thiocarbamate fungicide such as Mancozeb, Maneb and Zineb, etc.
Pharmaceuticals	EDA is a potent sensitiser used in topical medications, particularly antibiotic/steroid creams for its chemical stabilising properties. EDA is also an ingredient of aminophylline, a xanthine bronchodilator used in the treatment of asthma and other respiratory problems. Other medications where EDA or its derivatives are found include some antihistamine and anti-nausea agents. EDA has also been used in dermatologic preparations.

Source: CRISIL Research

The size of the global EDA market is approximately 626.6 kilo tonne as of 2022. Revenue-wise, it reached US$ 1.3 billion in 2022, having grown at a CAGR of 5.0% between 2018 and 2022. It is expected to be a US$ 1.9 billion global market by 2028, growing at 6.5% CAGR between 2022 and 2028.

Market size for EDA (kilo tonnes[1])



[1] 1 kilo ton = 1000 MT

P: Projected

Source: CRISIL Research

Note: Global values on top bar ;Data for each fiscal year

Piperazine (PIP)

Piperazine is a cyclic ethylene amine with two secondary amine groups**.** In its pure form, PIP has a freezing point of 106°C and a boiling point of 147°C. Due to its narrow liquid range, commercial piperazine is often supplied as 68% active content diluted with water (PIP 68%). It is also supplied in anhydrous form (PIP 99%) or piperazine flakes.

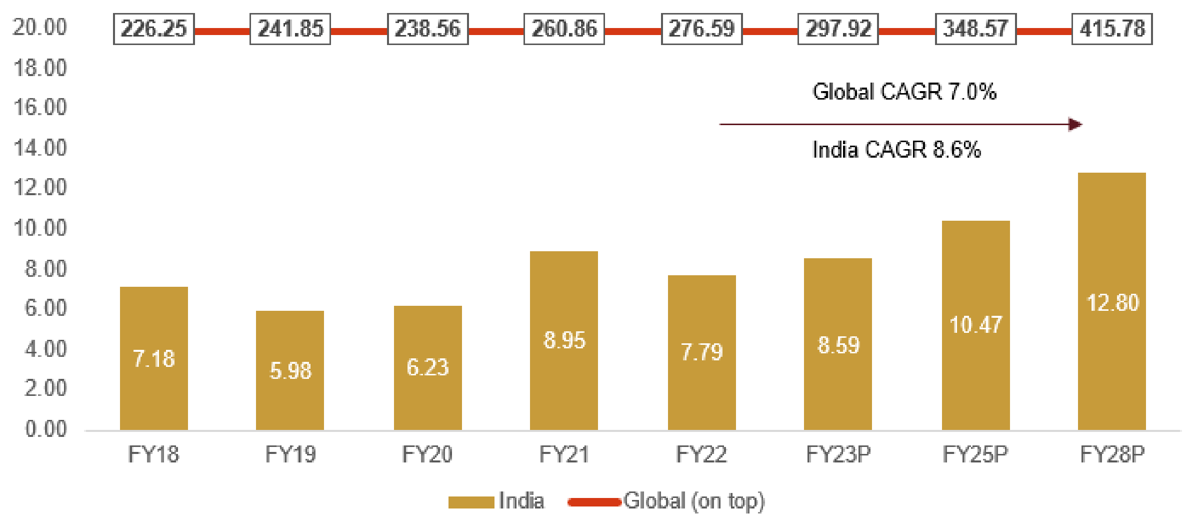
Piperazine application overview

Key applications	A brief overview of application usage areas
Pharmaceuticals	As medicines, the piperazine ring is found in anti-infective, antibiotics, anticancer agents, cardiovascular agents and others. Piperazine is commonly used as a raw material for several commercially available drugs. It is used as a raw material in the production of quinolone drugs, such as Ciprofloxacin and Norfloxacin. Other drugs containing it include anti-helmintics, sedatives, antihistamines, antifilarials, tranquillizers, and analgesics. Piperazine chips serve as a synthesis component in the production of Viagra.
Specialty chemicals	Piperazine can be used in the production of polyamides for hot-melt, pressure-sensitive, and heat-seal adhesives for leather, paper, plastic, and metal.
	Piperazine is used in the production of polyamide resins (a reagent, along with fatty acids), urethane and epoxy systems. In polyurethanes it is both a catalyst, a reagent and a reactant used to produce polyol components. Polyamide resins based on piperazine find use as binders in printing inks for flex gravure printing on certain paper, film, and foil webs. Thermoplastic polyamides are similarly used in formulating glossy, abrasion-resistant, overprint varnishes.
	Piperazine is employed as an additive for gas sweetening - removal of hydrogen sulphides (CO_2 and H_2S gas treatment area)

Source: CRISIL Research

The size of the global PIP market is approximately 276.6 kilo tonne as of 2022.The global market for piperazine is valued at US$ 572 million in 2022. It is expected to increase to US$ 880 million by 2028, growing at a CAGR of 7.4% between 2022 and 2028.

Market size for Piperazine (in kilo tonnes[1])



[1] 1 kilo ton = 1000 MT

P: Projected

Source: CRISIL Research

Note: Global values on top bar; Data for each fiscal year

Diethylenetriamine (DETA)

Diethylenetriamine (DETA) is a linear ethylene amine containing two primary and one secondary nitrogen. DETA is a member of the ethylene amines family. At room temperature, it is a 'colorless to light yellow' liquid with an ammonia-like odor and is readily soluble in both water and organic solvents. DETA is a structural analogue of diethylene glycol. Its chemical properties resemble those for Ethylenediamine and has similar uses. It is a weak base, and its aqueous solution is alkaline. DETA is a byproduct of the production of Ethylenediamine.

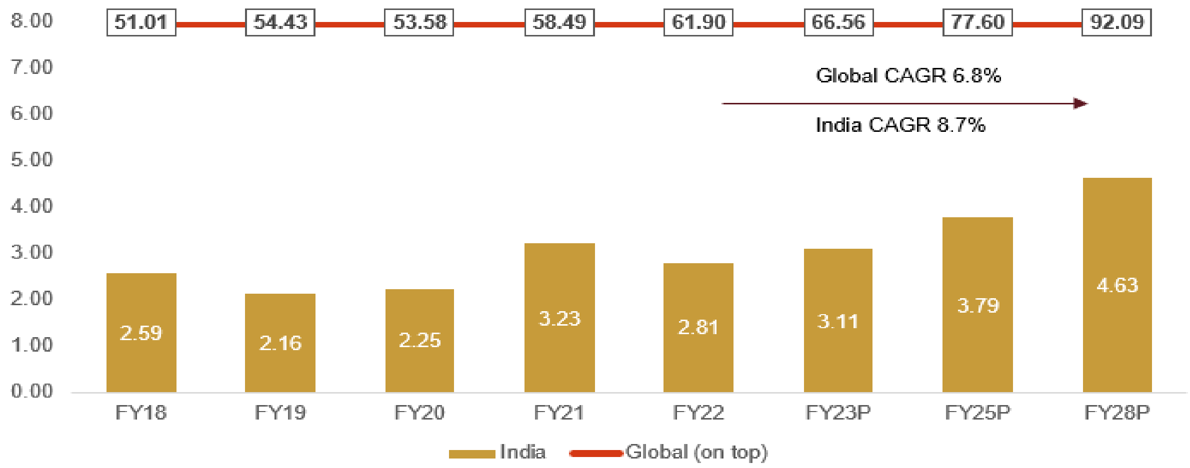
DETA application overview

Key applications	A brief overview of application usage areas
Specialty Chemicals	Used in the oil industry as a solvent for sulphur and extraction of acid gas. Used as additive in oil drilling industry as viscosity modifiers and emulsifiers
	Used as chelating agents for detergents, pigment dispersion, metal treating, and oil production. DETA is collector that enhances flotation separation for use in collection of iron and other metals
	DETA is utilised as hardener for epoxy resins
	It is used as a softener and fixator in the textile industry. DETA is the building block in the manufacture of imidazoline-based corrosion inhibitor and asphalt-modification additives.
	Diethylenetriamine is a common curing agent for Epoxy-Resins in epoxy adhesives. In coordination chemistry, it serves as a tridentate ligand-forming complexes, such as Co(dien)(NO2)3. Like some related amines, it is used in the oil industry for the extraction of acid gas. DETA can be used to sensitize nitromethane, making a liquid explosive compound similar to PLX. Mixed with unsymmetrical Dimethylhydrazine, it was used as Hydyne, a propellent for liquid-fuel rockets.
Pharmaceuticals	It is main component of anthelmintics and psychoactive drugs

Source: CRISIL Research

The size of the global DETA market is approximately 61.9 kilo tonne as of 2022. The global market for DETA is valued at US$ 129 million in 2022. It is expected to increase to US$ 196 million by 2028, growing at a CAGR of 7.2% between 2022 and 2028.

Market size for DETA (in kilo tonne[1])



[1] 1 kilo ton = 1000 MT

P: Projected

Source: CRISIL Research

Note: Global values on top bar; Data for each fiscal year

Amino Ethyl Ethanol Amines (AEEA)

Amino Ethyl Ethanol Amines (AEEA) is a linear molecule with primary and secondary amine groups. AEEA is a single component product, with minimal Ethylenediamine impurities. AEEA is a colorless liquid, with slightly higher viscosity than EDA and DETA and has an ammonia-like odour.

AEEA is an organic base used in the industrial manufacture of fuel and oil additives, chelating agents, and surfactants.

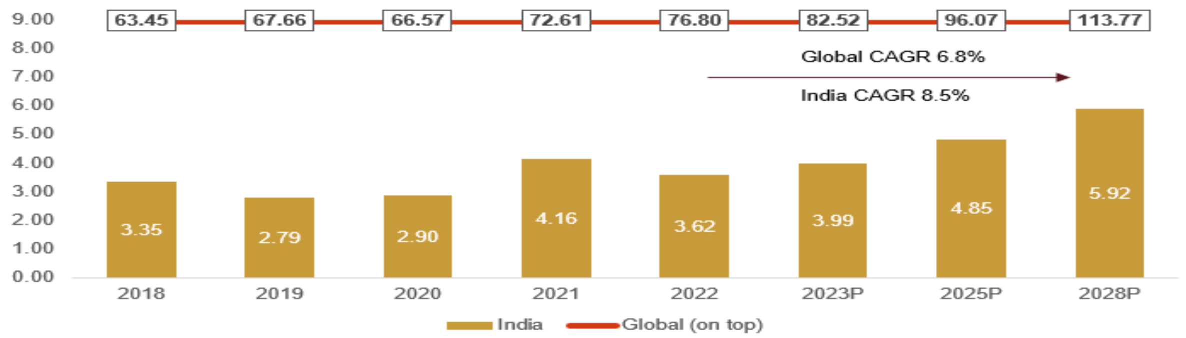
AEEA application overview

Key applications	A brief overview of application-usage areas
Specialty chemicals	Used as lube-oil additives
	Formulated as an intermediate to form chelating agents
	AEEA is used to manufacture wet-adhesion additives for latex paints, also used in urethane systems
	Manufacture of fabric softeners, fuel additives, corrosion inhibitors

Source: CRISIL Research

The size of the global AEEA market is approximately 76.8 kilo tonne as of 2022. The global market for AEEA is valued at US$ 160 million in 2022. It is expected to increase to US$ 243 million by 2028, growing at a CAGR of 7.2% between 2022 and 2028.

Market size for AEEA (in kilo tonne[1])



[1]1 kilo ton = 1000 MT
P: Projected
Source: CRISIL Research

Note: Global values on top bar ; Data for each fiscal year

Amino Ethyl Piperazine (AEP)

Amino Ethyl Piperazine (AEP) is an ethylene amine with a unique molecular structure, as it contains a primary, secondary and tertiary amine. AEP is a single- component product which is clean, has ammonia-like odour and a colorless with a broad liquid range, making it a suitable raw material for a large variety of applications. Amino Ethyl Piperazine is an organic compound with a wide range of commercial and industrial applications. It is used primarily as reactive intermediates (i.e., building blocks) to produce other useful chemical products, due to its unique combination of reactivity, surface activity, and basicity.

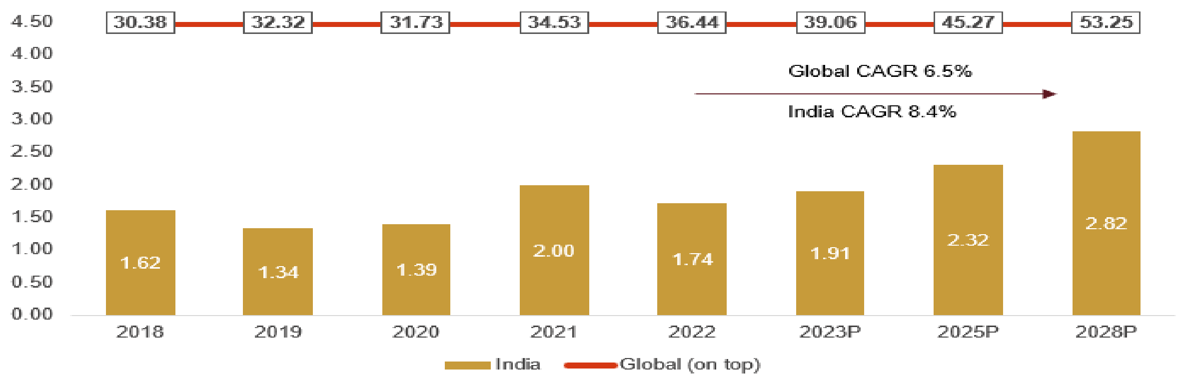
AEP application overview

Key applications	A brief overview of application usage areas
Specialty chemicals	Mineral processing aids, ore floatation agents
	Epoxy curing agents, urethane chemicals
	Production of asphalt chemicals, corrosion inhibitors, petroleum production chemicals
	Is it used for asphalt chemicals, corrosion inhibitors, epoxy curing agents, ore floatation agents, urethanes, mineral processing aids, petroleum production chemicals and poly amide resins. When used as an epoxy resin curing agent, it is usually used in conjunction with other amines as an accelerator as it only has three amine hydrogens for cross-linking.

Source: CRISIL Research

The size of the global AEP market is approximately 36.4 kilo tonne as of 2022. The global market for AEP is valued at US$ 76 million in 2022. It is expected to increase to US$ 114 million by 2028, growing at a CAGR of 6.9% between 2022 and 2028.

Market size for AEP (in kilo tonnes[1])



[1]1 kilo ton = 1000 MT
P: Projected
Source: CRISIL Research

Note: Global values on top bar ; Data for each fiscal year

Global and India Market Summary

Overview of BSCL product market size development in India and globally

Product	Global Market Size (Kilo Tonnes[1]) - KT)			India Market Size (Kilo Tonnes[1]) - KT)			Global Market	India Market
	FY18	FY22	FY28P	FY18	FY22	FY28P	CAGR (FY22-28)	CAGR (FY22-28)
EDA	529.76	626.63	894.91	32.68	34.89	56.26	6.1%	8.3%
PIP	226.25	276.59	415.78	7.18	7.79	12.80	7.0%	8.6%
DETA	51.01	61.90	92.09	2.59	2.81	4.63	6.8%	8.7%
AEEA	63.45	76.80	113.77	3.35	3.62	5.92	6.8%	8.5%
AEP	30.38	36.44	53.25	1.62	1.74	2.82	6.5%	8.4%
Total	**900.86**	**1,078.36**	**1,569.80**	**47.42**	**50.85**	**82.43**	**6.5%**	**8.4%**

[1]1 kilo ton = 1000 MT, P: Projected
Source: CRISIL Research

BSCL Market Positioning

BSCL market positioning in India and globally

S.No	Products	Sales volume in Fiscal 2022 (in MT)	Industry Segment*	End-Use Application*	Company's market position in India[1]	Company's market position globally[2]
1	Ethylenediamine (EDA)	13,941.87	Specialty Chemicals	Production of Chelating Agents (EDTA), bleach activators, corrosion inhibitors, epoxy resins, polyamide resins (for paints, coatings polymer applications), fabric softeners, lubricants/fuel additives, emulsifiers, surfactants, textile chemicals, paper chemicals	Sole manufacturer using the MEA process, 25.9% market share in FY22	2.2% market share in FY22
			Agrochemicals	Production of Dithicarbamate Fungicides such as Mancozeb, Maneb and Zineb, etc.		
			Pharmaceuticals	Production of Aminophylline, a xanthine bronchodilator used in the treatment of asthma and other respiratory problems, antihistamine, antibiotic/steroid creams		
2	Piperazine (PIP)[3]	1,541.27	Pharmaceuticals	Production of quinolone drugs, such as Ciprofloxacin and Norfloxacin. Other	Sole manufacturer using the MEA process, 57.5%	0.6% market share in FY22

S.No	Products	Sales volume in Fiscal 2022 (in MT)	Industry Segment*	End-Use Application*	Company's market position in India[1]	Company's market position globally[2]
				drugs containing it include anti-helmintics, sedatives, antihistamines, antifilarials, tranquillizers, and analgesics.	market share in FY22	
			Specialty Chemicals	Polyamide Resins, Oil field chemicals for gas sweetening		
3	Diethylenetriamine (DETA)	1,223.73	Specialty Chemicals	Additive in oil drilling, chelating agent in detergents and metal treating	Sole manufacturer using the MEA process, 11.4% market share in FY22	2.0% market share in FY22
			Pharmaceuticals	Anthelmintics, psychoactive drugs		
4	Amino Ethyl Ethanol Amines (AEEA)	326.76	Specialty Chemicals	Lube Oil and Fuel Additives, Surfactants, Fabric Softeners	Sole manufacturer using the MEA process, 21.6% market share in FY22	0.4% market share in FY22
5	Amino Ethyl Piperazine (AEP)	203.50	Specialty Chemicals	Corrosion Inhibitors, Ashphalt Chemicals, Epoxy Curing Agents, Poly Amide Resins.	Sole manufacturer using the MEA process, 3.5% market share in FY22	0.6% market share in FY22

Note:
1) *Market share in India has been calculated on the basis of sales volume of the relevant product in India in Fiscal 2022, including imports.*
2) *Global market share has been calculated on the basis of total sales volume of relevant product during Fiscal 2022 and global market size in terms of sales volume*
3) *Anhydrous form*

Competitive landscape in India and growth outlook for BSCL

BSCL is the sole manufacturer of specialty chemicals using MEA process for manufacturing of products such as Ethylenediamine (EDA), Piperazine (Anhydrous) (PIP), Diethylenetriamine (DETA), Amino Ethyl Ethanol Amines (AEEA) and Amino Ethyl Piperazine (AEP). in India. These products are import substitutes – the current imports for these products in India, for instance, were close to 37.8 kilo tonnes in 2022.

Manufacturing technology

BSCL manufacturing process is based on reductive amination of mono ethanol amine (MEA) with ammonia over a heterogeneous catalyst route. The manufacturing via MEA process does not involve chlorine (chlorine is considered hazardous chemical) chemistry unlike via EDC route.

Mono ethanolamine and ammonia are reacted under hydrogen atmosphere over a catalyst at a pressure of around 150-200 kg/cm² and the temperatures are preferably between 150 degree Celsius and 225 degree Celsius and continuously converted into a mixture of Ethylenediamine, Diethylenetriamine, Piperazine, Amino Ethyl Piperazine, Hydroxy Ethyl Piperazine and Amino Ethyl Ethanol Amines. The reaction mixture obtained from the reactor is then subjected to a series of distillations for recovering of the products and recycling the excess raw materials and byproducts formed in the reaction. The byproducts formed are recycled back to the reaction stage for conversion of desired products.

Reaction:

NH_3	+	$NH_2CH_2CH_2OH$	$\longrightarrow$	$NH_2CH_2CH_2NH_2$	+	H_2O
Ammonia		Monoethanol Amine (MEA)		Ethylene Diamine (EDA)		

Easy availability of raw materials

The key raw material required are mono ethanol amine (MEA) and ammonia (NH_3), which are easily available and there are no restrictions on their procurement.

BSCL's state-of-the-art manufacturing infrastructure

Incorporated in 2010 as Balaji Benzochem Private Limited in August 2010, commenced commercial production from our manufacturing facility located at Solapur, Maharashtra in 2019. BSCL's manufacturing facility, spread over 41,920 square meters, is located at MIDC, Chincholi, Solapur, Maharashtra. The plant has an installed capacity of 30,000 TPA with environmental clearance (EC) of 45,330 TPA. The manufacturing facility has been declared a mega project by the state government of Maharashtra and is eligible for a 50% refund of state-GST on a gross basis.

The company's location of the facility near the major highway and rail routes and with a branch line to the neighboring states of Karnataka and Hyderabad, which are the main hubs for pharmaceutical and agrochemical industries, provides cost and logistical advantage.

The company's manufacturing facility is first of its kind in India to manufacture these niche products by using MEA process. The process uses a High Pressure-High Temperature Catalytic Fixed Bed Reactor with Equilibrium Reaction and is based on "continuous flow" across multiple unit operations. The basic technology/engineering was exclusively licensed for India from a reputed International Technical University for 10 years, commencing from June 2019. The detailed engineering, process flow, P&I drawings, balancing equipment for reactor, distillation, and other areas of the process parameters, suitable to Indian conditions, were done internally by the in-house engineering team. The continuous flow nature of the process ensures a longer life of the catalyst, enabling maximizing capacity over the entire catalyst life. Further, this also ensures consistent operations and quality of products with optimum consumption coefficient of raw materials.

BSCL's plant (production process) is fully automated and is controlled by an automated DCS control system. All process parameters are monitored and controlled using the DCS system with communication, power, and processor redundancy. Additionally, the facility has an effluent treatment system, to make the facility a zero liquid discharge (ZLD) facility

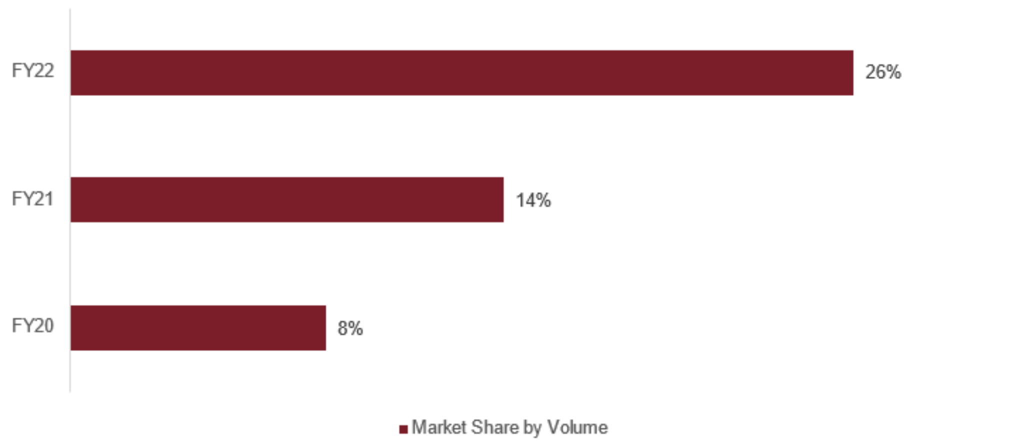
Balaji Specialty Chemicals Limited (BSCL) installed and licensed capacity

S. No	Manufacturing location	Products	Installed capacity, MTPA	Licensed capacity, MTPA (environmental clearance approved total capacity)
1	Maharashtra, Solapur (MIDC, Chincholi)	Ethylenediamine (EDA)	22,020	37,350
2		Piperazine (PIP)	4,050	4,050
3		Diethylenetriamine (DETA)	3,150	3,150
4		Amino Ethyl Piperazine (AEP) / Amino Ethyl Ethanol Amines (AEEA) /Hydroxy Ethyl Piperazine/Mixture of Higher Amines	780	780
Total capacity			30,000	45,330

Source: CRISIL Research

BSCL's market share in India

BSCL's share of the Indian market (2022 to 2022)



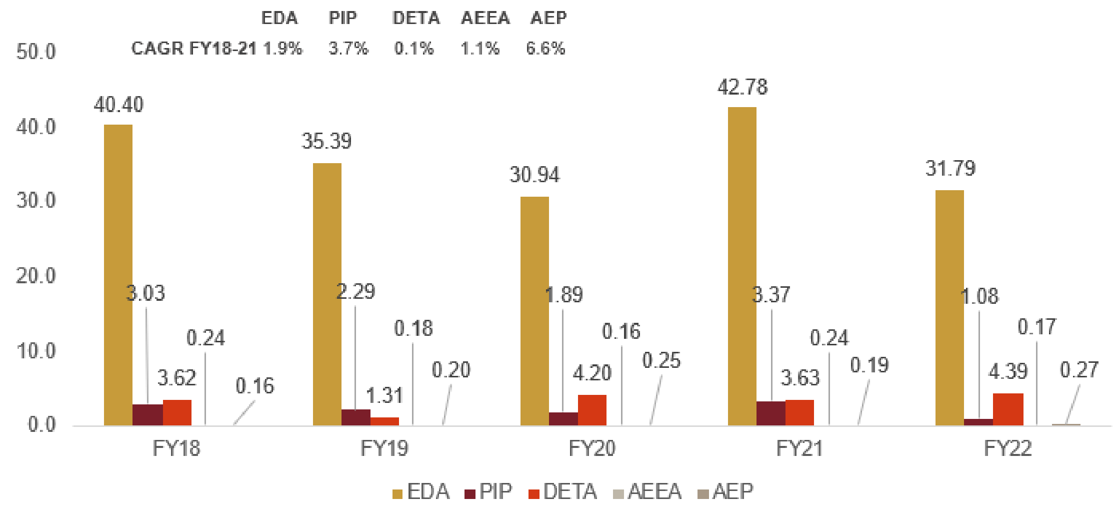
Note: The overall India market size determined based on imports and domestic sales of the five molecules. Market share calculated by taking BSCLs domestic sales volumes as a percentage of the overall India market size in terms of volumes.

Source: CRISIL Research

The future of BSCL's share in the Indian market will rely on the balance between local manufacturing and imports and will be subject to extent the company is able to replace import requirements of major players with domestic production. On the export front, the company has received REACH registration for EDA and DETA products, which enable it to export its products within the European Union.

In Fiscal 2022, India imported 31.8 KT of Ethylenediamine, 1.1 KT of Piperazine, 4.4 KT of Diethylenetriamine, 0.2 KT of Amino Ethyl Ethanol Amines and 0.3 KT of Amino Ethyl Piperazine. Further, in the last three years (Fiscal 2020-2022), India cumulatively imported 125.4 KT of these products, *i.e.*, 105.5 KT of Ethylenediamine, 6.3 KT of Piperazine, 12.2 KT of Diethylenetriamine, 0.6 KT of Amino Ethyl Ethanol Amines and 0.7 KT of Amino Ethyl Piperazine.

India's imports for the products in BSCL's portfolio (in kilo tonnes[1])



[1] 1 kilo ton = 1000 MT

Source: CRISIL Research

Currently, there are no effective substitute for the products that BSCL manufactures for the end user industries and historically such products were imported from countries such as Japan, China, Belgium, Sweden, and Saudi Arabia and catered to a significant portion of the total demand for these products.

Other factors that will play a critical role include in influencing market dynamics:

Market entry barriers in India

Entry barriers to new entrants for these products, due to difficulty in access to technology, as the technology providers have agreements with the manufacturers (exclusive agreements for long period of time). Capex requirement is also significantly high, technical know-how required to produce the products and requirement of large distribution network which may not be possible for new entrants in the market.

Planned capacity addition by BSCL's domestic customers

Companies such as Indofil, UPL and Aarti Industries, among others, which are key customers of BSCL, have announced plans to expand their capacity in the coming fiscals.

Indofil has taken environmental clearance (EC-Dec, 2021) approval for its Unit-3 in Dahej to double its existing capacity, encompassing Mancozeb, Maneb, Zineb, Propineb and its formulation from 35,500 tonne per annum to 75,500 tonne annum. UPL has taken environmental clearance (EC-Dec, 2019) approval for its Unit-1 to double its existing cumulative capacity, encompassing Mancozeb, Maneb and Zineb, from 650 TPM (7,800 tonne per month) to 1,300 TPM (15,600 tonne per annum). Aarti Industries has taken the EC approval for setting up of API, bulk drug manufacturing facility of capacity 210 TPM (tonne per month) in Maharashtra, Tarapur. The company plans to manufacture drugs, such as Ranolazine (25 TPM) and Aminophyline (25 TPM).

These developments indicate a positive mid-to-long term outlook for BSCL, whose products are used as raw material by these companies.

Production ramp-up flexibility

Debottlenecking and addition of columns planned in the near future. Capacity expansion also planned – the company can expand with minimum capex to meet the demand in a short time.

Global reach and customer base

The company has a well-established marketing network, client base includes 182 customers (domestic – 148, overseas-34) as on March 31, 2022, comprising of leading specialty chemical, pharmaceutical and agrochemical manufacturers. The company currently exports to the US, Asia, and Europe regions. Key export countries include UK, Belgium, Italy, China, the UAE, Turkey, Korea, Malaysia, and Kuwait. Demand for Ethylenediamine (EDA) from China alone was approximately 1,600 tons in calendar year 2021 as per import statistics.

Company has backing from its parent company

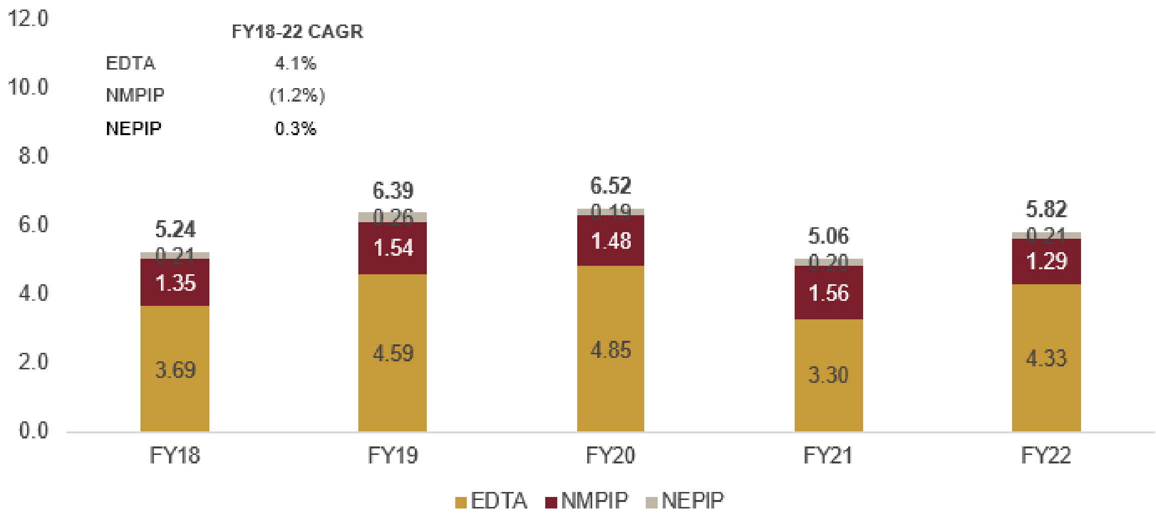
Rich experience of the promoters in similar state-of-the-art technology products, which are manufactured for the first time in India and are import substitutes. BSCL is a subsidiary of Balaji Amines Limited (BAL), one of the leading manufacturers of aliphatic amines in India. The company has its backing from its parent, Balaji Amines, which holds a 55% stake in BSCL.

BAL is one of the leading manufacturers of aliphatic amines manufacturers in India. BAL specialize in manufacturing of methylamines, ethylamines, derivatives of specialty chemicals and pharma excipients. and is one of the leading manufacturers of aliphatic amines in India. The key products manufactured by BAL includes mono methyl amine, di methyl amine, tri methyl amine and di ethyl amine which are used in pharmaceutical and agrochemical industry with various end use application such as corrosion control, photographic chemicals, solvents, dye stuff and corrosion inhibitors amongst others. BSCL can leverage BAL's expertise in manufacturing of amines that are produced by reacting at elevated temperatures, a first reactant used in various industries, which is either an alcohol, an aldehyde, or a ketone with a second reactant which is either ammonia, a primary or secondary amine or a nitrile in the presence as catalyst.

Market assessment for new products in BSCL's portfolio

BSCL is working on a number of products, which are under development, and some of these are downstream / value-added products for the existing products. Some of the products include ethylenediamine tetra acetic acid (EDTA), N-Ethyl Piperazine (NEPIP) and N-Methyl Piperazine (NMPIP) and some other derivatives. In India, the products are being primarily imported in large quantity, which the company plans to substitute through local manufacturing.

India import trends in kilo tonnes[1] (2018 to 2022)



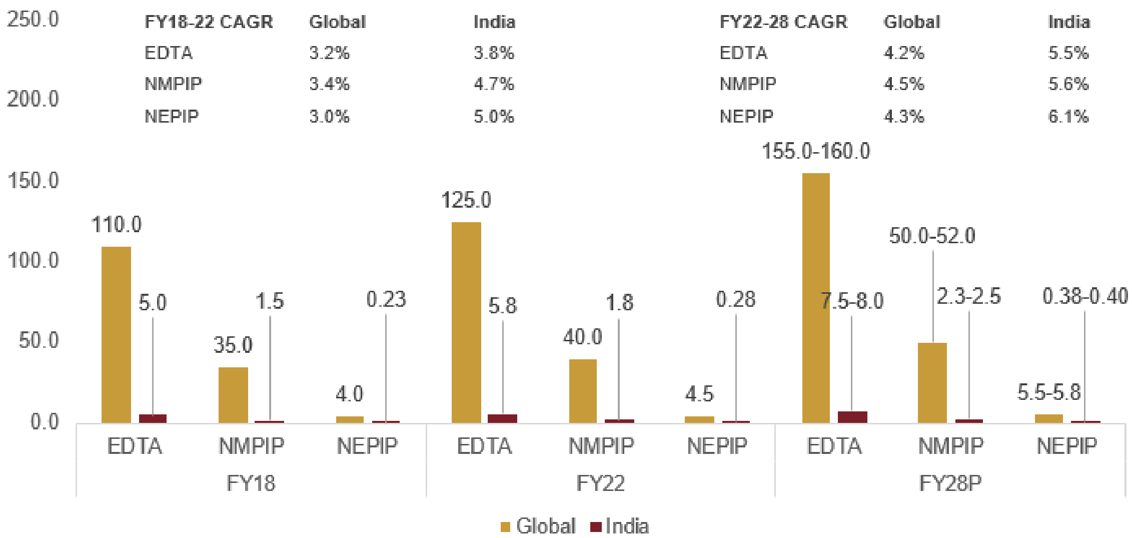
[1]1 kilo ton = 1000 MT

Source: CRISIL Research

As of 2022, the estimated size of the global market is 110 kilo tonne for EDTA, 35 kilo tonne for NMPIP and 4 kilo tonne for NEPIP. The market size, in fiscal 2022, in value terms is US$ 198 million to US$ 200 million for EDTA, US$ 190 million to US$ 192.5 million for NMPIP and approximately $24 million for NEPIP.

The Indian market makes up roughly 4%-5% of the total EDTA market and is estimated to be around 5 kilo tonne. Indian market sizes for NMPIP and NEPIP are estimated at 1.5 kilo tonne and 0.23 kilo tonne, respectively, making up 4%-6% each of their corresponding global market sizes. There are a limited number of manufacturers, who are manufacturing the aforementioned products in India.

Global and Indian Market Sizes - historical and forecast for EDTA, NEPIP, NMPIP (kilo tonnes[1])



[1]1 kilo ton = 1000 MT

P: Projected

Source: CRISIL Research

MARKET ASSESSMENT BY END-USE APPLICATION

Pharmaceuticals

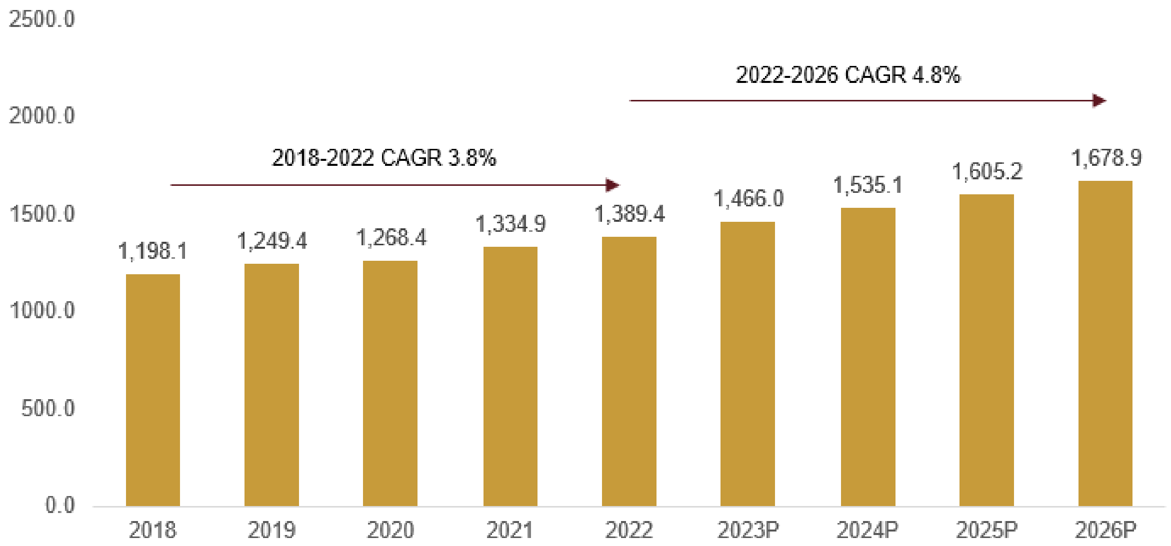
Global pharmaceutical industry

The pharmaceutical market posted relatively slower growth in 2018 and 2019 on account of pricing pressure. While it was flat in 2022, growth is estimated to have been higher in 2021 on account of reopening of economies with the subsiding of COVID-19 infection rates, which enabled increase in number of patient treatments in clinics and healthcare centres. Rising R&D in drug manufacturing, prevalence of chronic diseases, availability of generics, and uptake of biopharmaceuticals will continue to be some of the key drivers for the global pharmaceuticals industry. In the near term, strategic initiatives, such as new drug launches and biological products, acquisitions, collaborations, and regional expansion, are also expected to fuel market growth. However, unfavourable drug price control policies in several markets and high manufacturing costs are expected to be some of the limiting factors

Global pharmaceutical market to grow at a steady approximately 5% CAGR from 2020 to 2026

The global pharmaceutical market, which expanded 4.5-5.0% between 2016 and 2020 to approximately US$ 1,270 billion, is expected to sustain the growth momentum over the next five years, reaching USD $1,650 billion to US$ 1,700 billion in 2026. New product launches, an ageing population, sedentary lifestyles, increasing prevalence of chronic diseases, technological advances, new methods for drug discovery, and increase in pharmaceutical drug usage are key drivers for the industry. Also, pharmaceutical companies are offering customized individual drug treatment for better treatment against diseases, and precision medicine that aims to provide medical care according to the patient's individual characteristics, needs, preferences, and genetic make-up.

Global pharmaceutical drugs market size (US$ billion)

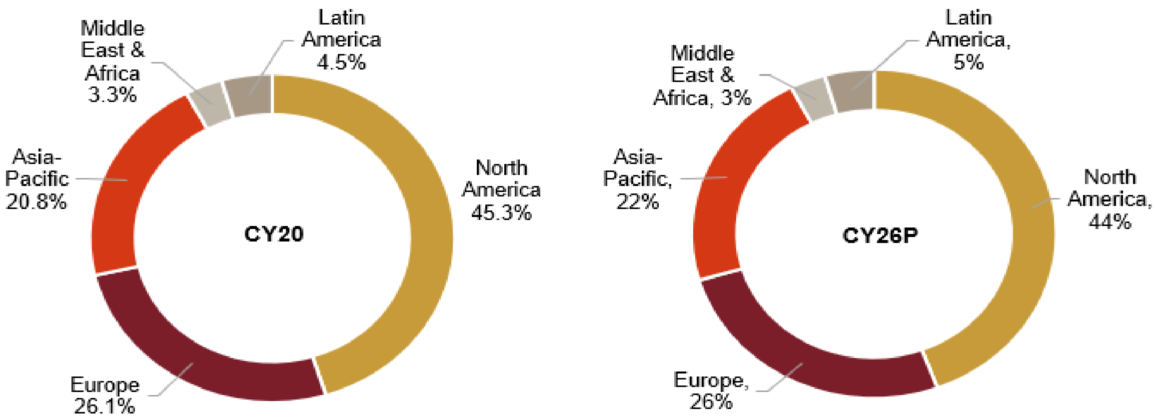


P: Projected
Note: Data for each calendar year
Source: CRISIL Research

North America to continue to dominate the global pharmaceutical market; Asia-Pacific to post fastest growth rate

North America is the largest pharmaceutical market in the world in terms of consumption, at approximately US $587 billion as of 2020, followed by Europe and Asia-Pacific at approximately US$ 338 billion and approximately US$ 270 billion, respectively.

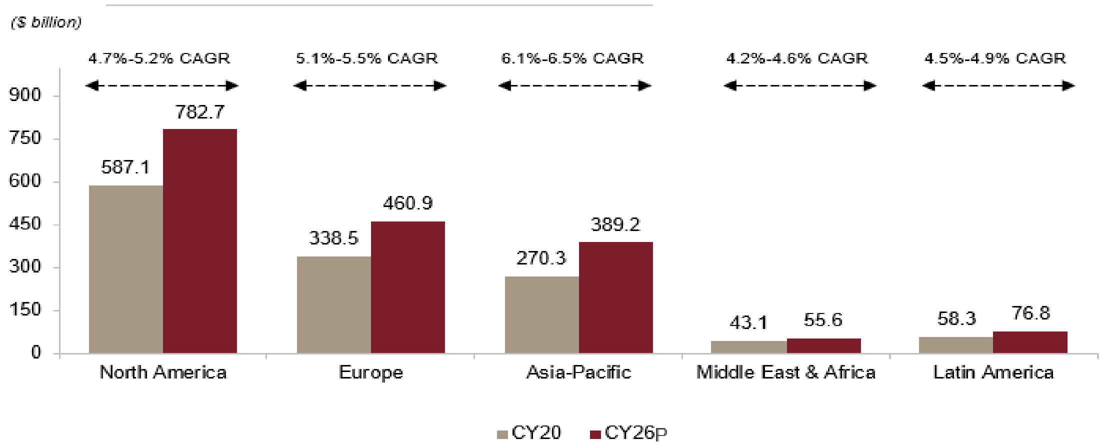
Region-wise segmentation of global pharmaceutical market (consumption)



P: Projected

Source: Mordor Intelligence, CRISIL Research

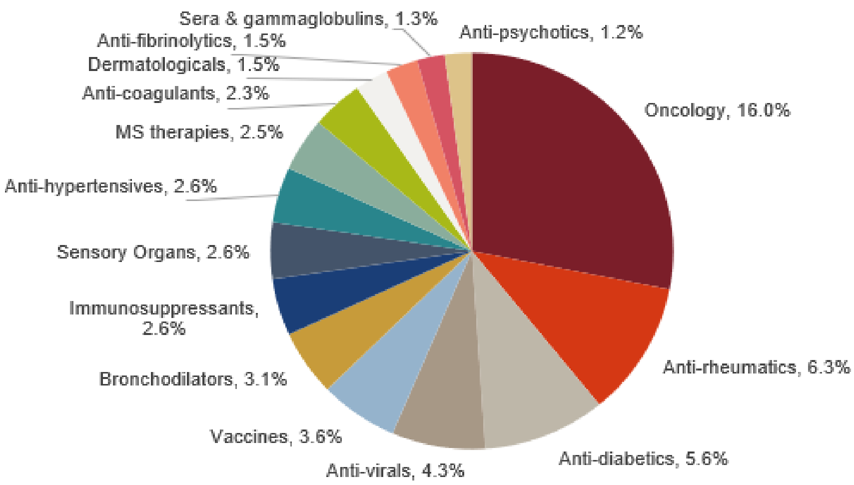
Region-wise global pharmaceuticals market outlook



Source: Mordor Intelligence, CRISIL Research

Therapy-wise share in global pharmaceutical market

Therapy-wise share of global pharmaceutical market by value (2021)



Source: Industry reports, CRISIL Research

Key growth drivers for global pharmaceutical industry

Rise in ageing population

According to the "*United Nations' World Population Prospects: The 2019 Revision*", the number of people 65 years or above is expected to more than double by 2050 globally, rising from 703 million in 2019 to 1.5 billion. This population group is registering a faster growth rate than all the younger age groups, which will support the healthcare segment, as the incidence of chronic diseases is high in this age group.

Incidence of chronic diseases

Rising incidences of cancer, cardiovascular diseases, obesity, and diabetes have significant impact on the economy of a country, which is, therefore, likely to drive demand for pharmaceuticals.

Better access to medicine in emerging markets

As the world's population topped 7.7 billion in 2020, per capita usage of medicine per person per day is also estimated to have increased. Much of the increase in usage is from emerging pharmaceutical markets, such as China, India, Brazil, and Indonesia, where substantial increases have been made in average medicine volume usage.

The rise of government safety nets and private insurance are key factors that will increase volume usage across emerging markets. The extent and pace of investments, both public and private, will be a key determinant of continued increase in usage, though.

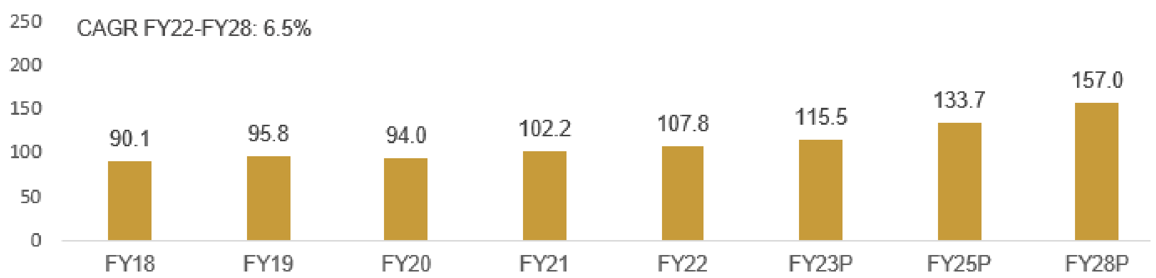
Strong development of generics market

In the US, healthcare reforms are driving higher insurance coverage and greater usage of generic medicines. Driven by greater dependence on generic medicines and enactment of Patient Protection and Affordable Care Act, growth of the market is expected to continue.

The Act, first enacted on March 23, 2010, was aimed at bringing a large section of the population under public and private insurance coverage. The Affordable Care Act (2010) included provisions to ensure that insurance companies do not refuse to cover patients with pre-existing conditions and expanded Medicaid coverage to include more people from low-income groups. The consequent decline in the uninsured population in the US will continue to drive demand for generic drugs, thereby aiding growth of Indian pharmaceutical manufacturers.

BSCL product demand in global pharma industry

Global market demand for BSCL products in pharmaceuticals (kilo tonne)



P: Projected

Note – Data for each fiscal year, product demand includes piperazine, EDA and DETA

Source: CRISIL Research

India pharmaceutical industry

Positioning of Indian pharmaceutical industry

The Indian pharmaceutical industry also plays a significant role globally. With over 80 pharma clusters, 10,500 manufacturing facilities, and 500 API manufacturers comprising approximately 8% share of the global API industry, India is the largest supplier of generic medicines, with 20% share of global supply; the country manufactures 60,000 different generic brands across 60 therapeutic categories, and exports these to over 200 countries. The country also has the highest number of US Food and Drug Administration (USFDA)-compliant pharma facilities outside the US.

In fact, the Indian pharmaceutical industry is currently approximately US$$50 billion, thereby ranking third in terms of volume and 14th in terms of value. Behind India's pharma success story is world-class manufacturing facilities, robust infrastructure, cost-competitiveness, trained human capital, and innovation. In fact, 65-70% of WHO's vaccine requirements are sourced from India.

Indian pharmaceutical industry structure

The pharmaceuticals sector is a non-cyclical industry, comprising formulations, bulk drugs, and chemicals/intermediates.

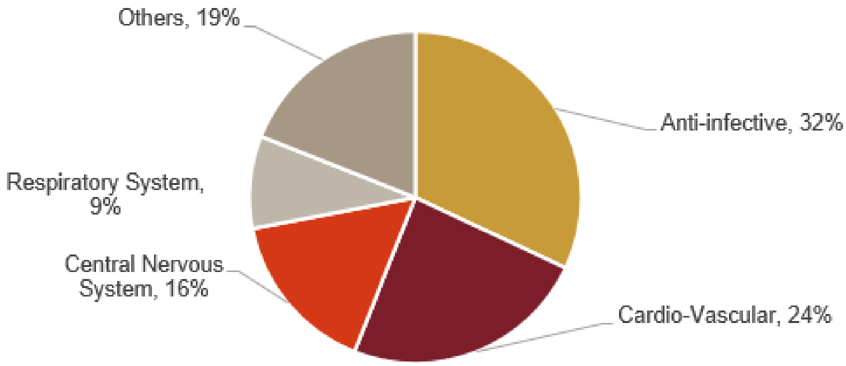
Pharmaceutical value chain

Source: CRISIL Research

Pharmaceutical intermediates: An API/bulk drug is generally synthesised through complex step-wise chemical reactions. The intermediates are chemical compounds that are used to develop stable APIs; are key building blocks for APIs. As per Pharmaceutical Export Promotion Council of India, intermediates are used as raw materials to produce bulk drugs, which are either sold directly or retained by companies to produce formulations. These intermediates are generally organic compounds, often manufactured from specialty chemicals through specific chemical processes, and then used in the synthesis of different API classes, such as antibiotics, vitamins, steroids, analgesics, etc.

Bulk drugs or APIs: These are the main constituents of formulations, which have the desired pharmaceutical property. These serve as the main raw materials for formulations. Players manufacturing APIs supply to formulation players, who, in turn, sell the final dosage forms that can contain one or more API. The API industry can be segregated based on their application as anti-infective, cardiovascular, central nervous system, or respiratory system drugs.

API market by application

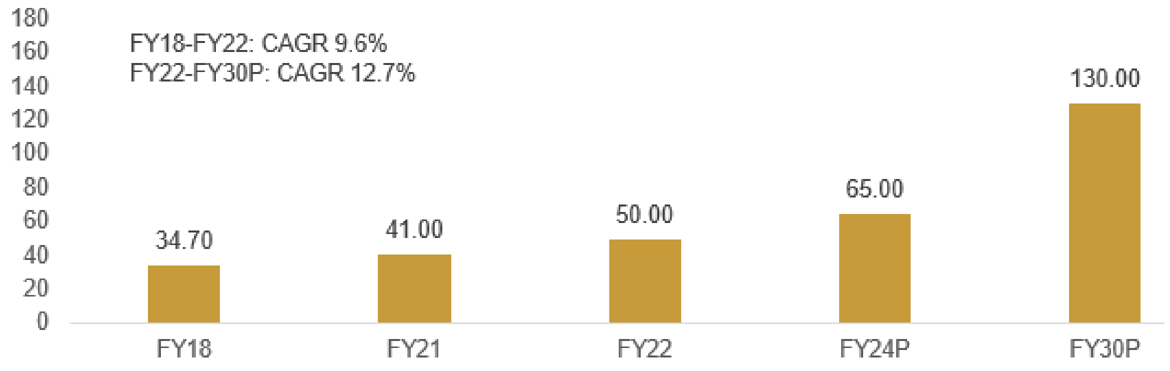


Source: CRISIL Research

Formulations: Final medicines are sold in the form of capsules, tablets, injectables, etc. These formulations are manufactured by combining one or more API, together with excipients, which serve as inert masking, binding or carrier substance. The dosage forms are chosen as per requirements.

Over the next five years (2021 to 2026), the domestic pharmaceuticals market is expected to grow at a steady pace on the back of vaccine manufacturing, growing opportunities in API manufacturing, US markets turning favourable with focus on specialty drugs, complex molecules, and rising demand in the Indian market owing to an ageing population, increasing incidence of non-communicable diseases, improving insurance penetration, booming medical tourism, and rising per capita income.

India pharmaceutical industry development (US$ billion)



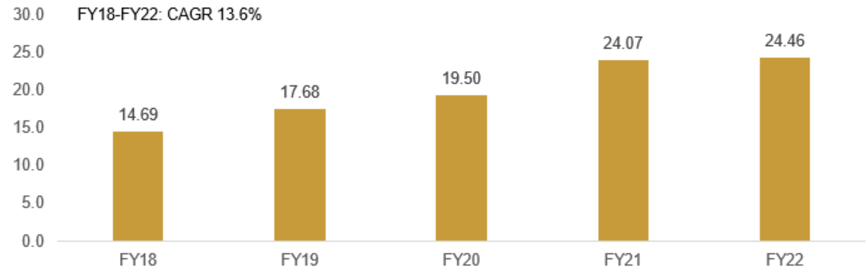
P: Projected

Source: Department of Pharmaceuticals, RBI, CRISIL Research

India pharmaceutical exports development

Building on the buoyant performance in 2021, Indian pharma exports once again registered a healthy trajectory in 2022 despite global trade disruptions and fall in demand for COVID-19 related medicines with the abating of infections rates. In fact, exports in 2022 was the pharma sector's best export performance. Between 2014 and 2022, Indian pharma exports rose from US$12 billion to US$24.5 billion, at CAGR of 9.3%.

India pharmaceutical export development (US$ billion)



Source: Department of Pharmaceuticals, CRISIL Research

Overview of government initiatives in Indian pharmaceuticals sector

On March 21, 2020, the Union Cabinet approved two schemes to support the Indian pharmaceuticals sector.

Name of the scheme	Details
Production-linked Incentive	• Tenure: FY21-FY30 • Financial outlay: Rs 69.4 billion • Scheme applicable for greenfield projects • Financial incentive to be provided for 41 identified key products that cover all 53 identified APIs • The net worth of the applicant (including that of group companies) as on date of application should be >=30% of total proposed investment • Maximum number of selected applicants: 136 • The incentive under the scheme shall be applicable only on sales of eligible product to domestic manufacturers
Creation of bulk drug parks	• Tenure: FY21-FY25 • Financial outlay: Rs 30 billion • Three bulk drug parks to get the support • Maximum grand-in-aid for one bulk drug park will be limited to Rs 10 billion • Minimum 50% of land area for bulk drug manufacturing units • Three states to be selected through challenge method

Source: PIB, CRISIL Research

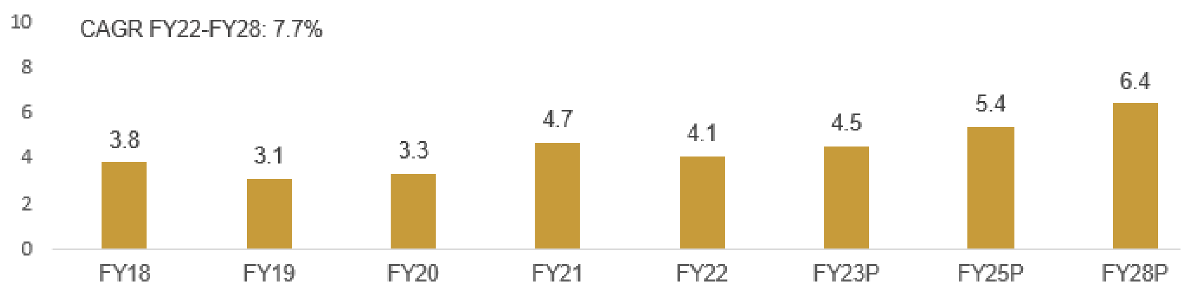
The list of products eligible for the PLI scheme as are follows:

S No	List of identified products	S No	List of identified products
1	Amoxicillin	28	Ciprofloxacin
2	Azithromycin	29	Losartan
3	Erythromycin Stearate/	30	Telmisartan
4	Ceftriaxone	31	Artesunate
5	Cefoperazone	32	Norfloxacin
6	Cefixime	33	Ofloxacin
7	Cephalexin	34	Metronidazole
8	Piperacillin Tazobactam	35	Sulfadiazine
9	Sulbactam	36	Levofloxacin
10	Dexamethasone	37	Meropenem
11	Prednisolone	38	Paracetamol
12	Metformin	39	Tinidazole
13	Gabapentin	40	Ornidazole
14	Rifampicin	41	Ritonavir
15	Vitamin B1	42	Diclofenac Sodium
16	Vitamin B6	43	Aspirin
17	Clindamycin Phosphate	44	Levetiracetam
18	Clindamycin HCL	45	Carbidopa
19	Streptomycin	46	Levodopa
20	Neomycin	47	Carbamazepine
21	Gentamycin	48	Oxcarbazepine
22	Doxycycline	49	Valsartan
23	Potassium Clavulanate	50	Olmesartan
24	Oxytetracycline	51	Atorvastatin
25	Tetracycline	52	Acyclovir
26	Clarithromycin	53	Lopinavir
27	Betamethasone		

Source: Department of Pharmaceuticals

BSCL product demand from Indian pharma industry

Demand for BSCL products in India pharmaceutical market (kilo tonne)



P: Projected

Note – Data for each fiscal year, product demand includes piperazine, EDA and DETA

Source: CRISIL Research

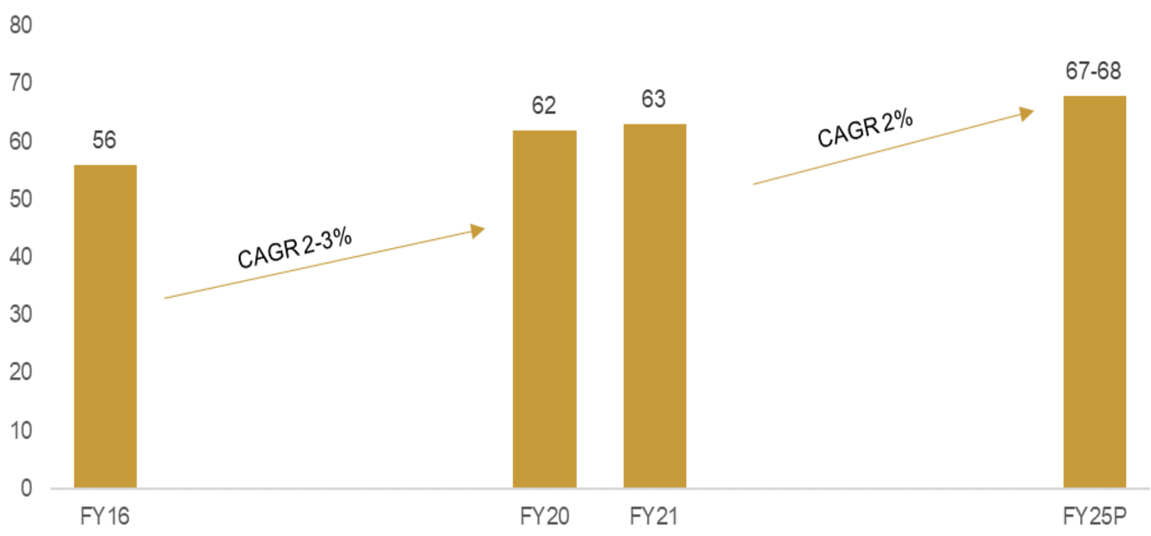
Agrochemicals

Global agrochemicals industry

CRISIL Research estimated the global pesticide industry size to be US$ 63 billion as of 2021. The industry grew at 2% to 3% CAGR over 2016-2020. Over 2021-2025, the growth expected is 2%. The industry is witnessing consolidation and tight regulation. The importance of sustainability is also growing. Increasingly stringent regulation is impacting growth of established products and increasing the cost of innovation. Generic products have grown consistently over the past 10 years and accounted for 40% to 41% of the agrochemical market in 2021. The Asia-pacific region accounts for 30% to 31% of the global pesticide market.

Asia and Latin America are the largest regional markets for crop protection chemicals and account for approximately 30% and 25% of global sales, respectively. Europe and North America together account for approximately 40%.

Global pesticide industry market size (US$ billion)



P: Projected
Source: CRISIL Research
Note – Data for each fiscal year

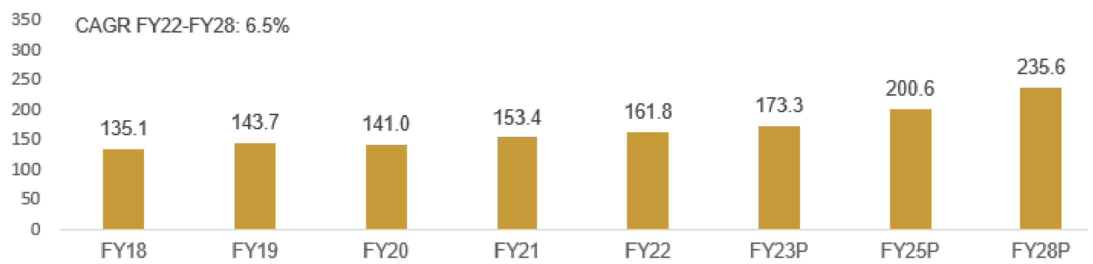
Global market size of agrotechnical – Mancozeb

Mancozeb, (ethylene-bis-dithiocarbamate), commercially known as diathan-M, is an important fungicide useful against a wide range of fungus affecting ornamental plants, crops, and fruits. It is a combination of two other dithiocarbamates: maneb and zine. Mancozeb came under scrutiny recently but is not banned in India, unlike in some parts of Europe.

The global production capacity of mancozeb is more than 250 kilo tonne. UPL is the largest manufacturer of mancozeb globally. The top five manufacturers are UPL, Corteva, Limin Chemical, Coromandel International, and Indofil Industries. They account for more than 70% to 80% of the global market share.

BSCL product demand from global agrochemical industry

Global market for BSCL products in agrochemicals (kilo tonne)

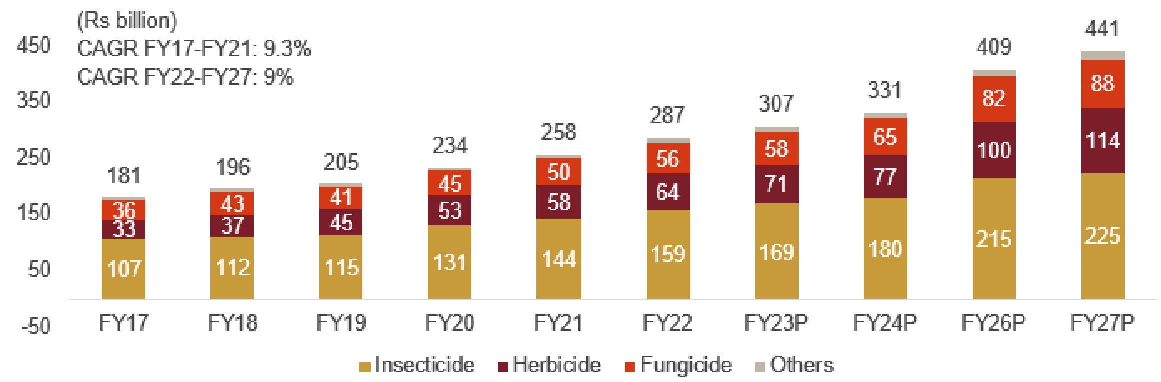


P: Projected
Note – Data for each fiscal year, product demand includes EDA
Source: CRISIL Research

India agrochemicals industry

Generics dominate the Indian agrochemicals business. Over the next three years, assuming normal monsoons, we expect domestic consumption of agrochemicals to log 8% to 10% CAGR to cross ₹ 400 billion by 2026. The growth will be driven by an increase in penetration and rise in per-hectare expenditure on pesticides. Further, the usage is expected to increase because of rising farmer awareness. India has one of the lowest per-hectare consumption of agrochemicals. Therefore, farmers are likely to increase the intensity of application to achieve better crop yields and pare losses.

Indian pesticide industry development



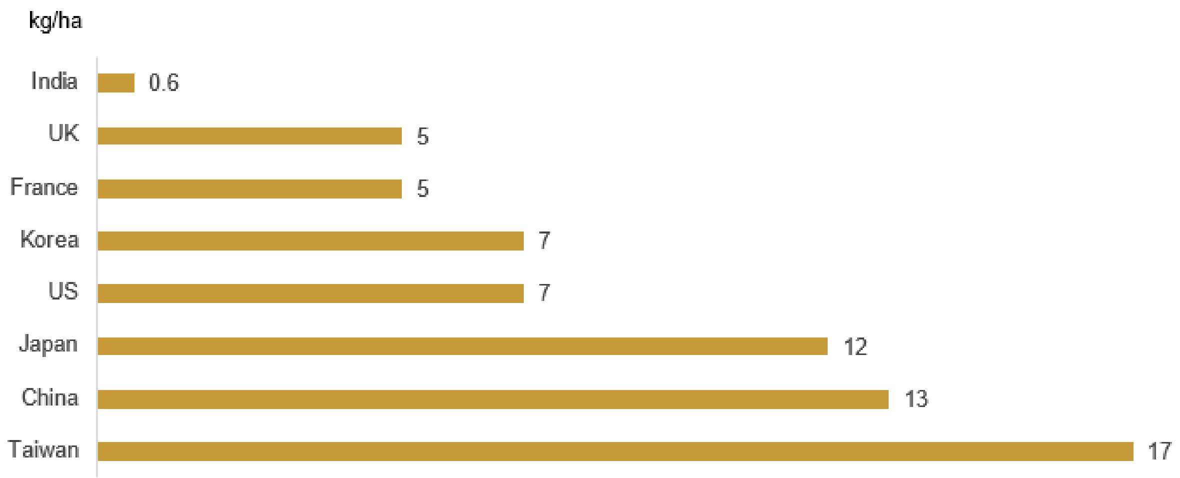
P: Projected

Source: CRISIL Research

India's consumption far below global level

Despite the rapid growth in recent years, pesticide usage in the country is much below the global standards. Though overall pesticide penetration has been increasing driven by the rise in per-hectare penetration and usage, India's agrochemical usage is very low compared with other countries (developed and developing).

Comparison of pesticide usage in various countries

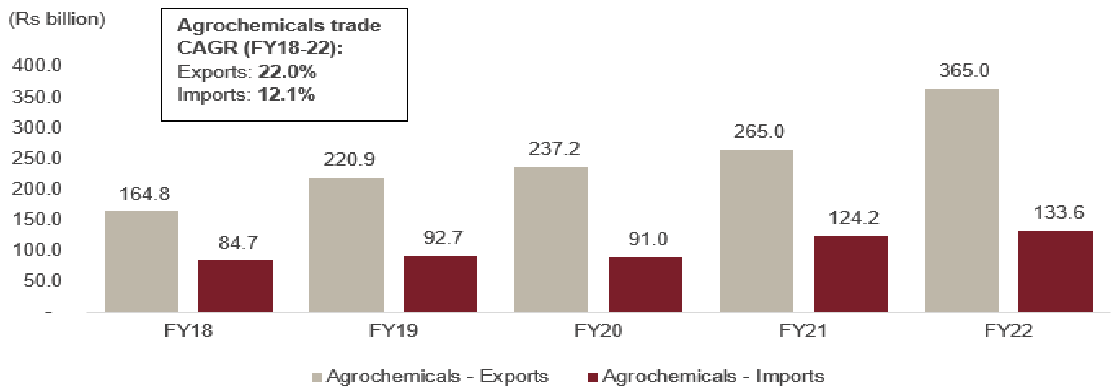


Source: Industry, CRISIL Research

India's agrochemicals exports logged 22% CAGR in past five years

In the past Fiscal, India's total agrochemical exports stood at ₹ 364.9 billion and imports at ₹ 133.6 billion. Agrochemicals accounted for 1.16% of the total merchandises exports and 0.29% of the toJtal merchandise imports in the year. Between 2018 and 2022, exports of these products logged a robust 22% CAGR and imports a 12.1% CAGR.

India's agrochemicals trade over fiscals 2018-2022



Share (%) of agrochemicals in total merchandise trade of India	FY17	FY18	FY19	FY20	FY21	FY22
Exports	0.78%	0.84%	0.96%	1.07%	1.23%	1.16%
Imports	0.27%	0.28%	0.26%	0.27%	0.43%	0.29%

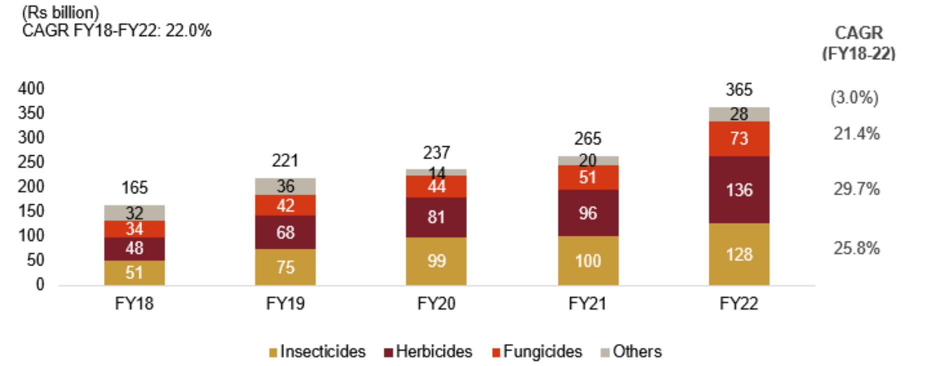
Source: DGCIS, CRISIL Research

Approximately 70% of agrochemicals produced in India was exported in 2022

Brazil, the US, and France are major export markets for Indian agrochemicals. The top five countries accounted for 57% of India's agrochemicals exports in 2022.

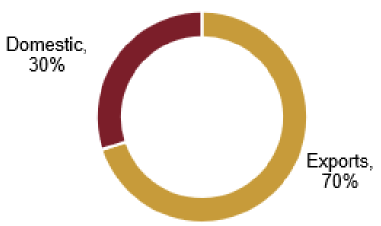
Exports have grown at a healthy pace over the past years

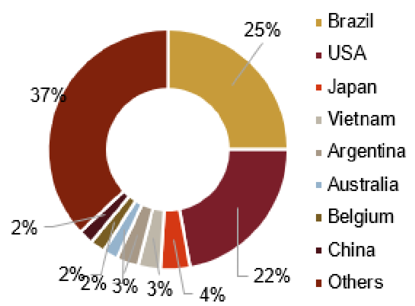
Share of exports in overall agrochemicals industry ***Country-wise break-up (%) of agrochemicals export***



Note: HS codes: insecticides - 380891; fungicides - 380892; herbicides - 380893; others - 380894, 380899, 380869, 380862, 380861, 380859, and 380852

Source: Ministry of Trade and Commerce, CRISIL Research

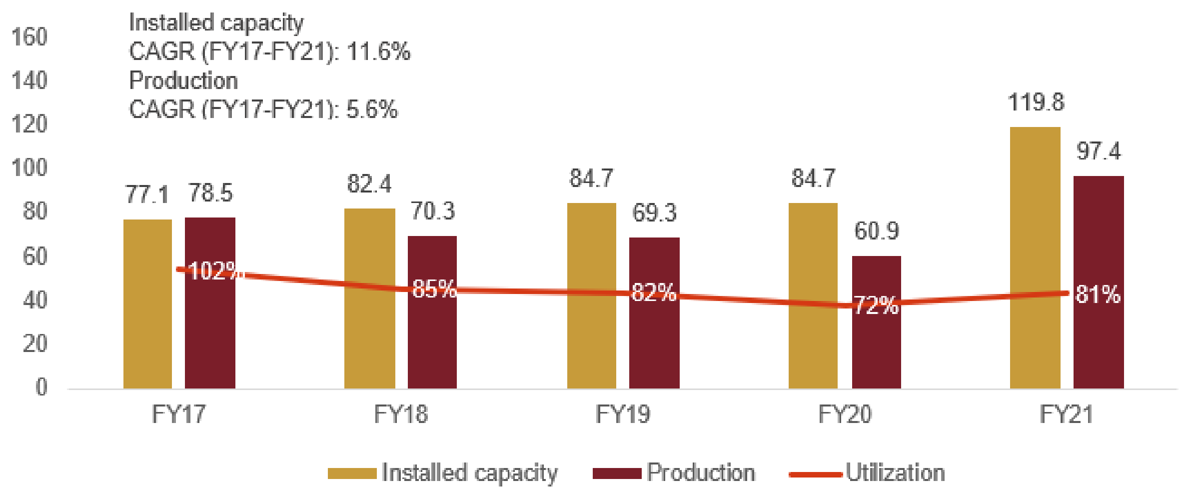




Source: Ministry of Trade and Commerce, CRISIL Research

One commonly used pesticide is Mancozeb. It is banned in some parts of Europe but is widely used in India and has no direct substitutes. In India, it is used in the cultivation of crops such as potatoes and grapes, and as an ingredient in the production of several other pesticides.

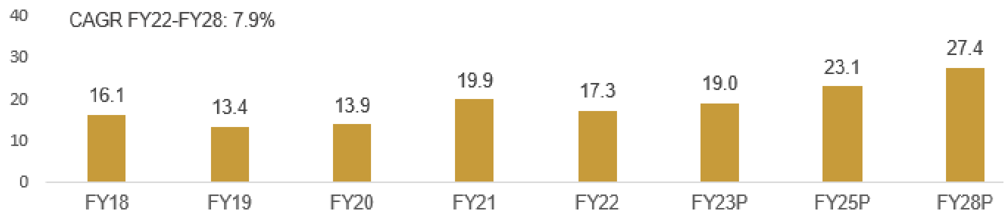
Mancozeb annual capacity, production, and utilisation development ('000 tonne)



Source: Department of chemicals and petrochemicals

BSCL's products' demand from the Indian agrochemical industry

Indian market for BSCL products in agrochemicals (in kilo tonne)



P: Projected

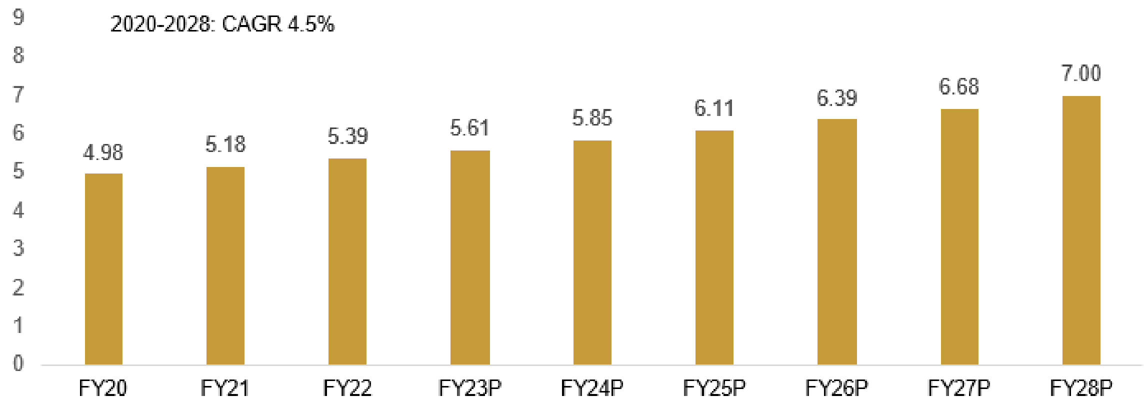
Note: Data for each fiscal year, product demand includes EDA

Source: CRISIL Research

Chelating agents

Chelating agents are chemical substances that coordinately form covalent connections with metal ions to produce stable, water-soluble complexes. They are also known as chelators, chelants, or sequestering agents. The most known Chelating Agents are EDTA (Ethylenediamine tetraacetic acid) and their sodium salts and DTPA (Diethylenetriaminepenta acetic acid).Because of their capacity to bond with metals, they have a wide range of uses, including as corrosion inhibitors, cleaning agents for both domestic and commercial settings, bleaching agents for the paper and pulp industry, and additives for the food and beverage industry. It is also useful in applications such as pharma to remove toxic metals from the body, as contrast agents in MRI scanning, in manufacturing using homogeneous catalysts, in chemical water treatment to assist in the removal of metals, and in agrochemicals as metal carriers in micronutrients.

Global market size of chelating agents (US$ billion)



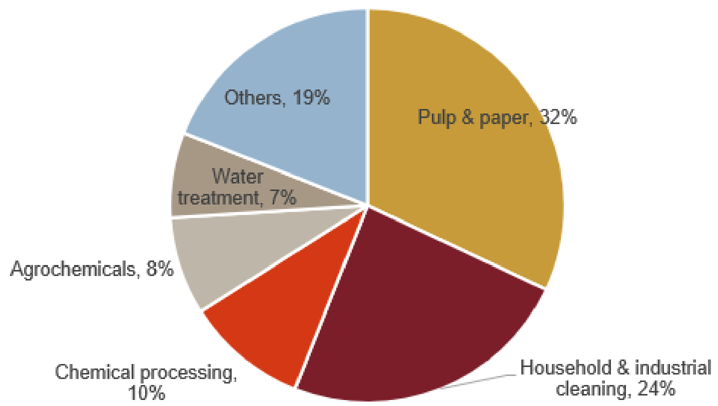
Note: Data for each fiscal year

P: Projected

Source: CRISIL Research

By application, the market is segmented into cleaners, pulp and paper, water treatment, agrochemicals, chemicals, food and beverages, pharmaceuticals, personal care, and other applications. Globally, pulp and paper account for the most with 32% share, followed by household and industrial cleaning with 24%. Other applications where chelating agents are used include agrochemicals, photography, chemical processing, textile treatment and pharmaceuticals.

Chelating agents usage by application (by value), 2021

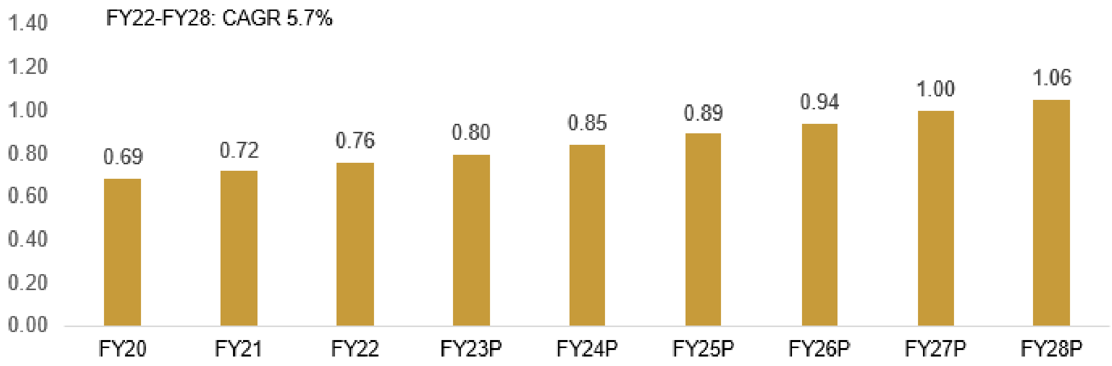


Source: CRISIL Research

Growth drivers for the chelating agents industry

The Asia-Pacific region dominated the world market in 2021 with approximately 40% market share. The significantly large consumption of chelating agents in the paper and pulp sector, cleaners, wastewater treatment, agrochemicals, and pharmaceutical industry applications across Asian countries is the primary factor driving the growth of the chelating agents industry in the Asia-Pacific. The region is witnessing the fastest growth in the demand for both household and industrial detergents. China and India remain the key markets influencing the demand-supply dynamics in the Asia-Pacific region. The enormous populations of China and India also imply a likely increase in product application of detergents and cleaners made in this region, with a growing awareness of hygiene. Furthermore, the wastewater treatment in the Asia-Pacific region has gained rapid increase with tightening environmental regulations and growing preference for high-quality and safe water in day-to-day life. Rapidly growing food and beverage, pharmaceutical, chemical, and personal care sectors in China, India, and Japan with growing population size and strengthening consumer spending power are driving the demand for chelating agents.

Indian market size of chelating agents (US$ billion)



P: Projected

Source: CRISIL Research

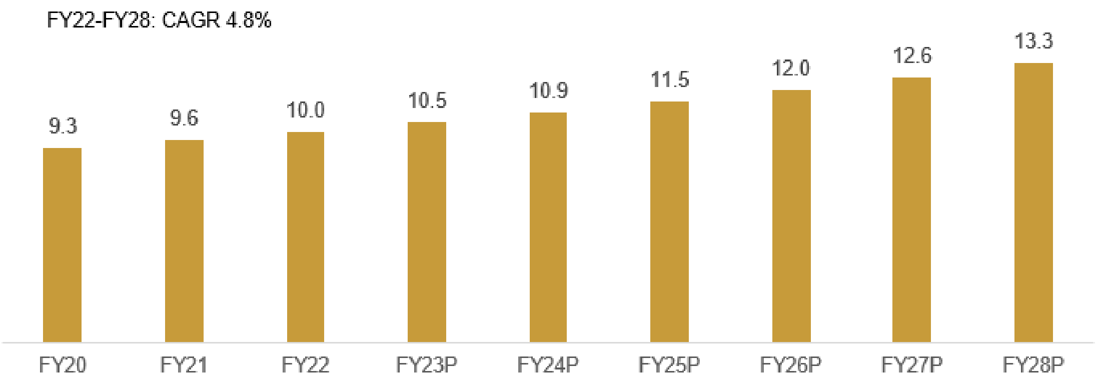
Oil drilling chemicals

Industry development

Drilling chemicals are mostly employed in operations such as oil and gas exploration, metal and mineral extraction, coal seam gas drilling, and bore well drilling. Drilling chemicals are helpful for maintaining pressure, removing cuttings from bore wells, cooling and lubricating drilling equipment, and supporting and stabilising the region around the bore well.

Diethylenetriamine (DETA) - the most prominent derivative of Ethylenediamine (EDA) and tri-ethylene tetramine (TETA) are used as emulsifiers in drilling fluids. DETA-based corrosion inhibitors work by adhering to metal surfaces (e.g., tubing, piping, tanks) and protecting them from corrosion due to chlorides or free acids. DETA is an analog of diethylene glycol. It is used as a solvent for the extraction of sulfur and acid gas in the oil industry. EDTA controls the reactivity of metal ions by forming strong, water-soluble complexes that prevent undesirable precipitation, dissolve scale deposits and optimise oxidation processes.

Global market size of oil drilling chemicals (US$ billion)



Note: Data for each fiscal year

P: Projected

Source: CRISIL Research

Key growth drivers

Global

Investments in energy and mineral exploration to drive growth

Major investments in energy and mineral exploration are largely responsible for the rising use of drilling chemicals. As emerging economies are becoming more urbanized and industrialized, there is a rising demand for basic and precious metals, and oil and gas. Increasing crude oil and shale gas exploration activities have paved the way for more oil & gas drilling operations, thereby expanding the global drilling chemicals market.

Oil supply to increase in 2022, led by easing of production cuts by OPEC+ members

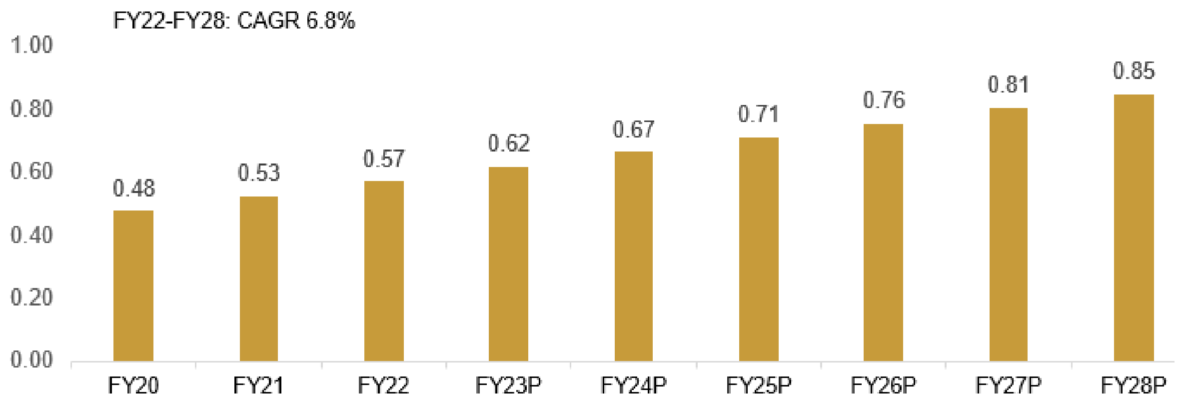
Global oil supply is expected to increase 5-6 million barrels per day ("MBPD") in 2022 led by easing of supply by the OPEC+ members. Furthermore, production from shale oil is also expected to remain high driven by favorable cost economics. The current unrest in Libya, Kazakhstan and geo-political tensions between Russia and Ukraine may restrict sharp rise in supply. Therefore, regional demand-supply imbalances may result in prices remaining at elevated levels. CRISIL Research projects global supply of crude oil rise to remain gradual during the five-year forecast period. We expect supply to increase by 5 million to 5.5 MBPD between calendar years 2019 and 2026.

India

Favourable government policy to encourage investments for gas extraction from deep water fields

The Indian government's steps to attract investments and improve production through the new gas-pricing mechanism, by giving pricing freedom for gas produced from high-pressure, high-temperature, deep-water and ultra-deep-water areas is expected to expedite the development of fields.

Indian market size of oil drilling chemicals (US$ billion)



P: Projected

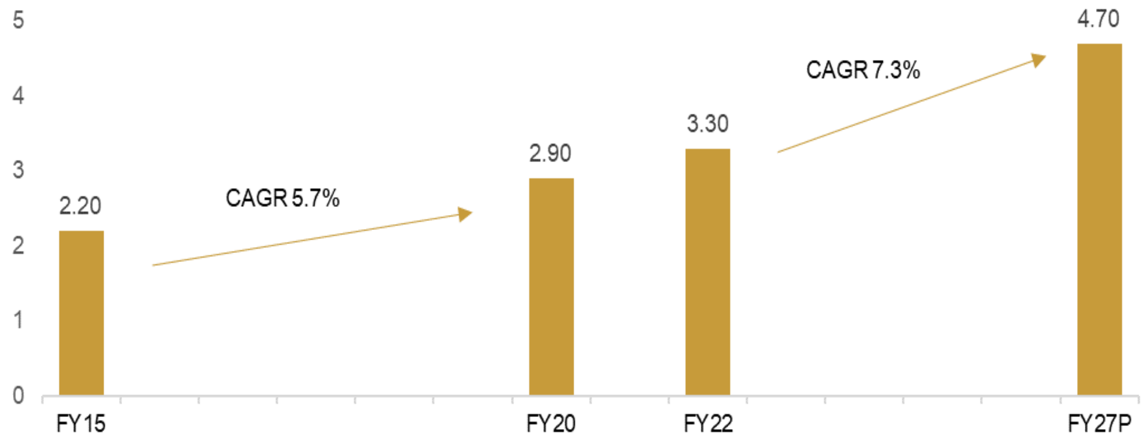
Source: CRISIL Research

Other key applications

Surfactants

Increasing penetration of products such as cleaning agents and detergents is expected to drive strong growth in this segment.

Market size for surfactants in India (in US$ billion)



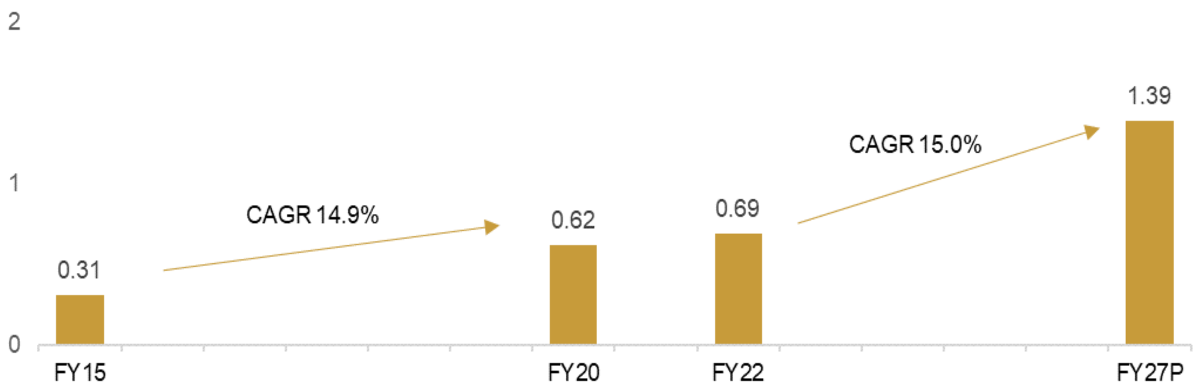
P: Projected
Source: CRISIL Research

Water treatment chemicals

Tightening of environmental norms on industrial effluents and strict implementation to fuel growth

The creation of infrastructure for waste management such as sewerage network and sewage treatment facilities have not kept pace with the burgeoning population, leading to a gap in sewage generation and treatment capacity across states. Tighter environmental norms, long-term investments in water treatment facilities as well as cleaning and desilting initiatives aimed at the nation's major rivers will fuel the sector's significant growth in India.

Market size for water treatment chemicals in India (is US$ billion)



P: Projected
Source: CRISIL Research

FINANCIAL BENCHMARKING

Financials for Fiscal 2022

Key Financial Parameters	Units	Balaji Specialty Chemicals	Clean Science and Technology	Alkyl Amines	Tatva Chintan	Neogen Chemicals
Revenue from operations						
Fiscal 2022	₹ million	5,142.80	6,848.86	15,428.00	4,336.47	4,872.50
Fiscal 2021	₹ million	1,744.01	5,124.28	12,424.40	3,003.59	3,364.10
Fiscal 2020	₹ million	538.81	4,193.00	9,928.77	2,632.39	3,061.21
Revenue CAGR (Fiscal 2020 to Fiscal 2022)	%	208.95%	27.80%	24.65%	28.35%	26.16%

Key Financial Parameters	Units	Balaji Specialty Chemicals	Clean Science and Technology	Alkyl Amines	Tatva Chintan	Neogen Chemicals
Operating EBITDA						
Fiscal 2022	₹ million	1,806.20	2,998.88	3,265.10	1,082.39	867.70
Fiscal 2021	₹ million	438.37	2,589.54	4,291.30	664.36	647.40
Fiscal 2020	₹ million	4.35	1,852.96	2,806.32	549.52	581.73
Operating EBITDA CAGR (Fiscal 2020 to Fiscal 2022)	%	1,937.69%	27.22%	7.86%	40.35%	22.13%
PAT						
Fiscal 2022	₹ million	1,089.45	2,284.95	2,248.90	958.74	446.30
Fiscal 2021	₹ million	103.95	1,983.80	2,953.40	522.62	313.30
Fiscal 2020	₹ million	(158.70)	1,396.51	2,152.81	377.89	286.56
PAT CAGR (Fiscal 2020 to Fiscal 2022)	%	NA	27.91%	2.21%	59.28%	24.80%
Shareholder' Equity (Net worth)						
Fiscal 2022	₹ million	1,874.79	7,684.49	9,898.00	4,730.89	4,393.20
Fiscal 2021	₹ million	785.32	5,396.67	7,924.60	1,659.64	1,830.10
Fiscal 2020	₹ million	681.33	3,424.50	5,365.96	1,176.94	1,562.45
Net Debt						
Fiscal 2022	₹ million	1,632.30	(2,658.01)	(145.70)	569.21	919.80
Fiscal 2021	₹ million	2,024.60	(2,477.94)	(798.14)	857.67	2,091.20
Fiscal 2020	₹ million	2,020.63	(1,386.85)	174.11	690.42	1,409.21
Current Assets						
Fiscal 2022	₹ million	2,117.22	5,703.16	5,375.70	4,358.85	4,924.60
Fiscal 2021	₹ million	978.05	3,951.37	5,279.20	1,842.50	2,401.60
Fiscal 2020	₹ million	848.07	2,562.66	2,941.46	1,326.99	2,310.61
Current Liabilities						
Fiscal 2022	₹ million	736.79	1,349.06	3,279.20	1,714.33	2,181.00
Fiscal 2021	₹ million	582.08	1,019.76	2,817.98	1,180.15	1,779.40
Fiscal 2020	₹ million	672.43	769.91	1,538.12	876.50	1,498.66
Total Assets						
Fiscal 2022	₹ million	4,016.10	9,246.73	13,713.30	6,583.01	7,992.60
Fiscal 2021	₹ million	3,030.44	6,599.17	11,453.30	3,148.03	4,919.60
Fiscal 2020	₹ million	3,042.44	4,302.35	7,833.84	2,489.38	3,548.50
Total Equity and Liabilities						
Fiscal 2022	₹ million	4,016.10	9,246.73	13,713.30	6,583.01	7,992.60
Fiscal 2021	₹ million	3,030.44	6,599.17	11,453.30	3,148.03	4,919.60
Fiscal 2020	₹ million	3,042.44	4,302.35	7,833.84	2,489.38	3,548.50
EBITDA Margins						
Fiscal 2022	%	35.12%	43.79%	21.16%	24.96%	17.81%
Fiscal 2021	%	25.14%	50.53%	34.54%	22.12%	19.24%
Fiscal 2020	%	0.81%	44.19%	28.26%	20.88%	19.00%
PAT Margins						
Fiscal 2022	%	21.11%	31.96%	14.44%	21.66%	9.14%
Fiscal 2021	%	5.91%	36.87%	23.64%	17.10%	9.31%
Fiscal 2020	%	(29.33%)	32.46%	21.53%	14.28%	9.36%
RoAE						
Fiscal 2022	%	81.91%	34.93%	25.24%	30.01%	14.34%
Fiscal 2021	%	14.18%	44.98%	44.44%	36.85%	18.47%
Fiscal 2020	%	(20.86%)	45.43%	47.02%	38.29%	25.31%
RoACE						
Fiscal 2022	%	53.12%	54.70%	29.92%	18.88%	14.13%
Fiscal 2021	%	11.89%	82.83%	56.14%	23.72%	14.75%
Fiscal 2020	%	(2.70%)	84.21%	45.80%	26.86%	17.81%
Gross Debt-Equity Ratio						
Fiscal 2022	times	0.89x	0.00x	0.02x	0.25x	0.47x

Key Financial Parameters	Units	Balaji Specialty Chemicals	Clean Science and Technology	Alkyl Amines	Tatva Chintan	Neogen Chemicals
Fiscal 2021	times	2.60x	0.00x	0.06x	0.54x	1.15x
Fiscal 2020	times	2.99x	0.01x	0.09x	0.67x	0.91x
Net Debt to Equity Ratio						
Fiscal 2022	times	0.87x	n.a.	n.a.	0.12x	0.21x
Fiscal 2021	times	2.58x	n.a.	n.a.	0.52x	1.14x
Fiscal 2020	times	2.97x	n.a.	0.03x	0.59x	0.90x
Net Debt to EBITDA Ratio						
Fiscal 2022	times	0.90x	n.a.	n.a.	0.53x	1.06x
Fiscal 2021	times	4.62x	n.a.	n.a.	1.29x	3.23x
Fiscal 2020	times	464.51x	n.a.	0.06x	1.26x	2.42x
EPS						
Fiscal 2022	times	5.45	21.51	44.04	44.59	18.70
Fiscal 2021	times	0.52	18.68	57.90	26.02	13.45
Fiscal 2020	times	(0.79)	13.15	105.50	18.81	12.28
Inventory Days						
Fiscal 2022	days	13.56	37.58	33.88	101.84	115.59
Fiscal 2021	days	34.36	31.16	30.20	82.38	132.31
Fiscal 2020	days	125.84	31.17	34.81	68.74	120.57
Receivable Days						
Fiscal 2022	days	69.16	60.69	59.71	62.01	70.43
Fiscal 2021	days	75.87	51.31	57.61	85.26	83.42
Fiscal 2020	days	113.68	56.41	58.24	62.97	81.01
Payable Days						
Fiscal 2022	days	24.43	116.45	85.21	65.03*	87.57*
Fiscal 2021	days	60.33	124.08	81.79	97.85	102.40
Fiscal 2020	days	108.18	83.21	76.86	63.81	59.62
Working Capital Days						
Fiscal 2022	days	58.29	(18.18)	8.38	98.82	98.45
Fiscal 2021	days	49.90	(41.62)	6.02	69.78	113.33
Fiscal 2020	days	131.35	4.37	16.19	67.89	141.97
Debt Service Coverage Ratio						
Fiscal 2022	times	1.96x	1724.90x	9.84x	5.94x	1.21x
Fiscal 2021	times	0.91x	86.55x	7.41x	2.80x	1.24x
Fiscal 2020	times	0.04x	825.14x	8.00x	3.68x	0.94x
Interest Service Coverage Ratio						
Fiscal 2022	times	10.83x	1,870.54x	76.18x	20.71x	3.94x
Fiscal 2021	times	1.72x	2,656.58x	63.20x	14.19x	4.20x
Fiscal 2020	times	(0.45x)	1,418.12x	247.53x	12.71x	4.44x
Total Assets Turnover Ratio						
Fiscal 2022	times	1.46x	0.86x	1.23x	0.89x	0.75x
Fiscal 2021	times	0.57x	0.94x	1.29x	1.07x	0.79x
Fiscal 2020	times	0.19x	1.11x	1.28x	1.21x	1.02x
Net Fixed Assets Turnover Ratio						
Fiscal 2022	times	2.65x	2.39x	2.36x	3.10x	1.84x
Fiscal 2021	times	0.85x	2.54x	2.48x	2.68x	1.96x
Fiscal 2020	times	0.26x	2.84x	2.32x	3.20x	3.23x

Note: Based on Consolidated financial data and Standalone financial data, if consolidated financials not applicable.
Source: CRISIL Research

Note: Formulas Used:

Revenue from Operations = Net revenue excl other income

Operating EBITDA = PBT+ D&A + Interest Cost - Other Income

Shareholders' Equity (Networth) = Share Capital + Reserves & Surplus

Net Debt = Long term debt+ Short term debt - Cash & cash equivalent - Short term investment

EBITDA Margins (%) = Operating EBITDA/ Revenue from Operations

PAT Margins (%) = PAT/ Total Revenue

RoAE = PAT/ Average Shareholders' Equity (Networth)

RoACE = EBIT divided by Average Capital Employed. (Capital Employed is calculated as Shareholders' Equity + Long term debt + Short Term debt – Cash and cash equivalents – Short term investments.)

Gross Debt Equity Ratio = Long Term Debt + Short Term Debt / Shareholders Equity (Networth)

Net Debt to Equity Ratio = Long term debt+ Short term debt - Cash & cash equivalent - Short term investment/ Shareholders Equity (Networth)

Net Debt to EBITDA Ratio = Long term debt+ Short term debt - Cash & cash equivalent - Short term investment/ Operating EBITDA

*Inventory Days = Average Inventory / Revenue from Operations *365*

*Receivable Days = Average Receivables/ Revenue from Operations *365*

*Payable Days = Average Payables / Purchases *365*

Working Capital Days = Receivables days + Inventory Days - Payable Days

Debt Service Coverage Ratio = PAT + D&A + Finance Cost / (Interest Paid + Leases+ Principal Repayments)

Interest Service Coverage Ratio = EBIT/ Finance Cost

Total Assets Turnover Ratio = Revenue from Operation / Average Total Assets

Net Fixed Assets Turnover Ratio = Revenue from Operations / Average Net Fixed assets (including CWIP)

** For computation of payable days, cost of material is considered instead of purchases due to lack of information in the financial statements.*

According to the CRISIL, BSCL's financial positioning is as follows:

- Revenue from operations has grown significantly in the past couple of fiscals, growing almost 9.6x over Fiscal 2020 to Fiscal 2022.
- Operating EBITDA has also increased significantly to record the highest on-year growth among all peers between Fiscal 2020 and 2021.
- Operating EBITDA margins have strengthened to 35.12% in in Fiscal 2022 over 25.14% in Fiscal 2021.
- Its capital efficiency has improved, highlighted by the improvement in RoACE (11.89% to 53.12%) over Fiscal 2021 to Fiscal 2022.
- It has recorded a positive net income right from its second year of operations (Fiscal 2021).

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 27, 216 and 253, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated, the financial information included herein is based on our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Information" on page 216. Unless the context otherwise requires, in this section, references to "we", "us", or "our", "the Company" or "our Company" refers to Balaji Specialty Chemicals Limited. Additionally, refer to "Definitions and Abbreviations" on page 1 for certain terms used in this section.

The Restated Financial Information included in this Draft Red Herring Prospectus reflect our financial performance and results of operations in our first three fiscal years of manufacturing operations, i.e. in Fiscal 2020, 2021 and 2022. Since we commenced commercial production in June 2019, Fiscal 2020 reflects our first approximately nine months of manufacturing operations, and Fiscal 2021 reflects our first full year of manufacturing operations. Accordingly our financial performance and results of operations in Fiscal 2020 and Fiscal 2021 may not be strictly comparable.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Assessment of Amine Industry" released on August 4, 2022 in Mumbai (the "**CRISIL Report**") prepared and issued by CRISIL Limited, appointed pursuant to the engagement letter dated May 24, 2022, and exclusively commissioned and paid for by us to understand the industry in which we operate in connection with the Offer. The CRISIL Report is available on the website of the Company at www.balajispecialitychemicals.com/details?source_ref=NQ==. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant Fiscal. For further information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL Limited exclusively commissioned and paid for by us for such purpose." on page 43. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 16.*

Overview

We are the sole manufacturer in India of niche chemicals such as Ethylenediamine, Piperazine (Anhydrous), Diethylenetriamine, Amino Ethyl Ethanol Amines and Amino Ethyl Piperazine, using the Monoethanol Amine ("**MEA**") process (*Source: CRISIL Report*). The chemicals we manufacture are import substitutes and are used in various end-use industries such as speciality chemicals, agrochemicals, and pharmaceuticals (*Source: CRISIL Report*). We commenced commercial production in June 2019 from our manufacturing facility located at Solapur, Maharashtra and have since scaled our operations, grown our brand and customer base to become one of the fastest growing speciality chemicals companies in India (*Source: CRISIL Report*).

We are a subsidiary of Balaji Amines Limited ("**BAL**"), one of the leading manufacturers of aliphatic amines in India (*Source: CRISIL Report*). BAL specializes in manufacturing of methylamines, ethylamines, derivatives of specialty chemicals and pharma excipients (*Source: CRISIL Report*). The key products manufactured by BAL include Monomethyl Amine, Dimethyl Amine, and Trimethyl Amine and which are used in pharmaceutical and agrochemical industries with various end use application including corrosion control, photographic chemicals, solvents, and corrosion inhibitors amongst others.

Industry Opportunity

The global market for our portfolio of Ethylenediamine, Piperazine, Diethylenetriamine, Amino Ethyl Ethanol Amines and Amino Ethyl Piperazine is expected to grow from 1,078 kilo tons ("**KT**") in Fiscal 2022 to 1,570 KT by Fiscal 2028, growing at a CAGR of 6.5% *(Source: CRISIL Report)*. The global market for these products is presently valued at US$ 2.2 billion and is expected to grow at 6.9% CAGR to US$ 3.3 to 3.4 billion by Fiscal 2028 *(Source: CRISIL Report)*.

In Fiscal 2022, India imported 31.8 KT of Ethylenediamine, 1.1 KT of Piperazine (Anhydrous), 4.4 KT of Diethylenetriamine, 0.2 KT of Amino Ethyl Ethanol Amines and 0.3 KT of Amino Ethyl Piperazine. Further, in the last three Fiscals, India cumulatively imported 125.4 KT of these products, *i.e.*, 105.5 KT of Ethylenediamine, 6.3 KT of Piperazine (Anhydrous), 12.2 KT of Diethylenetriamine, 0.6 KT of Amino Ethyl Ethanol Amines and 0.7 KT of Amino Ethyl Piperazine (*Source: CRISIL Report*).

The industry for these products is characterised by high entry barriers because of its capital-intensive nature, technical know-how required to produce products and a large distribution network which may not be possible for new entrants in the market (*Source: CRISIL Report*).

Given our experience and the experience of our Corporate Promoter, BAL, in the amines industry, and technical know-how of complex chemistries required for the manufacture of niche chemicals that we manufacture, we believe that we are well positioned to grow, expand our market share and improve our profitability.

Product Portfolio

As of March 31, 2022, our product portfolio comprised five niche chemicals catering to a diverse range of end user industries, including speciality chemicals, agrochemicals; and pharmaceuticals across multiple applications.

We have focused on products based on certain criteria: (i) manufactured for the first time in India; (ii) import substitutes; (iii) continuous process technology, (iv) high export potential; (v) multiple high growth application areas such as speciality chemicals, pharma and agrochemicals; and (vi) commodity raw materials.

Since there is no effective substitute for our products in the end-use industries they serve, historically such products were imported from international markets including Japan, China, Belgium, Sweden, and Saudi Arabia and catered to a significant portion of the total demand for these products (*Source: CRISIL Report*). We have consistently increased our production volume, from 4,428.39 MT in Fiscal 2020 to 16,851.72 MT in Fiscal 2022, enabling us to cater to the growing market opportunity. In addition, our Ethylenediamine, and Diethylenetriamine products are REACH certified, which enable our products to be exported into European Union.

The table below sets forth certain information on our key products, their applications, and the industries such products are used in:

Products	Sales volume in Fiscal 2022 (in MT)	Industry Segment*	End-Use Application*	Our Market Position in India*[(1)]	Our Global Market Position*[(2)]
Ethylenediamine	13,941.87	Specialty Chemicals	Production of Chelating Agents (EDTA), bleach activators, corrosion inhibitors, epoxy resins, polyamide resins (for paints, coatings polymer applications), fabric softeners, lubricants/fuel additives, emulsifiers, surfactants, textile chemicals, paper chemicals	Sole manufacturer using the MEA process, 25.9% market share in Fiscal 2022	2.2% market share in Fiscal 2022
		Agrochemicals	Production of Dithicarbamate Fungicides such as Mancozeb, Maneb and Zineb, etc.		
		Pharmaceuticals	Production of Aminophylline, a xanthine bronchodilator used in the treatment of asthma and other respiratory problems, antihistamine, antibiotic/steroid creams		

Products	Sales volume in Fiscal 2022 (in MT)	Industry Segment*	End-Use Application*	Our Market Position in India*(1)	Our Global Market Position*(2)
Piperazine(3)	1,541.27	Pharmaceuticals	Production of quinolone drugs, such as Ciprofloxacin and Norfloxacin. Other drugs containing it include anti-helmintics, sedatives, antihistamines, antifilarials, tranquillizers, and analgesics	Sole manufacturer using the MEA process, 57.5% market share in Fiscal 2022	0.6% market share in Fiscal 2022
		Specialty Chemicals	Polyamide Resins, Oil field chemicals for gas sweetening		
Diethylenetriamine	1,223.73	Specialty Chemicals	Additive in oil drilling, chelating agent in detergents and metal treating	Sole manufacturer using the MEA process, 11.4% market share in Fiscal 2022	2.0% market share in Fiscal 2022
		Pharmaceuticals	Anthelmintics, psychoactive drugs		
Amino Ethyl Ethanol Amines	326.76	Specialty Chemicals	Lube Oil and Fuel Additives, Surfactants, Fabric Softeners	Sole manufacturer using the MEA process, 21.6% market share in Fiscal 2022	0.4% market share in Fiscal 2022
Amino Ethyl Piperazine	203.50	Specialty Chemicals	Corrosion Inhibitors, Ashphalt Chemicals, Epoxy Curing Agents, Poly Amide Resins	Sole manufacturer using the MEA process, 3.5% market share in Fiscal 2022	0.6% market share in Fiscal 2022

**(Source: CRISIL Report)*
(1) Market share in India has been calculated on the basis of sales volume of the relevant product in India in Fiscal 2022, including imports.
(2) Global market share has been calculated on the basis of total sales volume of relevant product during Fiscal 2022 and global market size in terms of sales volume.
(3) Anhydrous form

The table below sets forth our revenues generated from the sale of our key products in the periods indicated therein:

Category	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Ethylenediamine	360.99	67.00%	1,204.68	69.08%	3,849.16	74.85%
Piperazine(1)	89.03	16.52%	174.62	10.01%	530.91	10.32%
Diethylenetriamine	44.53	8.26%	134.29	7.70%	410.83	7.99%
Amino Ethyl Ethanol Amines	2.99	0.55%	18.36	1.05%	60.40	1.17%
Amino Ethyl Piperazine	0.04	0.01%	1.65	0.09%	28.05	0.55%
Others(2)	41.23	7.65%	210.41	12.06%	263.45	5.12%
Total	**538.81**	**100.00%**	**1,744.01**	**100.00%**	**5,142.80**	**100.00%**

(1) Anhydrous form.
(2) Others include steam and mixture of higher amines.

Customer Base

We have developed an extensive customer base. In Fiscal 2022, we sold our products to 182 customers which includes manufacturers of speciality chemicals, agrochemical and pharmaceutical as well as distributors that further sell our products to customers in these industries.

Our key customers include: Nanjing Union Chemical Company Limited, Korea India Limited, UPL Limited, Dr. Reddy's Laboratories Limited and Aarti Dugs Limited.

We have established strong relationships with a range of customers, and our customer base has grown from 45 customers in Fiscal 2020 to 182 customers in Fiscal 2022. We believe that the diversification of our end-use customer base across various industries has enabled us to minimize impact of industry-specific disruptions on our business operations and prospects.

Manufacturing Facility

We operate a single manufacturing facility located at Solapur, Maharashtra for the manufacture of all of our products. The manufacturing facility is spread across 41,920 square meters and had an aggregate annual installed capacity of 30,000 MT per annum as of March 31, 2022. Our manufacturing facility has received environmental clearance for additional capacity, and based on our growth strategies, we may in the future implement debottlenecking measures through additional equipment or otherwise develop additional capacity within the same manufacturing facility. The manufacturing of our products involves high temperature and pressure reactions, reflecting our ability to handle chemical reactions.

The technology used in our reactor is transferred to us for use in India pursuant to a technology transfer agreement with an international institute on an exclusive basis i.e., we will be the exclusive user of such technology in India for a period of ten years commencing June 13, 2019 (date of successful commissioning of our manufacturing facility). For further information, see "- *Competitive Strengths – Manufacturing facility with stringent quality norms and procedures*" on page 163.

Our manufacturing facility is first of its kind in India to manufacture these niche products using the MEA process. The process uses a high pressure-high temperature catalytic fixed bed reactor with equilibrium reaction and is based on "continuous flow" across multiple unit operations *(Source: CRISIL Report)*. Our facility is equipped with bulk storage facilities for raw materials and finished goods, and is controlled by an automated Distributed Control System ("**DCS**"). In addition, our facility is a zero liquid discharge facility with an efficient effluent treatment system.

Experienced Senior Management Team

We have a well experienced management and leadership team led by our Managing Director, Rajeshwar Reddy Nomula, having over three decades of experience in the chemical industry. We are led by a professional and experienced management team with industry experience. Our Whole-time Directors, Ram Reddy Dundurapu, Gaddam Hemanth Reddy and Ande Prathap Reddy have extensive experience in the chemicals industry and have played a significant role in the development of our business. Our senior management team has been critical in establishing a successful, scalable operating model, and consistently generating financial results.

Financial and Operational Metrics

Our revenue from operations have grown from ₹ 538.81 million in Fiscal 2020 to ₹ 1,744.01 million in Fiscal 2021 and to ₹ 5,142.80 million in Fiscal 2022. Our restated profit after tax was ₹ (158.70) million, ₹ 103.95 million and ₹ 1,089.45 million in Fiscals 2020, 2021 and 2022, respectively. Our restated profit after tax margin was (29.33)%, 5.91% and 21.11% in Fiscals 2020, 2021 and 2022.

The following table sets out key financial parameters in the relevant periods:

Key Financial Indicators	**Fiscal**		
	2020	**2021**	**2022**
	(₹ million, except percentages)		
Revenue from Operations	538.81	1,744.01	5,142.80
Gross Profit(1)	140.44	722.07	2,514.01
Gross Margin(2)	26.06%	41.40%	48.88%
EBITDA(3)	4.35	438.37	1,806.20
EBITDA Margin(4)	0.81%	25.14%	35.12%
Fixed Asset Turnover(5)	25.50%	87.07%	273.76%
Restated Profit After Tax for the Year	(158.70)	103.95	1,089.45
PAT Margin(6)	(29.33)%	5.91%	21.11%

Key Financial Indicators	Fiscal		
	2020	2021	2022
	(₹ million, except percentages)		
Return on Average Equity ("**RoAE**")[7]	(20.86)%	14.18%	81.91%
Return on Average Capital Employed ("**RoACE**")[8]	(2.70)%	11.89%	53.12%
Net Debt / Equity[9]	2.97	2.58	0.87
Net Debt / EBITDA	464.50	4.62	0.90
Working Capital Turnover Ratio	3.07	4.40	3.73
Working Capital as a Percentage of Revenue from Operations[10]	32.60%	22.70%	26.84%

Note:

(1) *Gross Profit is calculated as revenues from operations less cost of goods sold (cost of goods sold is equal to cost of material Consumed and changes in inventories of finished goods and work-in-progress).*

(2) *Gross Margin is calculated as gross profit divided by revenues from operations.*

(3) *EBITDA is calculated as profit after tax for the year / period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income.*

(4) *EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.*

(5) *Fixed Asset Turnover is calculated as revenues from operations divided by fixed assets.*

(6) *PAT Margin is calculated as restated profit after tax for the year / period as a percentage of total income.*

(7) *RoAE is calculated as restated profit after tax for the year/ period divided by total average equity (calculated as average of equity share capital plus other equity).*

(8) *RoACE is calculated as EBIT divided by Average Capital Employed. (Capital Employed is calculated as Shareholders' Equity + Long term debt + Short Term debt – Cash and cash equivalents – Short term investments.).*

(9) *Net Debt / Equity is calculated as net debt (calculated as total debt less cash and cash equivalents) divided by total equity.*

(10) *Working Capital as a Percentage of Revenue from Operations is calculated as current assets less current liabilities divided by revenues from operations.*

Competitive Strengths

Sole manufacturer of niche chemicals in India, including Ethylenediamine, Piperazine (Anhydrous), Diethylenetriamine, Amino Ethyl Ethanol Amines and Amino Ethyl Piperazine, with significant export potential

We commenced commercial production from our manufacturing facility located at Solapur, Maharashtra in 2019 and have grown our business to become the sole manufacturer in India of niche chemicals such as Ethylenediamine, Piperazine (Anhydrous), Diethylenetriamine, Amino Ethyl Ethanol Amines and Amino Ethyl Piperazine, using MEA process (*Source: CRISIL Report*). The chemicals we manufacture are import substitutes and are used in various end-use industries such as speciality chemicals, agrochemicals, and pharmaceuticals (*Source: CRISIL Report*). Since there is no effective substitute for the products that we manufacture in the end-use industries, historically such products were imported from international markets including Japan, China, Belgium, Sweden, and Saudi Arabia and catered to a significant portion of the total demand for these products (*Source: CRISIL Report*).

We believe that our presence in various markets reduces our dependence on any single market and minimises the risk of any adverse developments or material changes in economic outlook in any single market. The increasing demand in speciality chemicals, pharmaceuticals and agrochemicals from developing economies like India is likely to increase the consumption of these chemicals and its derivatives (*Source: CRISIL Report*). Through our technical know-how and experience in handling complex chemistries, we have been able to unlock value by adding downstream and value-added products to our product portfolio. In addition, our Ethylenediamine, Diethylenetriamine products are REACH certified thereby allowing our products to be exported in European Union.

The table below sets forth revenues generated from the sale of our key products in the periods indicated therein:

Category	Fiscal 2020			Fiscal 2021			Fiscal 2022		
	Sales volume (in MT)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Sales volume (in MT	Amount (₹ million)	Percentage of Revenue from Operations (%)	Sales volume (in MT	Amount (₹ million)	Percentage of Revenue from Operations (%)
Ethylenediamine	2,991.52	360.99	67.00%	9,596.60	1,204.68	69.08%	13,941.87	3,849.16	74.85%

Category	Fiscal 2020			Fiscal 2021			Fiscal 2022		
	Sales volume (in MT)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Sales volume (in MT	Amount (₹ million)	Percentage of Revenue from Operations (%)	Sales volume (in MT	Amount (₹ million)	Percentage of Revenue from Operations (%)
Piperazine[1]	246.93	89.03	16.52%	545.35	174.62	10.01%	1,541.27	530.91	10.32%
Diethylenetriamine	260.34	44.53	8.26%	896.81	134.29	7.70%	1,223.73	410.83	7.99%
Amino Ethyl Ethanol Amines	22.64	2.99	0.55%	135.40	18.36	1.05%	326.76	60.40	1.17%
Amino Ethyl Piperazine	0.22	0.04	0.01%	8.80	1.65	0.09%	203.50	28.05	0.55%
Others[2]	-	41.23	7.65%	-	210.41	12.06%	-	263.45	5.12%
Total	**3,521.65**	**538.81**	**100.00%**	**11,182.96**	**1,744.01**	**100.00%**	**17,237.13**	**5,142.80**	**100.00%**

[1] *Anhydrous form.*
[2] *Others include steam and mixture of higher amines.*

Further, in Fiscal 2020, 2021 and 2022, we had exported our products countries such as China, Malaysia, Turkey, United States of America, Republic of Korea, Germany, and Belgium.

The table below provides certain information on sales to our key markets including India and key export markets in the periods indicated:

Category	Fiscal 2020			Fiscal 2021			Fiscal 2022		
	Sales volume (in MT)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Sales volume (in MT)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Sales volume (in MT)	Amount (₹ million)	Percentage of Revenue from Operations (%)
India	3,433.76	527.26	97.85%	8,338.77	1,333.70	76.48%	13,153.51	3,900.15	75.84%
Key export markets[1]	84.29	11.08	2.06%	2,829.79	408.34	23.41%	3,881.52	1,194.52	23.23%
Other export markets[2]	3.60	0.47	0.09%	14.40	1.97	0.11%	202.10	48.13	0.94%
Total	**3,521.65**	**538.81**	**100.00%**	**11,182.96**	**1,744.01**	**100.00%**	**17,237.13**	**5,142.80**	**100.00%**

[1] *We identify the following markets as our key export markets, based on historical and prospective sales in such markets: China, Malaysia, Turkey, United States of America, Republic of Korea, Germany and Belgium.*
[2] *We identify the following markets as other markets, based on historical and prospective sales in such markets: United Arab Emirates, United Kingdom, Italy and Kuwait.*

Well-positioned to capture industry tailwinds

The global market for our portfolio of Ethylenediamine, Piperazine, Diethylenetriamine, Amino Ethyl Ethanol Amines and Amino Ethyl Piperazine is expected to grow from 1,078 kilo tons ("**KT**") in Fiscal 2022 to 1,570 KT by Fiscal 2028, growing at a CAGR of 6.5% *(Source: CRISIL Report)*. The global market for these products is presently valued at US$ 2.2 billion and is expected to grow at 6.9% CAGR to US$ 3.3 to 3.4 billion by Fiscal 2028 *(Source: CRISIL Report)*.

The following table sets forth certain information regarding the prospective sales volumes of our key products India and globally in accordance with the CRISIL Report:

Product	Global Market Size (Kilo Tonnes[1]) - KT)			India Market Size (Kilo Tonnes[1]) - KT)			Global Market	India Market
	FY18	FY22	FY28P	FY18	FY22	FY28P	CAGR (FY22-28)	CAGR (FY22-28)
Ethylenediamine	529.76	626.63	894.91	32.68	34.89	56.26	6.1%	8.3%
Piperazine	226.25	276.59	415.78	7.18	7.79	12.80	7.0%	8.6%
Diethylenetriamine	51.01	61.90	92.09	2.59	2.81	4.63	6.8%	8.7%
Amino Ethyl Ethanol Amines	63.45	76.80	113.77	3.35	3.62	5.92	6.8%	8.5%
Amino Ethyl Piperazine	30.38	36.44	53.25	1.62	1.74	2.82	6.5%	8.4%
Total	**900.86**	**1,078.36**	**1,569.80**	**47.42**	**50.85**	**82.43**	**6.5%**	**8.4%**

(Source: CRISIL Report)

In 2020, the global specialty chemicals space declined by 3% to 4% due to the impact of COVID-19 *(Source: CRISIL Report)*. Between 2021 and 2026, the market is expected to grow at 4% to 5% CAGR to US$ 950 to US$ 970 billion *(Source: CRISIL Report)*. By region-wise demand, India's specialty chemicals industry is expected to post 10% to 12% CAGR over 2021-26 due to rising demand from end-user industries, along with tight global supply on account of stringent environmental norms in China *(Source: CRISIL Report)*.

Further, the global pharmaceutical market, which expanded by 4.5% - 5.0% between 2016 and 2020 to approximately US$ 1,270 billion, is expected to sustain the growth momentum over the next five years, reaching US$ 1,650 to US$ 1,700 billion in 2026. New product launches, an ageing population, sedentary lifestyles, increasing prevalence of chronic diseases, technological advances, new methods for drug discovery, and increase in pharmaceutical drug usage are key drivers for the industry *(Source: CRISIL Report)*.

The CRISIL Report has estimated the global pesticide industry size to be at US$63 billion as of 2021 which grew at a CAGR of 2% to 3% CAGR over 2016-2020 *(Source: CRISIL Report)*. Over 2021-2025, the growth expected is to be 2% *(Source: CRISIL Report)*. Increasingly stringent regulation is impacting growth of established products and increasing the cost of innovation. Generic products have grown consistently over the past 10 years and accounted for 40-41% of the agrochemical market in 2021. The Asia-pacific region accounts for 30-31% of the global pesticide market *(Source: CRISIL Report)*.

In addition, our industry is characterised by high entry barriers because of difficulty of access to technology, as technology providers have long-term exclusive agreements with the manufacturers. In addition, capital expenditure requirement is also significantly high, technical know-how required to produce products and the requirement of a large distribution network may not be possible for new entrants in the market (*Source: CRISIL Report*).

We believe we have achieved a high capital efficiency and working capital turnover ratios, which enables us to utilise our capital in an optimal manner and remain competitive in the industry we operate in. For Fiscal 2020, 2021 and 2022, our working capital turnover ratio was 3.07, 4.40 and 3.73. We believe that given our diversified product portfolio, investment in technology, and our working capital management together with our strong focus on India and various export markets and established customer relationships have enabled us to develop our leadership position in India with significant export opportunities, which we believe provide us with significant competitive advantages.

Rapidly developed a diversified global and Indian customer base

Our products are sold in India as well as several international markets. We have grown our business to establish relationships with a diverse set of customers across various industries. Our products have a wide range of applications that cater to a diverse range of end user industries, including speciality chemicals, agrochemicals and pharmaceuticals. We believe that the diversification of our customers across various industries has enabled us to minimize impact of industry-specific disruptions on our business.

The following table sets forth the split of our revenues from operations depending on the nature of our end-use customers (including sales to distributors for onward sales to end-use customers):

Category	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Speciality Chemicals[(1)]	241.14	44.75%	899.45	51.57%	3,098.78	60.25%
Agrochemicals[(1)]	237.05	44.00%	747.94	42.89%	1,669.47	32.46%
Pharmaceuticals[(1)]	60.62	11.25%	96.62	5.54%	374.55	7.28%
Total	**538.81**	**100.00%**	**1,744.01**	**100.00%**	**5,142.80**	**100.00%**

[(1)] *Calculated on the basis of the nature of the significant majority of the business operations of our end-customers including end-customers served by our distributors.*

In Fiscal 2022, we sold our products to 182 customers in India and our export markets. Our customer base has grown from 45 customers in Fiscal 2020 to 182 customers in Fiscal 2022 at a CAGR of 101.11%. In addition, a significant portion of our revenue from operations are from repeat customers.

The table below sets forth certain information about our customers in Fiscal 2022 categorized on basis of their end-use industry:

Category	Number of Customers	
	Domestic	International
Speciality Chemicals	99	32
Agrochemicals	6	1
Pharmaceuticals	43	1

Notes: Certain customers are present across multiple categories

We believe that our responsiveness coupled with innovative and quality product portfolio have enabled us to successfully establish our market presence and nurture customer relationships. These customer relationships have helped us expand our product portfolio and geographic reach. Our active engagement with key customers have allowed us to grow rapidly, ensure steady revenue from operations, allowing us to plan our capital expenditure, enhance our ability to benefit from economies of scale to lower cost of raw materials.

Ability to leverage research and development capabilities and strategic guidance from Balaji Amines Limited

In our experience, we have been able to create quality products as a result of our continuous in-house research and development activities. Our research and development capabilities are centred on product innovation, which includes new product conceptualisation and development. We also have a quality control team that analyses and evaluates consistency and correctness of our products. Our research and development team is headed by Laxman Kerba Adsul, with experience in developing chemical products. Our research and development team also comprises of additional members having requisite qualification in organic chemistry.

Incorporated in 2010, our Company was originally involved in, amongst other activities, research and development for developing processes for certain specialty chemicals. Our Company became a subsidiary of BAL in 2018. BAL is one of the leading manufacturers of aliphatic amines in India (*Source: CRISIL Report*). BAL specializes in manufacturing of methylamines, ethylamines, derivatives of specialty chemicals and pharma excipients (*Source: CRISIL Report*). Key products manufactured by BAL includes Monomethyl Amine, Dimethyl Amine, and Trimethyl Amine which are used in pharmaceutical and agrochemical industries with various end use applications including corrosion control, photographic chemicals, solvents, and corrosion inhibitors amongst others.

Further, we derive certain benefits as a subsidiary of our Corporate Promoter, such as the use of "Balaji name", and attracting management talent. Our relationship with BAL assists us in sourcing customers, availing loan and facilities and increase market penetration. We have leveraged our relationship and guidance from BAL to strengthen our research and development initiatives and have developed various products with complex chemistries highlighting our strong research and development initiatives. Our research and development team has been instrumental in developing our current product portfolio.

Manufacturing facility with stringent quality norms and procedures

We operate a single manufacturing facility located at Solapur, Maharashtra for the manufacture of all of our products. The manufacturing facility is the first of its kind in India, and the first facility to manufacture niche products by using MEA process (*Source: CRISIL Report*). The manufacturing facility is spread across 41,920 square meters and has an aggregate annual installed capacity of 30,000 MT per annum as of March 31, 2022. The manufacturing facility is located near major highways and rail routes and with a branch line to the neighbouring state of Karnataka and Hyderabad which are the main hub for pharmaceutical and agrochemical industries, providing us with cost and logistical advantages (*Source: CRISIL Report*). For further information, see "*Business Operations - Manufacturing Capabilities – Manufacturing Facility*" on page 170.

Our manufacturing facility has been declared a *Mega Project* by the state government of Maharashtra, and is eligible for a 50% refund of state-GST on a gross basis. Our facility utilises continuous flow reaction across our operations allowing us the ability to recover and recycle input materials.

Our automated DCS, a system of sensors, controllers, and associated computers that are distributed throughout our plant and manage different functions. The DCS control system assists us in making automated decisions based on production trends it sees in real-time, and this includes controlling the temperature, and pressure required to cater for the needs of the various chemicals that we produce. According to the CRISIL Report, the global manufacturing landscape for Ethylene amines is characterized with presence of leading multinational companies, and we are the only Indian company which has the facility and technology for manufacturing these products (*Source: CRISIL Report*).

Due to specific operational requirements for high pressure and high temperatures in manufacturing our products, the reactor catalysing the manufacturing process is core to our operations. The technology used in our reactor is transferred to us for use in India pursuant to a technology transfer agreement with an international institute on an exclusive basis i.e., we will be the exclusive user of such technology in India for a period of ten years commencing June 13, 2019 (date of successful commissioning of our manufacturing facility). Further, we have also procured certain catalyst used for manufacturing our various products from the international institute. Such catalyst is an asset that facilitates our manufacturing processes leading to an increase in future economic benefits and output efficiency expected from our manufacturing facility. Our reactor has been re-purposed through extensive engineering by our internal in-house team to adapt it for Indian conditions for our products.

Further, our entire manufacturing operations from designing, process flow sheet and processing recovery are developed internally by our in-house engineering team. The continuous flow nature of the process ensures a longer life of the catalyst, enabling maximizing capacity over the entire catalyst life which ensures efficient optimisation of the raw materials. We follow strict process control guidelines and international industry standards and practices. Further, the reaction loop rotary equipment such as high pressure pumps and compressors are as per the American Petroleum Institute's codes and standards and the handling of process fluids is as per International Safety Guidelines ensuring reliable and safe operations. We also have a laboratory at our manufacturing facility with modern analytical instruments to ensure quality control which is supported by a qualified team of employees.

Improving profitability and enhancement of market share

Our financial performance has improved in the last three Fiscals and our revenue from operations have grown rapidly from ₹ 538.81 million in Fiscal 2020 to ₹ 1,744.01 million in Fiscal 2021 and to ₹ 5,142.80 million in Fiscal 2022. Our restated profit after tax was ₹ (158.70) million, ₹ 103.95, million and ₹ 1,089.45 million in Fiscals 2020, 2021 and 2022, respectively. Our restated profit after tax margin was (29.33)%, 5.91% and 21.11% in Fiscal 2020, 2021 and 2022. Our continued focus on efficiency and productivity improvements and cost rationalization have enabled us to deliver better financial performance. Further, our EBITDA for Fiscal 2020, 2021 and 2022 was ₹ 4.35 million, ₹ 438.37 million and ₹ 1,806.20 million while our EBITDA Margins were 0.81%, 25.14% and 35.12%, respectively in such periods.

We have consistently focussed on strengthening our balance sheet and reducing our debt level. Our net debt / EBITDA ratio was 464.50, 4.62 and 0.90 as of March 31, 2020, 2021 and 2022, respectively. Further, we had a debt to equity ratio of 0.87 as on March 31, 2022. In addition, our Working Capital Turnover Ratio was 3.01, 4.40 and 3.73, as of March 31, 2020, 2021 and 2022, respectively.

Our RoAE was (20.86)%, 14.18% and 81.91%, as of March 31, 2020, 2021 and 2022, respectively, while our RoACE was (2.70)%, 11.89% and 53.12%, respectively, as of March 31, 2020, 2021 and 2022. We believe that we have utilized our resources prudently, and that our operational and financial performance will allow us to take advantage of the growth opportunities in our industry. Our profitability is primarily attributable to our market share, and certain cost-efficiencies driven by optimization of raw material cost and technology.

Professional management team with extensive domain knowledge and supported by a committed employee base

Board of Directors

We have a strong, well experienced management and leadership team is led by our Managing Director, Rajeshwar Reddy Nomula, having over three decades of experience in the chemical industry. We are led by a professional and experienced management team with industry experience. Our Whole-time Directors, Ram Reddy Dundurapu, Gaddam Hemanth Reddy and and Ande Prathap Reddy have extensive experience in the chemicals industry and have played a significant role in the development of our business. Our senior management team has been critical in establishing a successful, scalable operating model, and consistently generating financial results. Further, since certain of our Directors are also on the Board of Directors of our Promoter, BAL, we get strategic guidance with them have been able to leverage their experience to grow our operations.

Senior Management Team

We have an experienced and professional senior management team with significant industry experience. Our senior management team includes our Pardeep Singh Watwani (CFO), Srinivas Bodige (Company Secretary and Compliance Office), Baddam Rajeshwar Reddy (head of quality assurance), Ajit Siddharam Jodbhavi (head of international sales of our Company), Azhar Feroz Almelkar (head of domestic sales of our Company), and Ashpak Rahiman Shaikh (head of domestic purchase of our Company)

Strategies

Increase our manufacturing capacities and continue diversifying our product portfolio to meet market demand

The equipment required to manufacture our products include our reactor and distillation columns. As of March 31, 2022, we have an annual installed capacity of 30,000 MT per annum. We intend to increase our capacity utilization and actual production by adding new equipment to our facility, such as additional distillation columns to reduce the time required for manufacturing of products and increase the volume of our products manufactured in order to cater to the growing demand for our products. The environmental clearance for our manufacturing facility provides approval for annual capacity of up to 45,330 MT per annum and we may in the future implement debottlenecking measures through additional equipment or otherwise develop additional capacity within the same manufacturing facility. To cater to additional demand we may consider increasing our installed capacity in future and may fund such capacity expansion through a mixture of internal accruals and external debt.

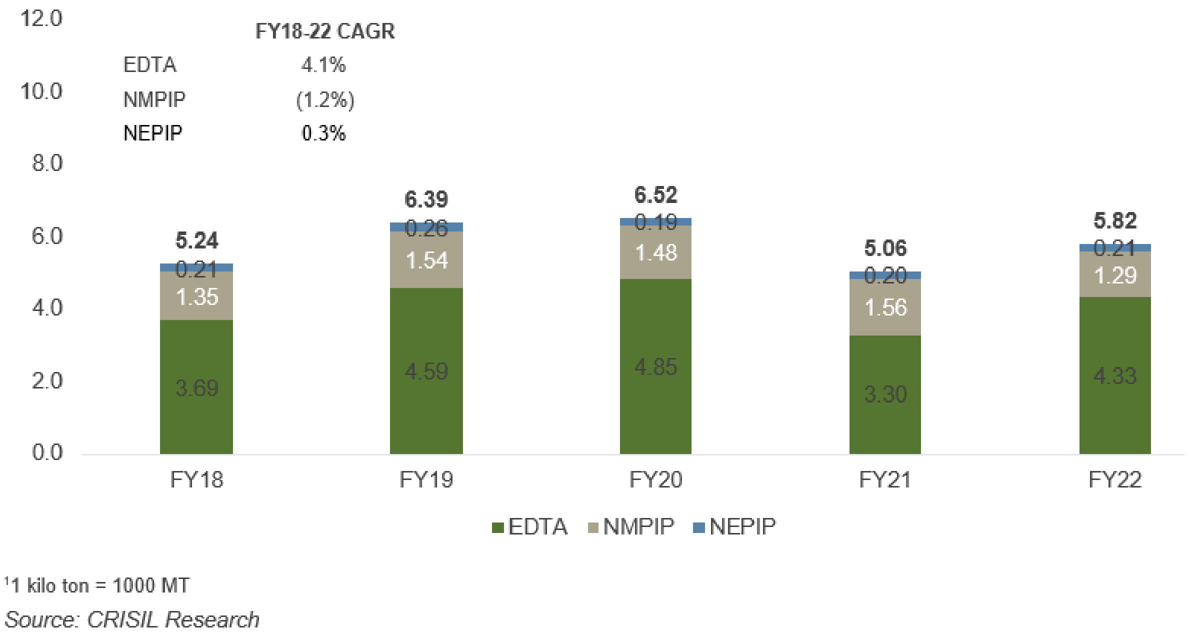
In Fiscal 2022, India imported 31.8 KT of Ethylenediamine, 1.1 KT of Piperazine, 4.4 KT of Diethylenetriamine, 0.2 KT of Amino Ethyl Ethanol Amines and 0.3 KT of Amino Ethyl Piperazine. Further, in the last Fiscals, India cumulatively imported 125.4 KT of these products, *i.e.*, 105.5 KT of Ethylenediamine, 6.3 KT of Piperazine, 12.2 KT of Diethylenetriamine, 0.6 KT of Amino Ethyl Ethanol Amines and 0.7 KT of Amino Ethyl Piperazine. (*Source: CRISIL Report*). We plan to better cater to the domestic market's requirement by offering timely supplies in required quantities at affordable and competitive prices which would increase our market share and help reduce import dependency.

In order to meet the domestic demand, we intend to implement forward integration measures to diversify into manufacturing derivatives, amongst other products. We are working on developing a number of additional products which may be considered downstream or value-added products to our existing products. Certain of such proposed products include: N-Ethyl Piperazine and N-Methyl Piperazine.

In addition, we propose to introduce new products, such as ethylenediamine tetra acetic acid ("**EDTA**") and other derivatives of EDTA with varied applications across industries and continue to develop catalysts to improve process and cost efficiencies in our operations. We believe that these integration measures will allow us to have greater control on the manufacturing process, maintain our quality standards and benefit from cost efficiencies in our resource utilisation.

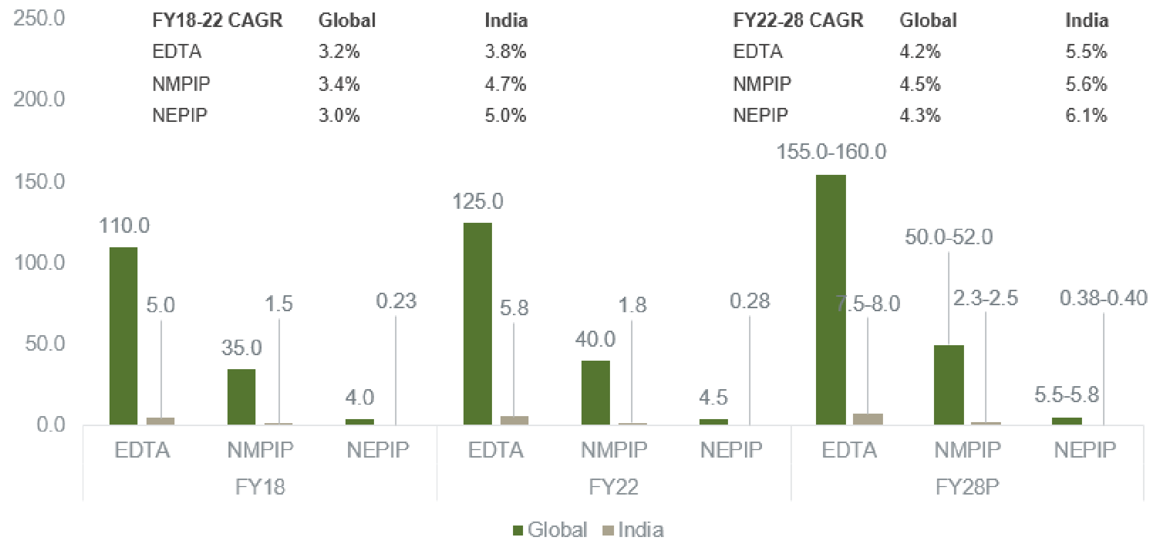
In Fiscal 2022 the estimated size of the global market for EDTA was 110 KT, 35 KT for N-Methyl Piperazine and 4 KT for N-Ethyl Piperazine(*Source: CRISIL Report*). The Indian market makes up roughly 4%-5% of the total EDTA market and is estimated to be around 5 KT and for N-Methyl Piperazine and N-Ethyl Piperazine are estimated at 1.5 KT and 0.23 KT, respectively, making up 4%-6% each of their corresponding global market sizes (*Source: CRISIL Report*). Further, there are a limited number of manufacturers, who are manufacturing the aforementioned products in India (*Source: CRISIL Report*).

The chart below provides Indian import trend for EDTA, N-Ethyl Piperazine and N-Methyl Piperazine in the relevant periods (in KT):



Source: CRISIL Report

The chart below sets forth certain information relating to the historical and projected size of global and Indian markets for EDTA, N-Ethyl Piperazine and N-Methyl Piperazine (in KT):



[1]1 kilo ton = 1000 MT
P: Projected
Source: CRISIL Research

(Source: CRISIL Report)

We believe that research and development of new products to meet our customers' requirements is a key growth driver of our business. We will continue to leverage the experience and guidance from BAL to innovate and develop new products for our customers in order to increase our customer and market share.

Continue to expand into additional export markets and increase export sales

We intend to continue our focus on expanding our export sales and increase our export sales. Our exports have grown from ₹ 11.55 million in Fiscal 2020 representing 2.15% of our revenue from operations to ₹ 1,242.66 million or 24.16% of our revenue from operations in Fiscal 2022. In Fiscal 2020, 2021 and 2022, we exported 87.89 MT, 2,844.19 MT and 4,083.62 MT, respectively of our products.

We believe that focus on export markets would facilitate our sales, marketing and business development activities and provide us with timely insights into the economics, product requirements and regulatory environment in such markets. In addition, owing to the impact of COVID-19 on the global supply chain and geo-political tensions, global suppliers are looking to diversify and expand their sourcing of products from different manufacturers across jurisdictions to minimize any disruption on their operations (*Source: CRISIL Report)*.

Further, export growth is expected to accelerate, owing to competitive positioning of players, recovery in global demand, and the China-plus-one strategy of customers. This will also be supported by weakened competitiveness of China due to implementation of stringent environmental norms, rising labour cost, and geopolitical issues (the US-China trade war) (*Source: CRISIL Report)*.

We believe that with our modern technology, entry barriers to establish a new plant by new players in the market and our diversified and niche products will provide us to increase our market share globally. We intend to increase our export sales by increasing our distribution network. In addition, we plan on strengthening our distribution network in existing markets in addition to gaining access to newer markets in developed countries since our Ethylenediamine and Diethylenetriamine products are REACH certified which allows our products to be exported to countries within the European Union.

Expand customer base, distributors and increase wallet share with existing customers

Over the last three Fiscals, we have been able to consistently grow our customer base. In Fiscal 2020, 2021 and 2022, we sold our products to 45, 109 and 182 customers, respectively. With the growing customer demand for our products, we intend to capitalize on industry tailwinds by continuing to grow our customer base which includes manufacturers of speciality chemicals, agrochemical and pharmaceutical as well as distributors that further sell our products to customers in these industries.

Our customer base expansion is complemented by the growth in our end-user industries and favourable government policies. End-use industries such as speciality chemicals, agrochemicals and pharmaceuticals, are rapidly growing in both domestic and international market (*Source: CRISIL Report*).

Further, in recent times, ethylenediamine has been started to be used in pharmaceuticals intermediates, which is expected to grow in coming years (*Source: CRISIL Report*). To capitalise on this, we intend to expand our customer base further by catering to the newer markets with our expanded product portfolio such as EDTA and application of our products, and focus on adjacent verticals like derivatives, N-Ethyl Piperazine and N-Methyl Piperazine. We intend to increase our distribution network by participating in international industry specific exhibitions through which we aim to explore new business opportunities.

In addition, we also intend to increase our wallet share from our existing customers. The average value of customer orders (calculated as revenue from operations divided by total number of customers during the year) in Fiscal 2020, 2021 and 2022 was ₹ 11.97 million, ₹ 16.00 million and ₹ 28.26 million, respectively.

BUSINESS OPERATIONS

Our Products

As of March 31, 2022, our product portfolio comprises five niche chemicals catering to diverse range of end user industries, including speciality chemicals, agrochemicals; and pharmaceuticals across multiple applications.

The table below sets forth revenue from operations from sale of our key products in the periods indicated:

Category	Fiscal 2020			Fiscal 2021			Fiscal 2022		
	Sales volume (in MT)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Sales volume (in MT	Amount (₹ million)	Percentage of Revenue from Operations (%)	Sales volume (in MT	Amount (₹ million)	Percentage of Revenue from Operations (%)
Ethylenediamine	2,991.52	360.99	67.00%	9,596.60	1,204.68	69.08%	13,941.87	3,849.16	74.85%
Piperazine[(1)]	246.93	89.03	16.52%	545.35	174.62	10.01%	1,541.27	530.91	10.32%
Diethylenetriamine	260.34	44.53	8.26%	896.81	134.29	7.70%	1,223.73	410.83	7.99%
Amino Ethyl Ethanol Amines	22.64	2.99	0.55%	135.40	18.36	1.05%	326.76	60.40	1.17%
Amino Ethyl Piperazine	0.22	0.04	0.01%	8.80	1.65	0.09%	203.50	28.05	0.55%
Others[(2)]	-	41.23	7.65%	-	210.41	12.06%	-	263.45	5.12%
Total	**3,521.65**	**538.81**	**100.00%**	**11,182.96**	**1,744.01**	**100.00%**	**17,237.13**	**5,142.80**	**100.00%**

[(1)] *Anhydrous form.*
[(2)] *Others include steam and mixture of higher amines.*

As our chemicals are specialty and serve certain niche markets, our revenue from operations can be split along the business verticals according to industry.

The following table sets forth the split of our revenues from operations depending on the nature of our end-use customers (including sales to distributors for onward sales to end-use customers):

Category	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Speciality Chemicals[(1)]	241.14	44.75%	899.45	51.57%	3,098.78	60.25%
Agrochemicals[(1)]	237.05	44.00%	747.94	42.89%	1,669.47	32.46%
Pharmaceuticals[(1)]	60.62	11.25%	96.62	5.54%	374.55	7.28%
Total	**538.81**	**100.00%**	**1,744.01**	**100.00%**	**5,142.80**	**100.00%**

[(1)] *Calculated on the basis of the nature of the significant majority of the business operations of our end-customers including end-customers served by our distributors.*

Ethylenediamine ("EDA")

EDA is ethylene amine with the lowest molecular weight. It contains two primary amine groups and is a colourless liquid, with ammonia-like odour. It is commonly used as a building block for production of other chemical products *(Source: CRISIL Report)*.

A most prominent derivative of EDA is the chelating agent ethylenediamine tetra acetic acid ("**EDTA**"), which is derived from EDA via strecker synthesis involving cyanide and formaldehyde. Numerous bio-active compounds and drugs contain the N-CH_2-CH_2-N linkage, including some antihistamines. Further, in recent times, ethylenediamine has been started to be used in pharmaceuticals intermediates, which is expected to grow further going forward *(Source: CRISIL Report)*.

Piperazine (Anhydrous form) ("PIP")

PIP is a cyclic ethylene amine with two secondary amine groups**.** In its pure form, PIP has a freezing point of 106°C and a boiling point of 147°C. Due to its narrow liquid range, commercial piperazine is often supplied as 68% active content diluted with water (PIP 68%). It is also supplied in anhydrous form (PIP 99%) or piperazine flakes *(Source: CRISIL Report)*.

Diethylenetriamine ("DETA")

DETA is a linear ethylene amine containing two primary and one secondary nitrogen. DETA is a member of the ethylene amines family. At room temperature, it is a 'colorless to light yellow' liquid with an ammonia-like odour and is readily soluble in both water and organic solvents. DETA is a structural analogue of diethylene glycol. Its chemical properties resemble those for ethylene diamine. It is a weak base, and its aqueous solution is alkaline. DETA is a by-product of the production of Ethylenediamine *(Source: CRISIL Report)*.

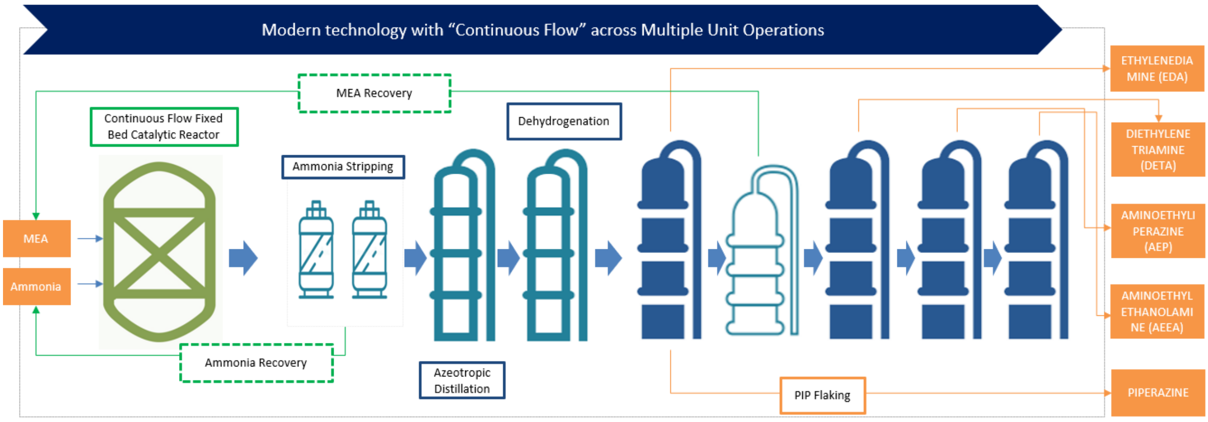
Amino Ethyl Ethanol Amines ("AEEA")

AEEA is a linear molecule with primary and secondary amine groups and is a single component product, with minimal ethylenediamine impurity. AEEA is a colorless liquid, with slightly higher viscosity than EDA and DETA and has an ammonia-like odour. AEEA as an organic base used in the industrial manufacture of fuel and oil additives, chelating agents, and surfactants *(Source: CRISIL Report)*.

Amino Ethyl Piperazine ("AEP")

AEP is an ethylene amine with a unique molecular structure, as it contains a primary, secondary and tertiary amine. AEP is a single- component product which is clean, has ammonia-like odour and a colorless with a broad liquid range, making it a suitable raw material for a large variety of applications. AEP is an organic compound with a wide range of commercial and industrial applications. It is used primarily as reactive intermediates (*i.e.*, building blocks) to produce other useful chemical products, due to its unique combination of reactivity, surface activity, and basicity *(Source: CRISIL Report)*.

Manufacturing Process



Ethylenediamine ("**EDA**"), Diethylenetriamine ("**DETA**"), Amino Ethyl Ethanol Amines ("**AEEA**"), Amino Ethyl Piperazine ("**AEP**"), and Piperazine (Anhydrous form) ("**PIP**") is manufactured through amination reaction of MEA. The basic raw materials MEA and ammonia from the day tank are fed to the reactor through the series of heat exchanger. The reaction takes place under hydrogen atmosphere at high temperature and at elevated pressure. Hence the continuous circulation of hydrogen gas is maintained by using recycling gas compressor with makeup of fresh hydrogen.

From the reactor outlet the mixer containing excess of ammonia, MEA, water, EDA, DETA, AEEA, AEP, PIP and high boilers are then fed to series of distillation column for the separation by fractionation. Ammonia is separated in deamination column and ammonia stripping column and are recycled back to the reactor. Bottom containing MEA, water, EDA, DETA, AEEA, AEP, PIP and higher mixer from stripping column is fed to azeotropic column to separate the azeotropic mixer of EDA, water and PIP which is further fed to dehydration column for the removal of water from the top and the mixer of EDA and PIP is separated from the bottom of the dehydration column. The mixer of EDA and PIP is then fed to EDA column where EDA is separated from the top as a pure product and PIP is separated from the bottom. The mixer of MEA, DETA, AEP, AEEA and high boilers are separated from the azeotropic column bottom and is fed to MEA recovery column where MEA is recovered from the top and recycled to the reactor. Subsequently, MEA column bottom goes to DETA column where DETA is separated from the top and bottom is then fed to AEP column. In AEP column, AEP is separated from the top and bottom containing AEEA and high boilers fed to AEEA column at the end. In AEEA column, AEEA is collected from the top and bottom is removed as high boilers.

Our Manufacturing Capabilities

Manufacturing Facility

We operate a single manufacturing facility for the manufacture of all of our products located at Solapur, Maharashtra. The manufacturing facility is spread across 41,920 square meters and is leased from the Maharashtra Industrial Development Corporation for a period of 95 years from December 1, 2011. As of March 31, 2022, we have an aggregate installed capacity of 30,000 MT per annum. For further information, see "-*Business Operations – Our Manufacturing Capabilities – Capacity and Capacity Utilisation*" on page 171.

*****Remainder of this page is intentionally left blank*****

Capacity and Capacity Utilisation

Information relating to our production capacity and the historical capacity utilization of our manufacturing facility included in this Draft Red Herring Prospectus has been certified by Kulkarni Mukund Murlidhar, Chartered Engineer, by way of his certificate dated August 10, 2022. Actual production levels and utilization rates may therefore vary significantly from the capacity information of our manufacturing facility included in this Draft Red Herring Prospectus and undue reliance should not be placed on such information. Undue reliance should therefore not be placed on our installed capacity or historical capacity utilization information included in this Draft Red Herring Prospectus.

Product	**Fiscal**								
	2020			**2021**			**2022**		
	Installed Capacity*(1) (MTA)	**Actual Production (MT)**	**Capacity Utilization*(2) (%)**	**Installed Capacity*(1) (MTA)**	**Actual Production (MT)**	**Capacity Utilization*(2) (%)**	**Installed Capacity*(1) (MTA)**	**Actual Production (MT)**	**Capacity Utilization*(2) (%)**
EDA	22,020.00	3,769.71	17.12%	22,020.00	9,300.56	42.24%	22,020.00	13,853.31	62.91%
PIP	4,050.00	307.26	7.59%	4,050.00	824.37	20.35%	4,050.00	1,221.02	30.15%
DETA	3,150.00	328.56	10.43%	3,150.00	855.15	27.15%	3,150.00	1,247.13	39.59%
AEEA, AEP and mixtures of higher amines	780.00	22.86	2.93%	780.00	144.20	18.49%	780.00	530.26	67.98%
TOTAL	**30,000.00**	**4,428.39**	**14.76%**	**30,000.00**	**11,124.28**	**37.08%**	**30,000.00**	**16,851.72**	**56.17%**

**As certified by Kulkarni Mukund Murlidhar, Chartered Engineer, by certificate dated August 10, 2022.*

(1) The information relating to the existing installed capacity of our manufacturing facility for the periods indicated is based on various assumptions and estimates including the standard capacity calculation practice in the specialty chemical manufacturing industry, and the capacities of principal equipment, such as the reactor, and that of ancillary equipment used in the manufacture of our products. These assumptions and estimates include: (i) continuous manufacturing operations for 24 hours per day, 26 days per month and 12 months in a year; (ii) design capacity of 30,000 MT per year considering 7,488 hours of continuous operation. Our reactor has a rated theoretical capacity of 30,000 MT per year based on the aforesaid assumptions and estimated 7,488 hours continuous operation through the year in terms of total volume of specialty chemicals produced.

(2) Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the installed capacity of the manufacturing facility as of the end of the relevant period.

Also, see "*Risk Factors – Information relating to the installed manufacturing capacity and capacity utilisation of our manufacturing facility included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.*" on page 44.

*****The remainder of this page is intentionally left blank*****

Utilities and Repair and Maintenance

We consume a substantial amount of power and fuel for our business operations. Adequate and cost-effective supply of electrical power, fuel and water is critical to our manufacturing process. We rely on the state electricity board through a power grid for the supply of electricity. In Fiscal 2020, 2021 and 2022, our power and fuel costs were ₹ 80.21 million, ₹ 161.13 million, and ₹ 490.90 million, for each respective period which accounted for 14.89%, 9.24% and 9.55% of our revenue from operations, respectively in such periods. Further, we plan regular repair and maintenance programs to ensure continuous production of our manufacturing facility.

For additional information, see "*Risk Factors - Our manufacturing facility is dependent on adequate and uninterrupted supply of electricity, water and fuel. Any shortage or disruption in electricity, water, or fuel supply may lead to disruption in operations, higher operating cost and consequent decline in our operating margins.*" on page 47.

Raw Materials

We procure certain of our raw materials such as ammonia and hydrogen from various domestic vendors. In addition, we import Mono Ethanol Amine which is the primary raw material used for chemical reaction for the production of our products from Malaysia, Thailand, United Kingdom and China. Further, we typically source raw materials from third-party suppliers on a purchase order basis and pricing is typically negotiated for each purchase order.

In Fiscal 2020, 2021 and 2022, the cost of materials consumed was ₹ 529.75 million, ₹ 1,002.81 million and ₹ 2,641.29 million, and represented 98.32%, 57.50% and 51.36%, respectively, of our revenue from operations. Our imported raw materials, amounted to ₹ 1.35 million, ₹ 205.90 million and ₹ 1,618.56 million, and accounted for 0.37%, 20.45% and 60.79% of our total raw materials purchased in Fiscal 2020, 2021 and 2022, respectively.

Further, our Corporate Promoter, BAL has been our largest raw material supplier in the last three Fiscals. In Fiscal 2020, 2021 and 2022, the purchase of raw materials from BAL amounted ₹ 334.36 million, ₹ 791.52 million and ₹ 780.35 million, and represented 62.06%, 45.39% and 15.17%, respectively, of our revenue from operations and 91.02%, 78.63% and 29.31% of the total cost of materials consumed, respectively.

The table below sets forth certain information relating to our raw materials suppliers in the periods indicated:

Supplier Concentration	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)
Top 1 (BAL)	334.36	91.02%	791.52	78.63%	780.35	29.31%
Top 5	359.41	97.84%	949.31	94.31%	2,117.54	79.53%
Top 10	366.84	99.86%	979.67	97.32%	2,488.52	93.46%

Quality Control

We believe that the high standard of quality of our products and maintenance of the same is critical to our brand and continued growth. We have put in place quality systems that cover all areas of our business processes from manufacturing, supply chain to product delivery to ensure consistent quality, efficacy and safety of products across our integrated manufacturing facility. We also have a laboratory at our manufacturing facility with modern analytical instruments to ensure quality control which is supported by a qualified team. In addition, our manufacturing facility is subject to compliance audits in relation to quality management by our customers. Further, our competitiveness is also dependent on our ability to effectively and efficiency manage our manufacturing capabilities.

Logistics and Inventory Management

We transport our finished products by road, sea and air. We do not have formal contractual relationships with our freight forwarders on whom we rely for the transportation of our products, and freight pricings are negotiated and agreed on the spot. We sell our products on a cost, insurance and freight basis, on a consignee basis and on a door delivery/ DDP basis. While we are responsible for shipping the products to the customers, our freight forwarders arrange for the finished products to be delivered by trucks to our customers in India or to the port for export, as applicable. In Fiscal 2020, 2021 and 2022, freight charges were ₹ 11.34 million, ₹45.65 million and ₹ 75.41 million, respectively and accounted for 2.10%, 2.62% and 1.47%, respectively of our revenue from operations in such periods.

Our raw materials and finished products are stored on-site at our integrated manufacturing facility. We typically keep up to one month of inventory including raw materials, work in progress and finished goods at our facility to mitigate the risk of raw material price movements. These inventory levels are planned based on historical trends 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 ERP software to manage our levels of inventory on a real-time basis.

Customer Base

We have developed an extensive customer base. In Fiscal 2022, we sold our products to 182 customers which includes manufacturers of speciality chemicals, agrochemical and pharmaceutical as well as distributors that further sell our products to these and other end-use industries.

Our customer base has grown from 45 customers in Fiscal 2020 to 182 customers in Fiscal 2022. We believe that the diversification of our customers across various end-use industries has enabled us to minimize impact of industry-specific disruptions on our business.

The table below sets forth certain information relating to contribution by our top, top three and top 10 customers (our customers include end-use customers as well as distributors that sell onwards to end-use customers) to our revenue from operations in the periods indicated:

Customer concentration	Fiscal					
	2020		2021		2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Top 1	208.41	38.68%	407.30	23.35%	840.55	16.34%
Top 3	275.77	51.18%	810.52	46.47%	2,108.61	41.00%
Top 10	452.09	83.91%	1,411.24	80.92%	3,818.02	74.24%

The table below sets forth names of certain of our customers based on their respective end-use industry:

Category	Customer
Speciality Chemicals	• Cardolite Specialty Chemicals India LLP • Admark Polycoats Private Limited • Navdeep Chemicals Private Limited • Amines And Plasticizers Limited • Catapharma Chemicals Private Limited • Excel Industries Limited • Fine Orgokem Private Limited • Gumpro Drilling Fluids Private Limited • Ion Exchange (India) Limited • Nanjing Union Chemical Company Limited • Kores India Limited
Agrochemicals	• UPL Limited • Indofil Industries Limited
Pharmaceuticals	• Dr. Reddy's Laboratories Limited • Aarti Drugs Limited • Godavari Drugs Limited • Megafine Pharma (P) Limited • Neuland Laboratories Limited • Sharon Bio-Medicine Limited

Exports

A portion of our revenue is generated from export of our products outside India. In Fiscal 2020, 2021 and 2022, we had exported our products to international markets. In Fiscal 2020, 2021 and 2022, our revenue from operations from export sales were ₹ 11.55 million, ₹ 410.32 million and ₹ 1,242.65 million, respectively, and accounted for 2.15%, 23.53% and 24.16% of our revenue from operations, respectively.

The table below provides certain information on our key export markets and other export markets in the periods indicated:

Category	Fiscal 2020			Fiscal 2021			Fiscal 2022		
	Sales volume (in MT)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Sales volume (in MT)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Sales volume (in MT)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Key export markets[1]	84.29	11.08	2.06%	2,829.79	408.34	23.41%	3,881.52	1,194.52	23.23%
Other export markets[2]	3.60	0.47	0.09%	14.40	1.97	0.11%	202.10	48.13	0.94%
Total	**87.89**	**11.55**	**2.15%**	**2,844.19**	**410.31**	**23.52%**	**4,083.62**	**1,242.65**	**24.17%**

(1) *We identify the following markets as our key export markets, based on historical and prospective sales in such markets: China, Malaysia, Turkey, United States of America, Republic of Korea, Germany and Belgium.*

(2) *We identify the following markets as other markets, based on historical and prospective sales in such markets: United Arab Emirates, United Kingdom, Italy and Kuwait.*

In addition, revenue from operations relating to export sales have depended significantly on sales of our products to China. In Fiscal 2020, 2021 and 2022, revenue from operations from sales to China were ₹ nil, ₹ 365.36 million and ₹ 742.56 million, respectively, and accounted for nil, 89.04% and 59.76% of our overall export sales in such periods, respectively.

Customer Service and Support

We endeavor to ensure customer satisfaction by delivering quality products to make our customers achieve their intended goals. We consider customer satisfaction and feedback as a critical measure of our business success and use the feedback received from our customers to improve the quality of our products.

Health, Safety and Environment

Our activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety. We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an occupational health and safety policy that is aimed at, inter alia, complying with applicable environmental laws and regulations and voluntary commitments, providing a healthy and safe work environment, effectively communicating with facility employees and connected agencies like suppliers and customers and continuing improvement in the organisation's environmental performance through prevention of pollution. 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.

We aim to ensure a safe and healthy environment and further provide for medical check-ups and safety measures in order to achieve zero accidents on a sustainable basis. We take initiatives to reduce the risk of accidents at our manufacturing facility.

Environmental requirements imposed by regulatory authorities in India will continue to have an effect on our operations. We believe that we have materially complied, and will continue to comply, with all applicable environmental laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For information regarding applicable health, safety and environmental laws and regulations, see "*Key Regulations and Policies*" on page 177.

Information Technology

Our information technology systems support key aspects of our business, from manufacturing, sales, planning, operations and documentation to accounts and customer service. We have implemented enterprise resource planning system to leverage business value by centralizing accounting systems across all locations in India, leading to cost optimization. Our IT infrastructure enables us to track procurement of raw materials, sale of finished products, payments to suppliers, and receivables from customers. We also utilize an enterprise resource planning solution that covers production, finance, sales, marketing logistics, purchase and inventory, across our office and facility.

Awards and Certifications

We have been recognised with several awards by various industry bodies and association for the quality of our products. We have been awarded the joint runner-up at India@75: Chemical and Petrochemical Industry Awards, under the category Leading Company Contributing Towards Atmanirbhar Bharat in chemicals, by the Federation of Indian Chambers of Commerce and Industry. For further information, see "*History and Certain Corporate Matters – Key awards, accreditations or recognitions*" on page 184.

Intellectual Property

As on the date of this Draft Red Herring Prospectus, our Company does not hold any trademark or patent. In addition, we do not own the "Balaji" or "Balaji Speciality Chemicals Limited" name, brand or trademark. While BAL has made certain applications with the Trade Marks Registry, as on the date of this Draft Red Herring Prospectus, trademarks related to "Balaji" and "Balaji Speciality Chemicals Limited" and our logo are not registered in favour of BAL yet. We currently use the "Balaji Speciality Chemicals Limited" name and logo pursuant to a license agreement dated July 29, 2022 entered into between us and BAL, under which BAL has granted to us license to use the name and trademark "Balaji Speciality Chemicals Limited" and the associated logo on a the non-exclusive, non-assignable and a non-sub-licensable basis, in relation to (i) the goods and services (as defined in the license agreement); (ii) part of our corporate name; and (iii) part of our domain name in India only with effect from August 20, 2010 for an annual consideration of ₹ 50,000, the term of which shall be in perpetuity unless terminated. Such license agreement may be terminated at any time by BAL and our Company pursuant to mutual written agreement or by BAL on the occurrence of certain events, which include us ceasing to be a subsidiary / sister concern / associate of BAL, by BAL by giving notice to our Company in the event of a material breach or default in performance of any of our obligations and where such breach or default is not corrected by us within a stipulated time, or if BAL or our Company becoming insolvent or being declared bankrupt. For further information, see "*Risk Factors-Our business operations benefit from our association with our Corporate Promoter, and any deterioration in or cessation of such relationship in the future may have an adverse impact on our business operations and financial performance*." on page 31.

Human Resources

As of June 30, 2022, we had 114 permanent employees. The following table provides information about our full-time employees, as of June 30, 2022:

Vertical	Headcount
Manufacturing	25
HR and Admin	10
Materials	4
Quality Assurance	7
R&D	6
Operations (Boiler and RO Plant)	24
Finance and Accounts	7
Company Secretary	1
Information technology	1
Maintenance, electricity and instrumentation	15
Sales and Purchase	6
Security	8
Total	**114**

Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner. We train all our employees in our manufacturing operations, including machine utilization, operations flow, quality management and work safety.

Our employees are not unionised into any labour or workers' unions and have not experienced any major work stoppages due to labour disputes or cessation of work in the last three years. For further information, see "*Risk Factors-Our operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers*." on page 46.

Corporate Social Responsibility

Our Company has formulated a Corporate Social Responsibility policy in accordance with the requirements of the Companies Act 2013 and the rules thereunder. Our Board of Directors have also constituted a Corporate Social Responsibility Committee.

Competition

We are the sole manufacturer in India of niche chemicals such as Ethylenediamine, Piperazine (Anhydrous), Diethylenetriamine, Amino Ethyl Ethanol Amines and Amino Ethyl Piperazine, using the Monoethanol Amine process *(Source: CRISIL Report)* and we believe that we do not specifically compete with any particular Indian company for manufacture of nice chemicals produced by us. However, we face competition from global manufacturers in our industry, who may have greater financial resources, technology, research and development capability, greater market penetration and operations in diversified geographies and product portfolios, which may allow them to better respond to market trends.

Insurance

We maintain public liability insurance as required under the Public Liabilities Insurance Act, 1991 and have also procured insurance policies that insure against material damage to our EDA catalyst, raw material and finished goods at our manufacturing facility. We also maintain a group personal accident insurance, employee compensation liability policy, group health insurance policy, group gratuity scheme, as well as industrial all-risk policy covering building, plant and machinery and stocks. We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. For further information, see "*Risk Factors – Our insurance cover may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage which could adversely affect our results of operations and financial condition.*" on page 49.

Properties

Our registered office has been licensed to us by for a period of three years from April 1, 2022 by our Corporate Promoter, and is located at 2nd Floor, Balaji Towers, 9/1A/1, Hotgi Road, Aasara Chowk, Solapur – 413 224, Maharashtra, India. Our manufacturing facility, located at Plot No. E-8/1, MIDC, Chincholi, Tal - Mohol, Solapur 413 255, Maharashtra, India, is held by us on a leased basis from Maharashtra Industrial Development Corporation for a period of 95 years from December 1, 2011.

KEY REGULATIONS AND POLICIES

The following description is a brief overview of certain key statutes, rules, regulations, notifications, memorandums, circulars, and policies which are applicable to our Company and the business undertaken by our Company.

Taxation statutes such as the Income-tax Act, 1961, the Customs Act, 1962 and the relevant goods and services tax legislation apply to us as they do to any other company in India. Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details of government approvals obtained by our Company, see "Government and Other Approvals" beginning on page 291.

The information detailed in this chapter, is based on the current provisions of key statutes, rules, regulations, notifications, memorandums, circulars, and policies which are subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. The information detailed in this chapter has been obtained from sources available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Laws in relation to our business

The Indian Boilers Act, 1923 ("Boilers Act") and the Indian Boiler Regulations, 1950 ("Boiler Regulations")

The Boilers Act and rules, *inter alia*, encompass the rules and regulations for the safe and proper construction, erection, repair, operation, and use of boilers. In terms of the provisions of the Boilers Act, the owner of boilers that are not exempted from the Boilers Act are required to register their boilers by applying to the Inspector with prescribed documents, following which the Inspector shall fix a date within 30 days of receipt and shall inspect the boiler and documents. If the Inspector is satisfied that the boiler has not suffered any damage during its transit from the place of manufacture to the sire of erection, he shall forward a report of inspection to the Chief Inspector. The Chief Inspector on receipt of the report may register the boiler and assign a register number thereto and issue a certificate to the owner authorizing the use of the boiler for a period not exceeding 12 months at a pressure he thinks is fit and in accordance with the regulations made under the Boilers Act. The certificate may be renewed upon *inter-alia* expiry or if there has been an accident with the boiler. Any contravention to the provisions of the Boilers Act shall be punishable with imprisonment, which may extend to 2 years or with fine which may extend to ₹ 0.1 million or with both. Further, regulations have been framed under the Boilers Act which deals with the materials, procedure, and inspection techniques to be adopted for the manufacture of boilers and boiler mountings and fittings.

The Public Liability Insurance Act, 1991 ("PLI Act") and the Public Liability Insurance Rules, 1991

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandates the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

Legal Metrology Act, 2009 ("LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules")

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate, *inter alia*, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act. Any manufacturer dealing with the instruments for weights and measuring of goods is mandated to procure a license from the state department under the LM Act. Any violation of the provisions of the LM Act or non-compliance thereof shall result in a monetary penalty to be borne by the manufacturer or in some cases, seizure of goods or imprisonment.

The Packaged Commodity Rules were framed under Section 52(2) (j) and (q) of the LM Act. The said rules prescribe regulations for pre-packing and the sale of commodities in a packaged form, certain rules to be adhered to by wholesale and retail dealers, the declarations to be made on every package, the manner in which the declarations shall be made, etc. These declarations that are required to be made include, *inter alia*, the name and address of the manufacturer, the dimensions of the commodity and the weight and measure of the commodity in the manner as set forth in the Packaged Commodity Rules. The Packaged Commodity Rules was amended in the year 2017 to increase protection granted to consumers. These recent additions include removal of dual MRP, increased visibility of retail price, and bringing e-commerce under the umbrella of these rules.

The Explosives Act, 1884 (“***Explosives Act***”)

The Explosives Act is a comprehensive law which prescribes the licensing for the manufacturing, possession, sale, transportation, export and import of explosives. Under the Explosives Act, ‘explosives’ is defined as 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. The Central Government has the power to make rules consistent with the Explosives Act, for any part of India, 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. Contravention or non-compliance of the provisions may result in extensive penalty provisions which have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives under the Explosives Act.

The Static and Mobile Pressure Vessels (Unfired) Rules 2016 (“SMPV Rules”)

The SMPV Rules regulate the manufacture, filling, delivery, import, modification, and repair of pressure vessels. Under the SMPV Rules, licenses are required to be obtained for storage and transportation of compressed gas. The SMPV Rules also prescribe conditions under which the licenses can be amended, renewed, suspended, or cancelled.

Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)

The FTA aims to facilitate the increase in foreign trade by regulating imports and exports to and from India. It authorizes the government to announce and subsequently formulate 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 FTA read along with the Indian Foreign Trade Policy, 2015-20 (extended till September 30, 2022) provides that no person or company can make exports or imports without having obtained an importer exporter code (“**IEC**”) number unless such person or company is specifically exempted. An application for an importer exporter code number has to be made to the Office of the Director General of Foreign Trade, Ministry of Commerce. An IEC number allotted to an applicant is valid for all its branches, divisions, units, and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

Foreign Investment in India

Foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“**FEMA Rules**”) and the consolidated FDI policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“**FDI Policy**”), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019, which, among others, regulates the mode of payment and remittance of sale proceeds. Under the FDI Policy, 100% foreign direct investment under the automatic route, i.e., without requiring prior governmental approval, is permitted in the manufacturing sector. In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the DPIIT, the FDI Circular has been amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. The FDI Policy and the FEMA Rules prescribe, *inter alia,* the method of calculation of total foreign investment (i.e., direct foreign investment and indirect foreign investment) in an Indian company.

Environmental Legislations

The Environment (Protection) Act, 1986 ("EP Act"), Environment Protection Rules, 1986 (the "EP Rules") and the Environmental Impact Assessment Notification, 2006 ("EIA Notification")

The EP Act seeks to protect and improve the environment. The 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 specifies, *inter alia*, the standards for emission or discharge of environmental pollutants, prohibitions and restrictions on the location of industries as well as 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.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act seeks to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one central pollution control board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act seeks to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. They also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the state boards. The central pollution control board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. 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 Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996 ("Chemical Accidents Rules")

The Chemical Accidents Rules, formulated pursuant to the provisions of the EP Act, seeks to manage the occurrence of chemical accidents, by setting up a central crisis group and a crisis alert system. The functions of the central crisis group includes (i) conducting post-accident analysis of major chemical accidents; (ii) rendering infrastructural help in the event of a chemical accident; and (iii) review district off site emergency plans.

The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 ("HCR Rules")

The HCR Rules are formulated under the EP Act. 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 has to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Where a major accident occurs on a site or in a pipeline, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority. Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority containing the particulars specified in the schedule to the HCR Rules at least three months before commencing that activity or before such shorter time as the concerned authority may agree.

Intellectual Property laws

The Trade Marks Act, 1999 ("Trademarks Act")

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trademarks Act also prohibits any registration of deceptively similar trademarks, infringing trademarks or chemical compounds among others. It also provides for infringement, falsifying and falsely applying for trademarks. Under the provisions of the Trademarks Act, an application for trademark registration may be made with the registry of trade marks by any person or persons claiming to be the proprietor of the trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once a mark is registered, it is valid in India only for a period of 10 years and can be renewed from time to time in perpetuity. The Trademarks Act also prohibits any registration of deceptively similar trademarks or compounds, among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademarks Rules, 2017 have subsequently been enacted and implemented, which have overhauled the regime with respect to assignment and transmission, statement of use, well known trademarks, opposition proceedings, etc.

Labour related legislations

Factories Act, 1948 ("Factories Act")

The Factories Act defines a "factory" to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, where a manufacturing process is being carried on without the aid of power. State Governments have the authority to formulate rules in respect of matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. It provides such safeguards of workers in the factories as well as offers protection to the exploited workers and improve their working conditions. The penalties for contravention of the Factories Act include fine and imprisonment for the 'occupier' or 'manager' as defined under the Factories Act, and enhanced penalties for repeat offences and contravention of certain provisions relating to use of the hazardous materials.

Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 ("Shops and Establishments Act")

Under the provisions of the Shops and Establishments Act, applicable in the state of Maharashtra, establishments are required to be registered. The Shops and Establishments Act regulates the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the Shops and Establishments Act.

Industries (Development and Regulation) Act, 1951 ("Industries Act")

The Industries Act governs the development and regulation of industries in India, and its main objective is to empower the Government to: (i) take necessary steps for the development of industries; (ii) regulate the pattern and direction of industrial development; and (iii) control the activities, performance and results of industrial undertakings in public interest. The Industries Act is applicable to the 'Scheduled Industries' which have been listed down in the first schedule of the Industries Act. Small-scale industrial undertakings and ancillary units are exempted from the provisions of the Industries Act.

The Industries Act regulates the industries by requiring them to obtain industrial licensing by filing an Industrial Entrepreneur Memoranda with the Secretariat of Industrial Assistance, Department of Industrial Policy and Promotion. The Industries Act is administered by the Ministry of Industries and Commerce through its Department of Industrial Policy & Promotion which is responsible for the formulation and implementation of promotional and developmental measures for growth of the industrial sector and also monitors the industrial growth and production, in general, and selected industrial sectors.

In addition to the aforementioned material legislations under which our Company has obtained all relevant licenses and permissions, depending upon the nature of the activity undertaken by us, there are several applicable labour enactments which include the following:

- The Apprentices Act, 1961;
- The Employee's Compensation Act, 1923;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Employees' State Insurance Act, 1948;
- The Equal Remuneration Act, 1976;
- Industrial Employment (Standing Orders) Act, 1946;
- The Payment of Bonus Act, 1965;
- The Payment of Gratuity Act, 1972;
- The Payment of Wages Act, 1936;
- The Minimum Wages Act, 1948;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986;
- The Maharashtra Labour Welfare Fund Act, 1953.

In order to rationalize and reform labour laws in India, the government has enacted the following codes:

Code on Wages, 2019, received the assent of the President of India on August 8, 2019, and proposes to subsume four existing legislations namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of the Code on Wages, 2019, mainly in relation to the constitution of the advisory board.

Industrial Relations Code, 2020, received the assent of the President of India on September 28, 2020, and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

Occupational Safety, Health and Working Conditions Code, 2020, received the assent of the President of India on September 28, 2020, and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

Code on Social Security, 2020, received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act,1961 and the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008 provision concerning application of Aadhaar has already been notified by the Central Government. The Ministry of Labour and Employment, Government of India has notified the draft rules relating to Employee's Compensation under the

Code on Social Security, 2020 on June 3, 2021, inviting objections and suggestions, if any, from the stakeholders. Further, draft rules under the Code on Social Security, 2020 were notified on November 13, 2020. The draft rules propose to subsume, *inter alia*, the Employees' State Insurance (Central) Rules, 1950 and the Payment of Gratuity (Central) Rules, 1972.

Other laws

In addition to the above, we also comply with the provisions of the Companies Act and rules framed thereunder, the Competition Act, 2022, foreign exchange and investment laws and foreign trade laws and other applicable laws and regulation imposed by the Central Government and state governments and other authorities for our day-to-day business, operations, and administration. Our Company is also amenable to various central and state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as '*Balaji Benzochem Private Limited*' as a private limited company under the Companies Act, 1956 at Solapur, Maharashtra pursuant to a certificate of incorporation dated August 20, 2010, issued by the RoC. The name of our Company was changed from '*Balaji Benzochem Private Limited*' to '*Balaji Speciality Chemicals Private Limited*', to reflect the current business activities in the name of the Company, pursuant to a Board resolution dated February 23, 2016, shareholders' resolution dated February 26, 2016 and a certificate of incorporation pursuant to change of name dated March 14, 2016 issued by the RoC. Subsequently, the name of our Company was changed from '*Balaji Speciality Chemicals Private Limited*' to '*Balaji Speciality Chemicals Limited*' upon conversion into a public limited company, pursuant to a Board resolution dated January 31, 2022, shareholders' resolution dated February 26, 2022, and a fresh certificate of incorporation consequent upon conversion from private company to public company dated March 17, 2022 issued by the RoC.

Change in the registered office

Except as disclosed below, there has been no change in our registered office since incorporation

Effective date of change	Details of Change	Reason(s) for change
June 1, 2018	The registered office of our Company was changed from A-1, Gangadhar Housing Society, opposite Hotel Kinara, Hotgi Road, Solapur – 413 003, Maharashtra to 2nd floor, Balaji Towers No. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur – 413 224, Maharashtra.	Operational convenience

Main objects of our Company

The main objects contained in our Memorandum of Association are as mentioned below:

- *"To carry on business as manufacturers, dealers, distributors, merchants, exporters, importers, stockists and agents of Oxidation products, Amines, Amides, Higher Alcohols, Halogenated Products, Oxo products, Agrochemicals, Pesticides and their intermediates, dye stuffs and their intermediates, Drugs and intermediates, Fine Chemicals, Speciality Chemicals, Design and Fabrication of Chemical Plant Equipment, Catalysts and Enzymes and to manufacture, produce, refine, process, formulate, acquire, convert, sell, distribute, import, export, deal in either as principals or agents in organic and inorganic chemicals, alkalis, acids, gases, petrochemicals, salts, electro-chemicals, chemical elements and compound pesticides, insecticides, explosives, light and heavy chemicals of any nature used or capable of being used in the pharmaceuticals, textile industry, defence chemicals, fertilisers, petrochemicals and industrial chemicals and pesticides and insecticides, solvents of any mixtures derivatives and compounds thereof."*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to our Memorandum of Association

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	Particulars
April 30, 2014	Clause V of our Memorandum of Association was substituted to reflect the increase in the authorized share capital of our Company from ₹10,000,000 comprising of 1,000,000 equity shares of ₹10 each to ₹20,000,000 comprising of 2,000,000 equity shares of ₹10 each.
February 26, 2016	Clause I of the Memorandum of Association was substituted to reflect the change in the name of our Company from 'Balaji Benzochem Private Limited' to 'Balaji Speciality Chemicals Private Limited'.
March 21, 2016	Clause V of our Memorandum of Association was substituted to reflect the increase in the authorized share capital of our Company from ₹20,000,000 comprising of 2,000,000 equity shares of ₹10 each to ₹100,000,000 comprising of 10,000,000 equity shares of ₹10 each.

Date of Shareholders' resolution	Particulars
February 28, 2017	Clause V of our Memorandum of Association was substituted to reflect the increase in the authorized share capital of our Company from ₹100,000,000 comprising of 10,000,000 equity shares of ₹10 each to ₹200,000,000 comprising of 20,000,000 equity shares of ₹10 each.
November 7, 2017	Clause V of our Memorandum of Association was substituted to reflect the increase in the authorized share capital of our Company from ₹200,000,000 comprising of 20,000,000 equity shares of ₹10 each to ₹450,000,000 comprising of 45,000,000 equity shares of ₹10 each.
February 26, 2022	Clause V of our Memorandum of Association was substituted to reflect the sub-division of 45,000,000 equity shares of ₹ 10 each to 225,000,000 Equity Shares of ₹2 each.
	Clause I of the Memorandum of Association was substituted to reflect the change in the name of our Company from 'Balaji Speciality Chemicals Private Limited' to 'Balaji Speciality Chemicals Limited', pursuant to the conversion of our Company into a public limited company.

Major events and milestones of our Company

The table below sets forth the major events and milestones in the history of our Company:

Calendar year	Particulars
2010	Incorporated as Balaji Benzochem Private Limited
2016	Change of name of our Company from Balaji Benzochem Private Limited to Balaji Speciality Chemicals Private Limited
	Consent to establish granted by the Maharashtra Pollution Control Board in relation to our Manufacturing Facility
2017	Ministry of Environment, Forest & Climate Change, Government of India granted us environment clearance for setting up a chemical manufacturing unit in Solapur (our Manufacturing Facility) with an aggregate capacity of up to 45,330 MTPA
2018	Entered into a long-term final lease agreement with Maharashtra Industrial Development Corporation for the land underlying our Manufacturing Facility
	Acquisition of majority shareholding by our Corporate Promoter in our Company
2019	Consent to operate granted by the Maharashtra Pollution Control Board in relation to our Manufacturing Facility
	Commencement of commercial production by our Company
	First sales of our products, Diethylene Triamine, Ethylenediamine and Piperazine Anhydrous
	Commenced export of our product, Ethylenediamine to a country in the European Union

Key awards, accreditations or recognitions

Our Company has received the following key awards, accreditation and recognition:

Calendar year	Key Awards/ Accreditations
2021	Selected as a joint runner up at India@75: Chemical and Petrochemical Industry Awards, under the category "leading company contributing towards Atmanirbhar Bharat" in chemicals by the Federation of Indian Chambers of Commerce and Industry

Our holding company

Balaji Amines Limited, the Corporate Promoter of our Company, is our holding company as on the date of this Draft Red Herring Prospectus. For further details see "*Our Promoters and Promoter Group*" on page 205.

Subsidiaries, associates or joint ventures

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries, associates or joint ventures.

Time/cost overrun

Our Company has not experienced any time or cost overruns in respect of our business operations, as at the date of this Draft Red Herring Prospectus.

Launch of key products or services, capacity/facility creation, location of our plants, entry into new geographies or exit from existing markets

For details of key products launched by our Company, capacity/ facility creation, location of our Manufacturing Facility, entry into new geographies or exit from existing markets to the extent applicable, see "*Our Business*" on page 156.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/banks

As on the date of this Draft Red Herring Prospectus, there are no instances of defaults, restructuring or rescheduling of borrowings availed by our Company from financial institutions or banks.

Details of material acquisition or divestments in the last 10 years

Our Company has not undertaken a material acquisition or divestment of any business/undertaking in the 10 years preceding the date of this Draft Red Herring Prospectus.

Material mergers or amalgamation in the last 10 years

Our Company has not undertaken any material mergers or amalgamation in the 10 years preceding the date of this Draft Red Herring Prospectus.

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.

Details of subsisting shareholders' agreements

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholder's agreements among our shareholders *vis-a-vis* our Company.

Other agreements

Except as disclosed below, our Company has not entered into any other material agreement which is subsisting as on the date of this Draft Red Herring Prospectus, other than in the ordinary course of business:

License agreement dated July 29, 2022 between our Corporate Promoter and our Company:

Our Corporate Promoter and our Company have entered into a license agreement dated July 29, 2022 (the "**License Agreement**"), pursuant to which our Corporate Promoter has granted our Company the license to use certain trademarks of our Corporate Promoter (including our logo and the Balaji Speciality Chemicals Limited word per se) and copyrights in relation thereto on a non-exclusive, non-assignable and non-sub-licensable basis, in relation to our (i) goods and services; (ii) as part of our corporate name; and (iii) as part of our domain name in accordance with the terms and conditions contained in the License Agreement. In terms of the License Agreement, our Company is required to pay our Corporate Promoter ₹ 50,000 per annum as consideration for the license granted. Our Corporate Promoter is entitled to terminate the License Agreement at any time in the event our Company does not remain a subsidiary/sister concern/associate of the Corporate Promoter. The License Agreement may also be terminated by *inter alia* mutual agreement between our Company and our Corporate Promoter and by either the Corporate Promoter or our Company in the case of the other becoming insolvent or being declared bankrupt or going into liquidation. For further details also see *"Risk Factors – Our business operations benefit from our association with our Corporate Promoter, and any deterioration in or cessation of such relationship in the future may have an adverse impact on our business operations and financial performance."* on page 31.

Neither our Promoters nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Significant financial and/or strategic partners

Our Company does not have any significant financial and/or strategic partners as of the date of filing this Draft Red Herring Prospectus.

Details of guarantees given to third parties by our Promoters, participating in the Offer for Sale

As on the date of this Draft Red Herring Prospectus, Ande Prathap Reddy, Ande Srinivas Reddy, Ram Reddy Dundurapu, Rajeshwar Reddy Nomula, Gaddam Hemanth Reddy our Promoter Selling Shareholders, have issued the following guarantee on behalf of our Company to third parties. This guarantee is in the nature of personal guarantee and has been issued in relation to borrowings availed by our Company.

Sr. No.	Name of the lender	Name of the borrower	Type of borrowing/facility	Amount guaranteed (in ₹ million)	Amount outstanding as on June 30, 2022 (in ₹ million)
1.	Bank of Baroda	Balaji Speciality Chemicals Limited	Term loan	500.00	212.10

The abovementioned guarantee is typically effective for the period till the underlying borrowing is repaid by our Company. A default by our Company under such term loan would entitle the lender to invoke the personal guarantee by Ande Prathap Reddy, Ande Srinivas Reddy, Ram Reddy Dundurapu, Rajeshwar Reddy Nomula and Gaddam Hemanth Reddy to the extent of outstanding loan amount. Our Company has not paid any consideration to the Promoter Selling Shareholders for providing this guarantee. For further details of the security available see, "*Financial Indebtedness – Principal terms of the borrowings availed by our Company*" on page 283.

Further, the documentation in relation to certain borrowings availed by our Company from the State Bank of India, require us to offer a personal guarantee from our Individual Promoters, if the personal guarantee furnished by them to Bank of Baroda for a loan availed by our Company was not withdrawn prior to March 31, 2022. For further details see, "*Risk Factors - Our Promoters have provided guarantees in connection with our borrowings. Our business, financial condition, results of operations and prospects may be adversely affected by the revocation of all or any of the guarantees provided by our Promoters in connection with our Company's borrowings.*"

OUR MANAGEMENT

Board of Directors

The Articles of Association requires that our Board shall comprise of not less than 3 Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting.

As on the date of 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 laws prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

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

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
Ande Prathap Reddy *Designation*: Chairman and Whole-time Director *Date of birth*: May 16, 1951 *Address*: 8-2-293/82/A Plot No:1204, Road No 60, Jubilee Hills, Shaikpet, Hyderabad – 500 033, Telangana, India *Occupation*: Business *Current* term: 5 years with effect from April 18, 2022 and liable to retire by rotation *Period of directorship*: Since April 14, 2016 *DIN*: 00003967	71	• Balaji Amines Limited • Ekalavya Grameena Vikas Foundation • Satyarx Pharma Innovations Private Limited
Rajeshwar Reddy Nomula *Designation*: Managing Director *Date of birth*: February 2, 1955 *Address*: Plot No 41/A, Disha Vihar, Hotgi Road, Bijapur Road, Solapur – 413 003, Maharashtra, India *Occupation*: Business *Current term*: 3 years with effect from May 16, 2021 *Period of directorship*: Since April 14, 2016 *DIN*: 00003854	67	• Balaji Amines Limited • Balaji Greenfield Techno Ventures Private Limited • Srinivasa Cement Products Private Limited • Thirumala Precicasts Private Limited
Ram Reddy Dundurapu *Designation*: Whole-time Director *Date of birth*: October 20, 1961 *Address*: A1, Gangadhar Housing Society, Opposite Kinara, Hotgi Road, Solapur – 413 003, Maharashtra, India *Occupation*: Business *Current* term: 5 years with effect from April 18, 2022 and liable to retire by rotation	60	• Balaji Amines Limited • Balaji Greenfield Techno Ventures Private Limited • SVS Food Processors Private Limited • SVS Medicare Private Limited • Srinivasa Cement Products Private Limited • SVS Products Private Limited • Thirumala Precicasts Private Limited

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
Period of directorship: Since incorporation of our Company *DIN*: 00003864		
Gaddam Hemanth Reddy *Designation*: Whole-time Director *Date of birth*: June 19, 1966 *Address*: Plot No-780, Road No-44, Jubilee Hills, Shaikpet, Hyderabad – 500 033, Telangana, India *Occupation*: Business *Current* term: 5 years with effect from July 28, 2022 and liable to retire by rotation *Period of directorship*: Since April 14, 2016 *DIN*: 00003868	56	• Balaji Amines Limited
Rajendrakumar Mohanprasad Tapadiya *Designation*: Independent Director *Date of birth*: January 7, 1958 *Address*: Rupabhavani Mandir, 7/1, Vardhman Nagar, Bhavani Peth, Rupabhavani Road, Solapur – 413 002, Maharashtra, India *Occupation*: Business *Current* term: 5 years with effect from September 29, 2018 *Period of directorship*: Since May 9, 2018 *DIN*: 00103949	64	• Aadhaar Life Sciences Private Limited • Yash Proteins Private Limited
Kashinath Revappa Dhole *Designation*: Independent Director *Date of birth*: June 1, 1949 *Address*: 17/79, Civil Lines, Gandhi Nagar, Solapur North, Solapur – 413 003, Maharashtra, India *Occupation*: Business *Current* term: 5 years with effect from September 29, 2018 *Period of directorship*: Since April 14, 2016 *DIN*: 01076675	73	• Balaji Amines Limited • Kross International Private Limited • Smruthi Organics Limited
Amarender Reddy Minupuri *Designation*: Independent Director *Date of birth*: October 22, 1951 *Address*: Plot no 77, Parkview Enclave, Bowenpally Tirumalagiri Manovikasnagar, Hyderabad, – 500 009, Andhra Pradesh, India *Occupation*: Business	70	• Balaji Amines Limited

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
Current term: 5 years with effect from April 18, 2022 *Period of directorship*: Since April 18, 2022 *DIN*: 05182741		
Suhasini Yatin Shah *Designation*: Independent Director *Date of birth*: August 17, 1965 *Address*: 51, Sarvodya Housing Society, Hotagi Road, Solapur – 413 003, Maharashtra, India *Occupation*: Business *Current* term: 5 years with effect from April 18, 2022 *Period of directorship*: Since April 18, 2022 *DIN*: 02168705	56	• Precision Camshafts Limited • Memco Engineering Private Limited • Cams Technology Limited • Chitale Clinic Private Limited

Brief profiles of our Directors

Ande Prathap Reddy, is the Chairman and Whole-time Director of our Company. He has been associated with our Company since 2016. He holds a diploma in civil engineering from the State Board of Technical Education and Training. He has more than 33 years of experience in technology and has been involved in process engineering and designing plants and sourcing equipment in the chemical industry. He has also been associated with BAL since 1988 and is currently its director.

Rajeshwar Reddy Nomula, is the Managing Director of our Company. He has been associated with our Company since 2016. He has passed the Intermediate Public Examination held by the Board of Intermediate Education A.P. Hyderabad. He has more than 33 years of experience in business development, logistics and general administration in the chemical industry. He has also been associated with BAL since 1988 and is currently its director.

Ram Reddy Dundurapu, is a Whole-time Director of our Company. He has been associated with our Company since incorporation. He holds a Secondary School certificate from the Board of Secondary Education Andhra Pradesh. He has more than 33 years of experience in the procurement of raw materials, marketing, sales and general administration in the chemical industry. He has also been associated with BAL since 1989 and is currently its director.

Gaddam Hemanth Reddy, is a Whole-time Director of our Company. He holds a bachelor's degree in Commerce from Osmania University. He has been associated with our Company since 2016. He has more than 16 years of experience in planning, strategy, finance, audit, statutory and other compliances, marketing and general management. He has also been associated with BAL since 2010 and is currently its whole-time Director and chief financial officer.

Rajendrakumar Mohanprasad Tapadiya, is an Independent Director of our Company. He holds a bachelor's degree in commerce from Shivaji University. He has been associated with our Company since 2018. He has been associated with Radhakrishna Agro Industries, Shri Radhekrishna Enterprises, Sri Ranganath Company, Sri Maheshwari Trading Company and Natraj Pulses. He has also been associated with M/s Yash Proteins Private Limited and is currently its director.

Kashinath Revappa Dhole, is the Independent Director of our Company. He holds a masters' degree in chemistry from Shivaji University. He has been associated with our Company since 2016. He has in the past been a proprietor of Kross International and has been associated with BAL since 2013 and is currently an independent director on its board.

Amarender Reddy Minupuri, is an Independent Director of our Company. He holds a bachelor's degree in arts from the Osmania University. He has been associated with our Company since 2022. He has approximately 40 years of experience in the banking industry. Prior to joining our Company, he was associated with State Bank of Hyderabad as Deputy General Manager. He has been associated with BAL since 2012 and is currently an independent director on its board.

Suhasini Yatin Shah, is an Independent Director of our Company. She holds a bachelor's degree in law, a bachelor's degree in medicine and a bachelor's degree in surgery from Shivaji University. She has a post graduate diploma in medico legal systems from the Symbiosis Centre of Health Care, Pune and has participated in a programme on small and medium enterprises at Indian Institute of Management, Ahmedabad. She has been associated with our Company since 2022. She was a founder of Precision Camshafts Limited and has been associated with Precision Camshafts Limited since 1992 and is currently a non-executive non-independent director on its board.

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

There are no arrangements or understandings with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed or selected as a director.

Relationship between Directors

Except for Gaddam Hemanth Reddy being the son-in-law of Ande Prathap Reddy, none of our Directors are related to each other.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Terms of appointment of our Executive Directors

1. **Rajeshwar Reddy Nomula**

   Pursuant to a resolution of our Board dated July 17, 2021, Rajeshwar Reddy Nomula was last re-appointed as our Managing Director, for a term of three years with effect from May 16, 2021. Further pursuant to a resolution of our Board dated July 28, 2022 and a resolution of our Shareholders dated July 29, 2022 and the appointment letter dated July 28, 2022 our Company has approved the remuneration of ₹ 0.10 million per month to Rajeshwar Reddy Nomula with effect from April 1, 2022, other than the reimbursement of expenses incurred by him in the ordinary course of his service.

2. **Ande Prathap Reddy**

   Pursuant to a resolution of our Board dated April 18, 2022, and a resolution of our Shareholders dated May 30, 2022, Ande Prathap Reddy was last re-appointed as our Whole-time Director, for a term of five years with effect from April 18, 2022 and liable to retire by rotation. He was appointed our Chairman pursuant to a resolution of our Board dated July 28, 2022. Further, pursuant to a resolution of our Board dated July 28, 2022 and our Shareholders dated July 29, 2022 and the appointment letter dated July 28, 2022 our Company has approved the remuneration of ₹0.10 million per month to Ande Prathap Reddy with effect from April 1, 2022, other than the reimbursement of expenses incurred by him in the ordinary course of his service.

3. **Ram Reddy Dundurapu**

Pursuant to a resolution of our Board dated April 18, 2022, and a resolution of our Shareholders dated May 30, 2022, Ram Reddy Dundurapu was last re-appointed as our Whole-time Director, for a term of five years with effect from April 18, 2022 and liable to retire by rotation. Further, pursuant to a resolution of our Board dated July 28, 2022 and our Shareholders dated July 29, 2022 and the appointment letter dated July 28, 2022 our Company has approved the remuneration of ₹0.10 million per month to Ram Reddy Dundurapu with effect from April 1, 2022, other than the reimbursement of expenses incurred by him in the ordinary course of his service.

4. **Gaddam Hemanth Reddy**

Pursuant to a resolution of our Board dated July 28, 2022 and a resolution of our Shareholders dated July 29, 2022, Gaddam Hemanth Reddy was designated as a Whole-time Director of our Company for a period of five years from April 1, 2022. Further, pursuant to a resolution of our Board dated July 28, 2022 and resolution of our Shareholders dated July 29, 2022 and the appointment letter dated July 28, 2022 our Company has approved the remuneration of ₹0.10 million per month to Gaddam Hemanth Reddy with effect from July 28, 2022.

Terms of appointment of our Independent Directors

Pursuant to the Board resolution dated June 19, 2020, each Independent Director is entitled to receive sitting fees of ₹ 5,000 per meeting for attending meetings of the Board and pursuant to the Board resolution dated June 1, 2022, each Independent Director is entitled to receive ₹ 2,500 per meeting for attending meetings of the committees of the Board.

Payments or benefits to Directors

Except the appointment letters, each dated July 28, 2022 issued by our Company to Rajeshwar Reddy Nomula, Ande Prathap Reddy, Ram Reddy Dundurapu and Gaddam Hemanth Reddy, as disclosed in *"-Terms of Appointment of our Executive Directors"* on page 190, 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.

Except as disclosed below, in Fiscal 2022, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation). The remuneration paid to our Directors in Fiscal 2022 is as follows:

1. **Executive Directors**

Rajeshwar Reddy Nomula, our Managing Director and Ande Prathap Reddy, Ram Reddy Dundurapu and Gaddam Hemanth Reddy, our Whole-time Directors did not receive any remuneration from our Company in Fiscal 2022.

2. **Independent Directors**

The details of sitting fees and remuneration paid to our Independent Directors during Fiscal 2022 are as follows:

S. No.	Name of Director	Sitting fees paid (in ₹ million)	Remuneration (in ₹ million)
1.	Kashinath Revappa Dhole	0.03	Nil
2.	Rajendrakumar Mohanprasad Tapadiya	0.03	Nil
3.	Amarender Reddy Minupuri*	Nil	Nil
4.	Suhasini Yatin Shah*	Nil	Nil

***** *Amarender Reddy Minupuri and Suhasini Yatin Shah were appointed in Fiscal 2023 and accordingly did not receive any remuneration* *from our Company in Fiscal 2022.*

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

The table below sets forth details of Equity Shares held by the Directors, as on date of this Draft Red Herring Prospectus:

S. No.	Name of the Director	Number of Equity Shares held	Percentage of Equity Share capital (in %)
1.	Ande Prathap Reddy	12,894,900	6.45
2.	Ram Reddy Dundurapu	6,030,100	3.02
3.	Rajeshwar Reddy Nomula	5,979,800	2.99
4.	Gaddam Hemanth Reddy	4,359,795	2.18
5.	Kashinath Revappa Dhole	25,000	0.01

Borrowing Powers

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and a resolution passed by our Shareholders at their EGM held on March 2, 2018, our Board has been authorized to borrow from time to time, for the purpose of our Company's business, any such sums in excess of the paid up capital and free reserves of the Company provided however, the total amount of borrowings with the monies already borrowed (apart from temporary loans obtained from company's Bankers in the ordinary course of business) in aggregate shall not exceed the sum of ₹ 5,000 million.

Bonus or profit-sharing plan for our Directors

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 Executive Directors may also be deemed to be interested in our Company to the extent of the remuneration payable to them by our Company and the reimbursement of expenses, if any payable to them.

Our Directors may be interested to the extent of Equity Shares, if any, held by them, their relatives (together with other distributions in respect of Equity Shares), or held by the entities in which they are associated as partners, 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 Issue and any dividend and other distributions payable in respect of such Equity Shares.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners.

Interest of Directors in the promotion or formation of our Company

Other than Rajeshwar Reddy Nomula, Ande Prathap Reddy, Ram Reddy Dundurapu and Gaddam Hemanth Reddy, none of our Directors have any interest in the promotion of our Company. Further, other than Ram Reddy Dundurapu, none of our Directors had any interest in the formation of our Company.

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 by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Draft Red Herring Prospectus.

Except in the ordinary course of business and as disclosed in "*Restated Financial Information-Annexure VII-Note*

32. Related Parties” on page 245, our Directors do not have any other business interest in our Company.

Changes to our Board in the last three years

Except as disclosed below, there has been no change in the Board in the three preceding years.

Name	Date of appointment/ change in designation/ cessation	Reason
Suhasini Yatin Shah	April 18, 2022	Appointment
Amarender Reddy Minupuri	April 18, 2022	Appointment
Ande Srinivas Reddy	April 18, 2022	Resignation

Note: This does not include changes due to regularisation or change in designation.

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof, as applicable. The corporate governance framework is based on an effective independent Board and constitution of the Board committees, as required under law.

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 committees:

(a) Audit Committee;

(b) Nomination and Remuneration Committee;

(c) Stakeholders’ Relationship Committee;

(d) Corporate Social Responsibility Committee; and

(e) Risk Management Committee

1. Audit Committee

The Audit Committee was last re-constituted by a resolution of the Board dated June 1, 2022. The Audit Committee is in compliance with the Section 177 and other applicable provisions of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises of:

(a) Kashinath Revappa Dhole (Chairman);

(b) Rajendrakumar Mohanprasad Tapadiya (Member);

(c) Gaddam Hemanth Reddy (Member).

Scope and terms of reference: The terms of reference of the Audit Committee shall include the following:

The Audit Committee shall have powers including the following:

(a) To investigate any activity within its terms of reference;

(b) To seek information from any employee of the Company;

(c) To obtain outside legal or other professional advice;

(d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and

(e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

The role of the Audit Committee shall include the following:

(a) Overseeing the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommending for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;

(c) Approving of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of section 134(3) of the Companies Act;

    (ii) Changes, if any, in accounting policies and practices and reasons for the same;

    (iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;

    (iv) Significant adjustments made in the financial statements arising out of audit findings;

    (v) Compliance with listing and other legal requirements relating to financial statements;

    (vi) Disclosure of any related party transactions; and

    (vii) Qualifications / modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/ application of the funds raised through the proposed initial public offer by the Company;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions and the definition of material modifications of related party transactions;

(i) Approving or any subsequent material modification of transactions of the Company with related parties and omnibus approval (in the manner specified under the SEBI Listing Regulations) for related party transactions proposed to be entered into by the Company subject to such conditions/ criteria as may be prescribed. Provided that only those members of the committee, who are independent directors, shall approve related party transactions;

(j) Approving the related party transactions to which the subsidiary(ies) of the Company is party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company;

(k) Reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(l) Scrutinizing of inter-corporate loans and investments;

(m) Valuation of undertakings or assets of the company, wherever it is necessary;

(n) Evaluating of internal financial controls and risk management systems;

(o) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(p) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(q) Discussing with internal auditors of any significant findings and follow up there on;

(r) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(s) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(t) 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;

(u) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(v) Reviewing the functioning of the whistle blower mechanism;

(w) Approving 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;

(x) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;

(y) 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;

(z) Reviewing the utilization of loans and/or advances from/investment by the Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on April 1, 2019;

(aa) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

(bb) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

(cc) Carrying out any other functions and roles as provided under the Companies Act, the SEBI Listing Regulations, each as amended and other applicable laws.

The Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;

(c) Internal audit reports relating to internal control weaknesses;

(d) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;

(e) Statement of deviations:

  (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

  (ii) annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice, certified by the statutory auditors of the Company, in terms of Regulation 32(5) of the SEBI Listing Regulations;

(f) Quarterly statement of variation for public issue, rights issue and preferential issue indicating category wise variation (capital expenditure, sales and marketing, working capital etc.) between projected utilisation of funds and the actual utilisation of funds, before the submission to stock exchange(s)

(g) Monitoring report of the monitoring agency on a quarterly basis, immediately upon its receipt; and

(h) Reviewing the financial statements, in particular, the investments made by any unlisted subsidiary.

2. Nomination and Remuneration Committee ("NR Committee")

The NR Committee was last re-constituted pursuant to a resolution of our Board dated June 1, 2022. The composition and terms of reference of NR Committee are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The NR Committee currently consists of:

(a) Amarender Reddy Minupuri (Chairman)

(b) Rajendrakumar Mohanprasad Tapadiya (Member)

(c) Suhasini Yatin Shah (Member)

Scope and terms of reference: The terms of reference of the NR Committee shall include the following:

(a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

(b) While formulating the above policy, the NR Committee 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.

(c) For the appointment of an independent director, the NR Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

(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.

(d) Formulating of criteria for evaluation of performance of independent directors and the Board;

(e) Devising a policy on Board diversity;

(f) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(g) Analysing, monitoring and reviewing various human resource and compensation matters;

(h) 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;

(i) Recommending the remuneration, in whatever form, payable to senior management personnel;

(j) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(k) 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;

(l) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(m) 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.

(n) 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;

(o) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

- the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
- the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended; and
- SEBI Listing Regulations, by the Company and its employees, as applicable;

(p) 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 NR Committee;

(q) 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 and for funding the exercise of options;

(xiii) Forfeiture/ cancellation of options granted;

(xiv) Formulate the procedure for buy-back of specified securities issued under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, 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 ina financial year.

(xv) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

3. Stakeholders Relationship Committee ("SR Committee")

The SR Committee was constituted by a resolution of our Board on June 1, 2022. The SR Committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The current constitution of the SR Committee is as follows:

(a) Suhasini Yatin Shah (Chairman)

(b) Rajendrakumar Mohanprasad Tapadiya (Member)

(c) Gaddam Hemanth Reddy (Member)

Scope and terms of reference: The SR Committee shall be responsible for, among other things, the following:

(i) 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, etc., and assisting with quarterly reporting of such complaints;

(ii) Reviewing of measures taken for effective exercise of voting rights by shareholders;

(iii) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(iv) 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;

(v) 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;

(vi) 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;

(vii) Considering and specifically looking into various aspects of interest of shareholders, debenture holders or holders of any other securities;

(viii) Formulating the procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

(ix) 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); and

(x) 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."

4. Corporate Social Responsibility Committee ("CSR Committee")

The CSR Committee was last re-constituted by a resolution of our Board dated June 1, 2022. The scope and functions of the CSR Committee are in accordance with Section 135 of the Companies Act. The current constitution of the CSR Committee is as follows:

(a) Rajendrakumar Mohanprasad Tapadiya (Chairman)

(b) Kashinath Revappa Dhole (Member)

(c) Ram Reddy Dundurapu (Member)

Scope and terms of reference: The scope and terms of reference of the CSR Committee are set forth below:

(i) Formulating and recommending 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, monitor the implementation of the same from time to time and make any revisions therein as and when decided by the Board;

(ii) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

(iii) Recommending 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;

(iv) Formulating and recommending to the Board, an annual action plan in pursuance to the Corporate Social Responsibility Policy, which shall include the following, namely:

   (a) 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;

   (b) the manner of execution of such projects or programmes as specified in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;

(c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;

(d) monitoring and reporting mechanism for the projects or programmes; and

(e) 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 CSR Committee, based on the reasonable justification to that effect.

(v) Delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(vi) Reviewing and monitoring 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

(vii) Performing 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.

5. Risk Management Committee ("RM Committee")

The RM Committee was constituted by a resolution of our Board dated June 1, 2022. The scope and functions of RM Committee are in compliance with the Regulation 21of the SEBI Listing Regulations. The current constitution of the RM Committee is as follows:

(a) Gaddam Hemanth Reddy (Chairman)

(b) Amarender Reddy Minupuri (Member)

(c) Suhasini Yatin Shah (Member)

Scope and terms of reference: The terms of reference of the RM Committee shall include the following:

(i) Formulating a detailed risk management policy which shall include:

- A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environmental, Social and Governance (ESG) related risks), information, cyber security risks or any other risk as may be determined;
- Measures for risk mitigation including systems and processes for internal control of identified risks; and
- Business continuity plan.

(ii) Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(iii) Reviewing and recommending potential risk involved in any new business plans and processes;

(iv) Reviewing the Company's risk-reward performance to align with the Company's overall policy objectives;

(v) Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(vi) Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(vii) Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(viii) Appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the RM;

(ix) Coordinating its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;

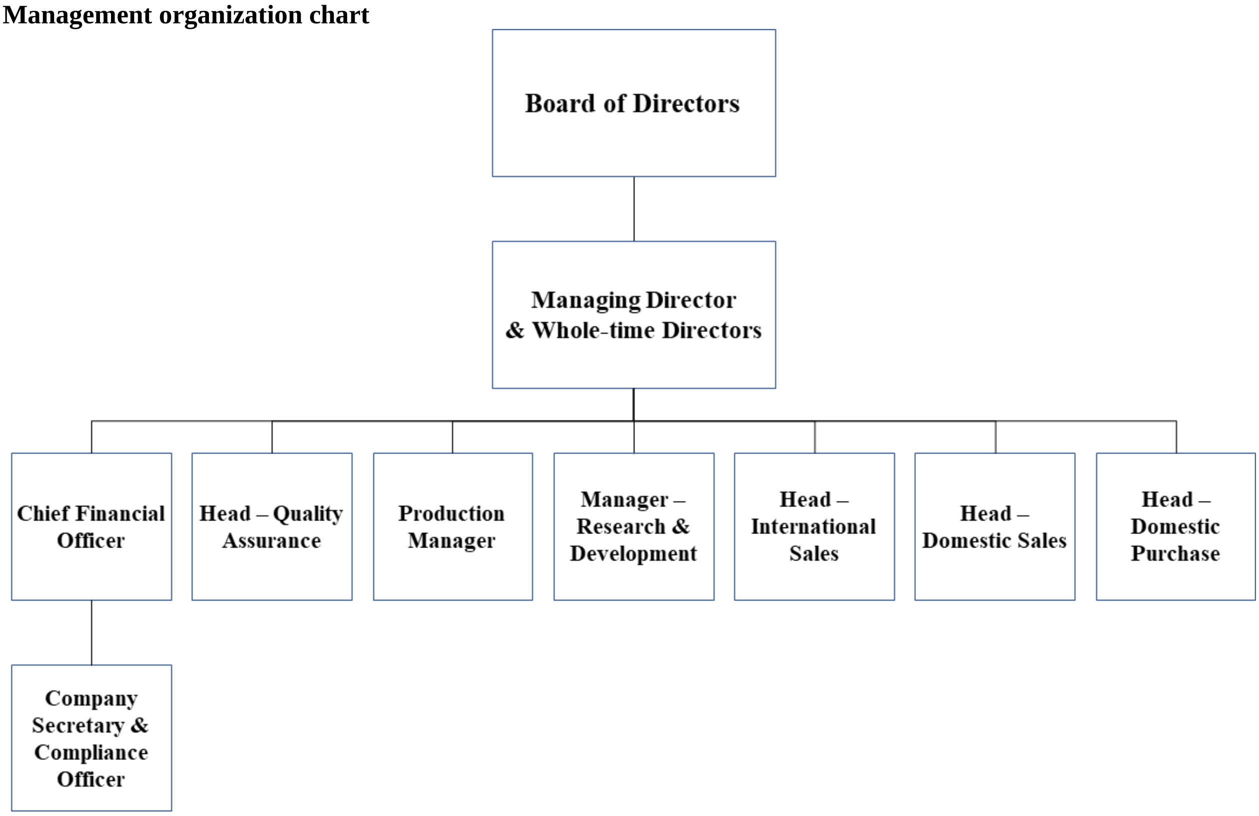
(x) Seeking information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;

(xi) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;

(xii) Framing, implementing, reviewing and monitoring the risk management plan for the Company and such other functions, including cyber security, as may be delegated by the Board; and

(xiii) 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 RM.

Management organization chart



Key Managerial Personnel

In addition to Rajeshwar Reddy Nomula our Managing Director and Ande Prathap Reddy, Ram Reddy Dundurapu and Gaddam Hemanth Reddy, our Whole-time Directors whose details are provided in "*Our Management - Brief profiles of our Directors*" on page 189, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

Pardeep Singh Watwani, is the Chief Financial Officer of our Company. He joined our Company on December 1, 2018 and was appointed as the Chief Financial Officer on April 18, 2022. He holds a bachelor's degree in Commerce from Shivaji University, Kolhapur and a masters' degree in commerce from Savitribai Phule Pune University. He is a qualified chartered accountant from the Institute of Chartered Accountants of India. Prior to joining our Company, he has worked with S.R. Batliboi & Associates, Globeop Financial Services (India) Private Limited, Credit Suisse Services (India) Private Limited and Shree Siddheshwar Sahakari Sakhar Karkhana Limited. His gross remuneration during Fiscal 2022 was ₹ 1.85 million.

Srinivas Bodige, is the Company Secretary and Compliance Officer of our Company. He joined our Company on May 6, 2022. He holds a bachelor's degree in law from Osmania University and a masters' degree in commerce from Kakatiya University. He is admitted as an associate of the Institute of Companies Secretaries of India. Prior to joining our Company, he has worked with Sharvani Alco Brew Private Limited and Prathap Satla & Associates. Since he was appointed in May 2022, no remuneration was paid to him during the Fiscal 2022.

Baddam Rajeshwar Reddy is the head of quality assurance of our Company. He joined our Company on May 1, 2022. He holds a bachelor's degree in science from Osmania University and holds a bachelors' degree in education from Anamalai University and a masters' degree in chemistry from University of Rajasthan. Prior to joining our Company, he has worked with BAL. Since he was appointed in May 2022, no remuneration was paid to him during the Fiscal 2022.

Kishor Vasant Magar, is the production manager of our Company. He joined our Company on May 1, 2022. He holds a bachelor's degree in science from Shivaji University, Kolhapur. Prior to joining our Company, he has worked with BAL as a shift manager. Since he was appointed in May 2022, no remuneration was paid to him during the Fiscal 2022.

Laxman Kerba Adsul is the manager of research and development of our Company. He joined our Company on June 1, 2022. He holds a bachelor's degree in science from Shivaji University, Kolhapur and a masters' degree in organic chemistry from Shivaji University, Kolhapur. He also holds a doctorate of philosophy in chemistry from Solapur University. Prior to joining our Company, he has worked with BAL as manager research and development. Since he was appointed in June 2022, no remuneration was paid to him during the Fiscal 2022.

Ajit Siddharam Jodbhavi is the head of international sales of our Company. He joined our Company on May 1, 2022. He holds a bachelor's degree in commerce in advanced accountancy from Shivaji University, Kolhapur. Prior to joining our Company, he has worked with Alok Industries Limited and BAL. Since he was appointed in May 2022 no remuneration was paid to him during the Fiscal 2022.

Azhar Feroz Almelkar is the head of domestic sales of our Company. He joined our Company on November 21, 2018. He holds a bachelor's of commerce in advanced accountancy from Solapur University. His gross remuneration during Fiscal 2022 was ₹ 0.27 million.

Ashpak Rahiman Shaikh is the head of domestic purchase of our Company. He joined our Company on May 1, 2022. He holds a diploma in co-operation and accountancy from the Co-operation and Accountancy Board. Prior to joining our Company, he has worked with Narayanpethkar & Associates and BAL. Since he was appointed in May 2022, no remuneration was paid to him during the Fiscal 2022.

All our Key Managerial Personnel are permanent employees of our Company.

Retirement and termination benefits

Except applicable statutory benefits, none of our Key Managerial Personnel would receive any benefits on their retirement or on termination of their employment with our Company.

Relationship among Key Managerial Personnel

None of our Key Managerial Personnel (other than our Directors) are related to any of our Directors or other Key Managerial Personnel.

Arrangements and understanding with major Shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Managerial Personnel

Except Pardeep Singh Watwani, who holds 3,000 Equity Shares as on the date of this Draft Red Herring Prospectus, none of our Key Managerial Personnel (other than our Executive Directors) hold any Equity Shares as on date of this Draft Red Herring Prospectus.

Service contracts with Key Managerial Personnel

Our Key Managerial Personnel have not entered into any service contracts with our Company.

Contingent and deferred compensation payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form part of their remuneration.

Bonus or profit-sharing plan of the Key Managerial Personnel

Our Company does not have any formal bonus or profit sharing plan.

Interest of Key Managerial Personnel

For details of the interest of our Managing Director and our Whole-time Directors in our Company, see "*Our Management - Interest of Directors*" on page 192.

Our Key Managerial Personnel (other than our Directors) are interested in our Company only to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

Changes in the Key Managerial Personnel in last three years:

For details of the changes in our Executive Directors, see "*Our Management - Changes to our Board in the last three years*" on page 193. The changes in our Key Managerial Personnel (other than our Directors) in the three years preceding the date of this Draft Red Herring Prospectus are set forth below:

Name	Designation	Date of Change	Reason
Jimisha Dawda	Company Secretary	January 21, 2021	Death
Soniya Mahajan	Company Secretary	October 25, 2021	Resignation*
Ram Reddy Dundurapu	Chief Financial Officer	April 18, 2022	Resignation
Pardeep Singh Watwani	Chief Financial Officer	April 18, 2022	Change in designation
Lakhan Dargad	Company Secretary	May 6, 2022	Resignation**
Srinivas Bodige	Company Secretary and Compliance Officer	May 6, 2022	Appointment
Baddam Rajeshwar Reddy	Head of quality assurance	May 1, 2022	Appointment
Kishor Vasant Magar	Production manager	May 1, 2022	Appointment
Ajit Siddharam Jodbhavi	Head of international sales	May 1, 2022	Appointment
Ashpak Rahiman Shaikh	Head of domestic purchase	May 1, 2022	Appointment
Laxman Kerba Adsul	Manager of research and development	June 1, 2022	Appointment

**She was appointed as our company secretary on July 17, 2021.*

*** He was appointed as our company secretary on October 25, 2021.*

We believe that the attrition of the Key Managerial Personnel of our Company is not high compared to the industry.

Payment or benefit to officers of our Company (non-salary related)

No non salary related amount or benefit has been paid or given to any officer of our Company including Key Managerial Personnel within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

Employee stock options

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

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are Ande Prathap Reddy, Rajeshwar Reddy Nomula, Ram Reddy Dundurapu Gaddam Hemanth Reddy, Ande Srinivas Reddy and Balaji Amines Limited. As on the date of this Draft Red Herring Prospectus, Ande Prathap Reddy holds 12,894,900 Equity Shares, Rajeshwar Reddy Nomula holds 5,979,800 Equity Shares, Ram Reddy Dundurapu holds 6,030,100 Equity Shares, Gaddam Hemanth Reddy holds 4,359,795 Equity Shares, Ande Srinivas Reddy holds 17,570,600 Equity Shares and Balaji Amines Limited holds 22,000,000 Equity Shares, representing 6.45%, 2.99%, 3.02%, 2.18%, 8.79% and 55.00%, respectively, of the pre-Offer issued, subscribed, and paid-up Equity Share capital of our Company. For details, please see the section titled "*Capital Structure – Build-up of the Promoters' shareholding in our Company*" on page 87.

Details of our Promoters are as follows:

Individual Promoters

	*Ande Prathap Reddy*, aged 71 years, is one of the Promoters and is also the Whole-time Director of our Company. *Permanent Account Number:* AAMPA4697B For the complete profile of Ande Prathap Reddy, along with details of his date of birth, personal address, educational qualifications, professional experience, position/posts held in the past, directorships held and business and financial activities, see "*Our Management – Board of Directors*" on page 187 and "*Our Management – Brief profiles of our Directors"* on page 189.
	*Rajeshwar Reddy Nomula*, aged 67 years, is one of the Promoters and is also the Managing Director of our Company. *Permanent Account Number*: AAMPN0856H For the complete profile of Rajeshwar Reddy Nomula, along with details of his date of birth, educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "*Our Management – Board of Directors*" on page 187 and "*Our Management – Brief profiles of our Directors"* on page 189.
	*Ram Reddy Dundurapu*, aged 60 years, is one of the Promoters and is also the Whole-time Director of our Company. *Permanent Account Number*: AAQPR5993K For the complete profile of Ram Reddy Dundurapu, along with details of his date of birth, educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "*Our Management – Board of Directors*" on page 187 and "*Our Management – Brief profiles of our Directors"* on page 189.

	*Gaddam Hemanth Reddy*, aged 56 years, is one of the Promoters and is also the Whole-time Director of our Company. *Permanent Account Number*: ACGPG3981L For the complete profile of Hemanth Reddy Gaddam, along with details of his date of birth, educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "*Our Management – Board of Directors*" on page 187 and "*Our Management – Brief profiles of our Directors*" on page 189.
	*Ande Srinivas Reddy,* aged 47 years, is one of the Promoters. *Date of Birth:* May 10, 1975 *Address: H No.* 8-2-293/82/A Plot no. 1204, Road No 60, Jubilee Hills, Hyderabad – 500 033 *Permanent Account Number*: AAKPA8590K He holds a bachelor's degree in engineering (in computer science) from Chaitanya Bharathi Institute of Technology, Osmania University and master's degree in computer science from Villanova University, Pennsylvania. He has also completed post graduate programme in management for senior executives from Indian School of Business. He is a director in Balaji Amines Limited. He is a partner in APR Holdings and Investments LLP and BCP Enterprises.

Other than as disclosed in this section under *"-Entities forming part of the promoter Group"* on page 211 and in "*Our Management – Board of Directors"* on page 187, our Promoters are not involved in any other ventures.

Our Company confirms that the permanent account number, bank account number, Aadhaar card number, driving licence number and passport number of our Promoters shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Corporate Promoter

Balaji Amines Limited ("BAL")

BAL was incorporated on October 27, 1988 as 'Balaji Amines Limited', a limited company under the Companies Act, 1956. The registered office of BAL is located at Balaji Towers', No. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur 413 224, Maharashtra, India. BAL received a certificate of commencement of business on January 11, 1989 from the Registrar of Companies, Maharashtra at Pune. The equity shares of BAL are listed on BSE and NSE.

BAL is primarily engaged in the business of manufacturing, dealers, distributors, merchants, exporters, importers, stockists and agents of amines, amides, higher alcohols, halogenated, products, oxo products, agrochemicals, pesticides and their intermediates, dye stuffs and their intermediates, drugs and intermediates and fine chemicals, designs and fabrication of chemical plant equipment, catalysts and enzymes. BAL has also diversified its business by entering into the business of manufacturing of derivatives of methyl and ethyl amines namely dimethyl amine hydrochloride choline chloride dimethyl acetamide etc.

Board of directors

The board of directors of BAL as on the date of this Draft Red herring Prospectus is as follows:

Name	Designation
Ande Prathap Reddy	Whole-time director
Rajeshwar Reddy Nomula	Joint Managing director
Ram Reddy Dundurapu	Managing director
Gaddam Hemanth Reddy	Whole-time director & Chief financial officer
Ande Srinivas Reddy	Whole-time director
Naveena Thammishetty Chandra	Independent director
Amarender Reddy Minupuri	Independent director
Satyanarayana Murthy Chavali	Independent director
Kashinath Revappa Dhole	Independent director
Vimala Behram Madon	Independent director

The shareholding pattern of BAL as on June 30, 2022, is as follows:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of Equity 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 Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of voting rights			Total as a % of (A+B+ C)							
								Class eg: Equity Shares	Class eg: Others	Total				Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
(A)	Promoter and Promoter Group	17	17,398,542	-	-	17,398,542	53.70	17,398,542	-	17,398,542	53.70	-	53.70	-	-	-	-	17,398,542
(B)	Public	119,634	15,002,458	-	-	15,002,458	46.30	15,002,458	-	15,002,458	46.30	-	46.30	-	-	-	-	14,754,398
(C)	Non-Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**119,651**	**32,401,000**	**-**	**-**	**32,401,000**	**100.00**	**32,401,000**	**-**	**32,401,000**	**100.00**	**-**	**100.00**	**-**	**-**	**-**	**-**	**32,152,940**

BAL has not changed its principal activities from the date of its incorporation.

Our Company confirms that the PAN, CIN (L24132MH1988PLC049387), bank account number of BAL and the details of the Registrar of Companies, Maharashtra at Pune, where our Corporate Promoter is registered will be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus with the Stock Exchanges.

Details of the promoters of BAL

The promoters of BAL are Ande Prathap Reddy, Rajeshwar Reddy Nomula, Ram Reddy Dundurapu, Ande Srinivas Reddy and Gaddam Hemanth Reddy. The promoter and promoter group of BAL collectively holds 53.70% of the share capital of BAL as at June 30, 2022.

Change in control or management of our Corporate Promoter in the last three years

There has been no change in the control of BAL during the last three years preceding the date of the Draft Red Herring Prospectus.

Change in control of our Company

While there has been no change in control of our Company in the last five years immediately preceding the date of this Draft Red Herring Prospectus, provided that BAL has acquired the majority stake in our Company during the last 5 years. For further details, see "*Capital Structure– Build-up of the Promoters' shareholding in our Company*" on page 87.

Interests of our Promoters in our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividends payable on such shareholding and other distributions in respect of their Equity Shares, if any. For further details of Equity Shares held by our Promoters, see "*Capital Structure– Build-up of the Promoters' shareholding in our Company*" on page 87.

Further, Balaji Amines Limited is also interested in our Company to the extent of consideration of ₹ 50,000 per annum receivable by it from our Company in terms of the license agreement dated July 29, 2022 entered into between our Company and the Corporate Promoter for our use of certain intellectual property of the Corporate Promoter. For further details, see "*History and Certain Corporate Matters- Other Agreements"* on page 185.

Except in the normal course of business and as stated in the *"Restated Financial Information-Annexure VII-Note 32. Related Parties"* on page 245, our Company has not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested, and no payments have been made to our Promoters in respect of the contracts, agreements or arrangements which are proposed to be made with it.

Further, Rajeshwar Reddy Nomula, Ande Prathap Reddy, Ram Reddy Dundurapu and Gaddam Hemanth Reddy are also interested in our Company as the Managing Director and Whole-time Directors of the Board, respectively, and may be deemed to be interested in the terms of their appointment as such, including in relation to benefits, remuneration, reimbursement of expenses, etc. For further details, see "*Our Management*" on page 187. Our Promoters are also interested to the extent of providing corporate and personal guarantees for some of the loans availed by the Company. For further details, see "*History and Certain Corporate Matters*" on page 183 and "*Risk Factors- Our Promoters and certain of our Directors hold Equity Shares in our Company and are interested in our Company's in addition to their normal remuneration and reimbursement of expenses.*" on page 53.

No sum has been paid or agreed to be paid by our Company, to our Promoters or to such firm or company in cash or shares wherein our Promoters are interested as member, or promoter or otherwise as an inducement by any person for services rendered by the Promoters or by such firm or company in connection with the promotion or formation of our Company.

Interest of Promoters in the Property of our Company

Except as disclosed below, our Promoters have no interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by it, or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery:

Balaji Amines Limited is also interested in our Company to the extent of the licensor fee of ₹ 55,000 per month receivable by it from our Company for our use of the Registered Office, pursuant to the license agreement dated June 27, 2022 executed between our Company and Balaji Amines Limited.

Payment or benefits to our Promoters or Promoter Group

Except in the ordinary course of business, and as stated in this chapter, "*Our Management*" on page 187 and *"Restated Financial Information-Annexure VII-Note 32. Related Parties"* on page 245 there has been no payment or benefits by our Company to our Promoters and members of our 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.

Material guarantees given by our Promoters to third parties with respect to Equity Shares

Our Promoters have not given any material guarantees to any third party with respect to the Equity Shares of our Company.

Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated itself from any company or firm in the last three years preceding the date of this Draft Red Herring Prospectus.

Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group (being the immediate relatives of our Promoters), apart from our Promoters mentioned above are as follows:

Name of Individual Promoter	Name of the Relative	Relationship with the Promoter
Ande Prathap Reddy	Ande Shakuntala Devi	Spouse
	Ande Raji Reddy	Brother
	D. Galamma	Sister
	Bandari Padmamma	Sister
	Basamgari Punnamma	Sister
	Mallayagari Anjamma	Sister
	Moorthy Suguna	Sister
	Ande Srinivas Reddy	Son
	Gaddam Madhumathi	Daughter
	Meena Devi Ande	Daughter
	Achanta Annapurna	Daughter
	Venkannagari Bansidhar Reddy	Spouse's brother
	Venkannagari Sarvotham Reddy	Spouse's brother
	Marri Leela Devi	Spouse's sister
	Tumu Pramila Reddy	Spouse's sister
	Gangapuram Anila Reddy	Spouse's sister
	G. Nirmala Reddy	Spouse's sister
	Aruna Thouti Reddy	Spouse's sister
	Cherukupally Kamala Devi	Spouse's sister
Rajeshwar Reddy Nomula	Saritha Nomula	Spouse
	Chandra Bhushan Reddy Nomula	Brother
	Gaddam Pushpalatha	Sister
	Katpally Anasuya	Sister

Name of Individual Promoter	Name of the Relative	Relationship with the Promoter
	Nalla Sujatha	Sister
	Vijaya Reddy Gaddam	Sister
	Eeshan Reddy Nomula	Son
	Nomula Deepti Rajeshwar Reddy	Daughter
	Gaddam Raja Reddy	Spouse's father
	Gaddam Hemanth Reddy	Spouse's brother
	Gaddam Sunitha	Spouse's sister
Ram Reddy Dundurapu	Dundurapu Vandana Reddy	Spouse
	D. Malla Reddy	Father
	D. Galamma	Mother
	Dundurapu Narender Reddy	Brother
	Dundurapu Durga Reddy	Brother
	Gaddam Tanmai Reddy	Daughter
	Veluma Kuchanna Vasantha	Spouse's sister
	Poddutoori Bharathi	Spouse's sister
Gaddam Hemanth Reddy	Gaddam Madhumathi	Spouse
	Gaddam Raja Reddy	Father
	Saritha Nomula	Sister
	Gaddam Sunitha	Sister
	Gaddam Laasya Reddy	Daughter
	Gaddam Komali Reddy	Daughter
	Ande Shakuntala Devi	Spouse's mother
	Ande Prathap Reddy	Spouse's father
	Ande Srinivas Reddy	Spouse's brother
	Meena Devi Ande	Spouse's sister
	Achanta Annapurna	Spouse's sister
Ande Srinivas Reddy	Ande Srilatha	Spouse
	Ande Prathap Reddy	Father
	Ande Shakuntala Devi	Mother
	Gaddam Madhumathi	Sister
	Meena Devi Ande	Sister
	Achanta Annapurna	Sister
	Ande Sriram Reddy	Son
	Ande Maanya Reddy	Daughter
	Ande Maanvi Reddy	Daughter
	Kotta Jayamma	Spouse's mother
	Kotta Srinivas Reddy	Spouse's father
	Tokala Rajitha	Spouse's sister
	Chittireddy Kavitha	Spouse's sister

Entities forming part of the Promoter Group

As of the date of this Draft Red Herring Prospectus, the companies, bodies corporate, firm, trusts and HUF forming part of our Promoter Group are as follows:

Sr. No.	Entity
1.	Balaji Greenfield Techno Ventures Private Limited
2.	MVL Medisynth Private Limited
3.	Srinivasa Cement Products Private Limited
4.	SVS Food Processors Private Limited
5.	SVS Medicare Private Limited
6.	SVS Products Private Limited
7.	Thirumala Precicasts Private Limited
8.	APR Holdings and Investments LLP
9.	Balaji Specialty Fine Chem Products LLP
10.	BCP Enterprises (Partnership Firm)
11.	Padmavathi Pipe Industries (Partnership Firm)
12.	Priya Residency (Partnership Firm)
13.	Priyadarshini Veg (Partnership Firm)
14.	Priyadarshini Veg Hotel (Partnership Firm)
15.	Priyadarshini Veg and Shubha Vedika (Partnership Firm)

Sr. No.	Entity
16.	R. R. Agri Farms (Partnership Firm)
17.	Satyarx Pharma Innovations Private Limited
18.	Shritha Agri Farms (Partnership Firm)
19.	Sri Srinivasa Cement Products (Partnership Firm)
20.	Sri Venkateshwara Cement Products (Partnership Firm)
21.	SVS Medicare (Partnership Firm)
22.	Wholesale On Wheels (Partnership Firm)
23.	Gaddam Hemanth Reddy HUF
24.	APR Foundation (Trust)
25.	Balaji Foundation and Research Centre (Trust)
26.	Shri Dharmshasta Ayyappa Swami Charitable Trust
27.	Smt.Gaddam Sushila Raja Reddy Foundation (Trust)

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoters and 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 our Corporate Promoter) with which our Company had related party transactions as covered under the relevant accounting standard (i.e., Ind AS 24), as per the Restated Financial Information, have been considered as group companies in terms of the SEBI ICDR Regulations.

Additionally, pursuant to the Materiality Policy, a company shall be considered material and shall be disclosed as a group company in this Draft Red Herring Prospectus if: (i) such company is a member of the Promoter Group (other than our Corporate Promoter i.e., Balaji Amines Limited); and (ii) our Company has entered into one or more transactions with such company during the last completed full financial year and the most recent period (if applicable) of the Restated Financial Information, which, individually or cumulatively in value, exceeds 10% of the consolidated revenue from operations of our Company as per the Restated Financial Information for the last completed full financial year and the relevant stub period, as applicable.

Based on the above, our Group Companies are set forth below:

1. MVL Medisynth Private Limited
2. SVS Sourcings Private Limited

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Companies for the previous three financial years, extracted from their respective audited financial statements (as applicable) are available at the websites indicated below.

Our Company is providing links to such website solely to comply with the requirements specified under the SEBI ICDR Regulations. The information provided on the website given below should not be relied upon or used as a basis for any investment decision.

Details of our Group Companies

The details of our Group Companies are as provided below:

1. **MVL Medisynth Private Limited** ("**MVL**")

   Registered Office

   The registered office of MVL is situated at Plot No 41/A, Behind Kinara Hotel, Hotgi Road, Solapur 413 003, Maharashtra, India.

   Financial information

   Certain financial information derived from the audited financial statements of MVL for the last three audited financial years, as required by the SEBI ICDR Regulations, is available on the website of MVL at www.mvlmedisynth.com/pdf/MVL2022.pdf.

2. **SVS Sourcings Private Limited** ("**SVS**")

   Registered Office

   The registered office of SVS is situated at 149/2/A/A1 2 7, Shop No 11, Silver Spring Building, Behind SBI, Hotgi Road, Solapur 413 003, Maharashtra, India.

Financial information

Certain financial information derived from the audited financial statements of SVS for the last three audited financial years, as required by the SEBI ICDR Regulations, is available on the website of SVS at www.svssourcings.com/pdf/SVS2022.pdf.

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 filing 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 and supply of machinery, etc., entered into by our Company.

Common pursuits among the Group Companies and our Company

Except as disclosed in "*Risk Factors – Conflicts of interest may arise out of similar business undertaken by our Company, our Corporate Promoter, our Group Companies and/ or business ventures in which certain of our Directors are interested*", there are no common pursuits amongst our Group Companies and our Company.

Related business transactions and their significance on the financial performance of our Company

Except as disclosed in "*Related Party Transactions"* on page 252, there are no related business transactions with the Group Companies.

Litigation

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

Business interest of Group Companies

Except in the ordinary course of business and as stated in "*Related Party Transactions*" on page 252, none of our Group Companies have any business interest in our Company.

Confirmations

None of our Group Companies have any securities listed on a stock exchange.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion and subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend distribution policy of our Company was adopted by way of a resolution dated June 1, 2022, passed by our Board of Directors.

The dividend pay-out, if any, shall be determined by the Board after taking into account a number of internal and external parameters. Internal parameters we may consider include the financial performance of our Company, liquidity position and future cash flow needs of our Company, return on invested capital, our obligations to lenders, capital expenditure requirements and growth strategies of the Company, the cost of borrowings, inadequacy of profits, and our Company's long-term growth strategies. External parameters we may consider include prevailing taxation policy and legal requirements with respect to dividend distribution, macro-economic and business conditions in general, cost of raising funds from alternative sources, economic and regulatory environment, business cycles and market conditions, geo-political tensions and/ or disputes, industry outlook, inflation rates and changes in governmental policies or industry specific rulings and regulatory requirements.

Our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our company may enter into to finance fund requirements for our business activities.

Our Company has not declared or paid any dividend on the equity shares for the last three Fiscals, as per our Restated Financial Information and from April 1, 2022, until the date of this Draft Red Herring Prospectus. There is no guarantee that any dividends will be declared or paid in the future. For details, see "*Risk Factors - Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financing arrangements*." on page 52.

SECTION V – FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

[The remainder of this page has intentionally been left blank]

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To
The Board of Directors
Balaji Speciality Chemicals Limited
(formerly known as Balaji Speciality Chemicals Private Limited)
2nd Floor, Balaji Towers No.9/1A/1,
Hotgi Road, Aasara Chowk,
Solapur, Maharashtra – 413224

Dear Sirs / Madams,

1. We have examined the attached restated financial information of **Balaji Speciality Chemicals Limited (formerly known as Balaji Speciality Chemicals Private Limited)** (the "**Company**") comprising the Restated Balance Sheet as at March 31, 2022, March 31, 2021 and March 31, 2020, the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Cash Flows and the Restated Statement of Changes in Equity for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "**Restated Financial Information**"), as approved by the Board of Directors of the Company at their meeting held on July 28, 2022 for the purpose of inclusion in the Draft Red Herring Prospectus ("**DRHP**"), the Red Herring Prospectus ("**RHP**") and the Prospectus ("**Prospectus**"), (DRHP, RHP and Prospectus, collectively the "**Offer Documents**") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("**IPO**") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**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 from time to time (the "**Guidance Note**").

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"), ("BSE" together with "NSE" are collectively referred to as the "**Stock Exchanges**") and Registrar of Companies, Maharashtra at Pune in connection with the IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2(i) to the Restated Financial Information. The responsibility of the Board of Directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors of the Company are also responsible for identifying and ensuring that the Company complies with the Act, the SEBI ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 29.04.2022 in connection with the IPO of the Company;
   b) The Guidance Note which also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
   d) The requirements of Section 26 of the Act and the SEBI ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Financial Information have been compiled by the management from:

   Audited Ind AS financial statements of the Company as at and for the years ended March 31, 2021 and March 31, 2020, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors of the Company at their meetings held on May 22, 2021 and June 19, 2020 respectively.

   Special purpose financial statements of the Company as at and for the year ended March 31, 2022, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors of the Company at their meeting held on July 28, 2022.

5. We have audited the special purpose financial statements of the Company for the year ended March 31, 2022 prepared by the Company in accordance with the Ind AS for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the Peer Review Board of the ICAI as required by the SEBI ICDR Regulations in related to the IPO. We have issued our report dated July 28, 2022 on these special purpose financial statements to the Board of Directors who have approved these in their meeting held on July 28, 2022.

6. For the purpose of our examination, we have relied on:

   Auditor's report issued by previous auditors dated May 22, 2021 and June 19, 2020 on the financial statements of the Company as at and for the years ended March 31, 2021 and March 31, 2020 respectively as referred in Paragraph 4 above.

   Our report dated July 28, 2022 on the special purpose financial statements of the Company as at and for the year ended March 31, 2022 as referred in Paragraph 4 above.

7. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the years ended March 31, 2022;

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.

8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by previous auditors or by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. 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.

12. Our report is intended solely for use of the Board of Directors for the Company inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, the Stock Exchanges and the Registrar of Companies, Maharashtra at Pune in connection with the 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 M. Anandam & Co.,
Chartered Accountants
(Firm Registration Number: 000125S)

M V Ranganath
Partner
Membership Number: 028031
UDIN: 22028031ANUTEK5756

Place: Secunderabad
Date: July 28, 2022

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
Annexure I
Restated Balance Sheet
(All amounts are in rupees in millions, except share data or otherwise stated)

Particulars		Note No. Annexure VII	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
I. ASSETS					
NON-CURRENT ASSETS					
(a)	Property, plant and equipment	1	1,878.61	2,002.99	2,113.20
(b)	Capital work-in-progress		-	-	-
(c)	Right-of-use assets	2.1	0.11	0.01	0.06
(d)	Financial assets				
	Other financial assets	3	19.03	18.55	17.04
(e)	Deferred tax assets (net)	4.1	-	30.84	64.01
(f)	Other non-current assets	5	1.13	-	0.06
			1,898.88	**2,052.39**	**2,194.37**
CURRENT ASSETS					
(a)	Inventories	6	220.04	162.10	166.23
(b)	Financial assets				
	(i) Trade receivables	7.1	1,559.40	389.38	335.63
	(ii) Cash and cash equivalents	7.2	34.12	19.55	14.94
	(iii) Bank balances other than (ii) above	7.3	0.22	0.32	0.74
	(iv) Other financial assets	7.4	0.43	4.41	0.93
(c)	Current tax assets (net)	8	-	-	0.14
(d)	Other current assets	9	303.01	402.29	329.46
			2,117.22	**978.05**	**848.07**
TOTAL ASSETS			**4,016.10**	**3,030.44**	**3,042.44**
II. EQUITY AND LIABILITIES					
EQUITY					
(a)	Equity share capital	10	400.00	400.00	400.00
(b)	Other equity	11	1,474.79	385.32	281.33
			1,874.79	**785.32**	**681.33**
LIABILITIES					
NON-CURRENT LIABILITIES					
(a)	Financial liabilities				
	(i) Borrowings	12	1,235.74	1,661.97	1,662.56
	(ii) Lease liabilities	2.2	0.06	-	0.01
(b)	Provisions	13	1.70	1.07	0.40
(c)	Deferred tax liabilities (net)	4.2	149.19	-	-
(d)	Other non-current liabilities	14	17.83	-	25.71
			1,404.52	**1,663.04**	**1,688.68**
CURRENT LIABILITIES					
(a)	Financial liabilities				
	(i) Borrowings	15.1	430.63	382.17	372.96
	(ii) Lease liabilities	2.2	0.05	0.01	0.05
	(iii) Trade payables	15.2			
	a) Total outstanding dues of micro enterprises and small enterprises		59.18	5.44	4.42
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		165.82	125.91	196.97
	(iv) Other financial liabilities	15.3	23.11	67.25	97.13
(b)	Other current liabilities	16	35.29	0.50	0.89
(c)	Provisions	17	0.04	0.04	0.01
(d)	Current tax liabilities (net)	18	22.66	0.76	-
			736.79	**582.08**	**672.43**
TOTAL EQUITY AND LIABILITIES			**4,016.10**	**3,030.44**	**3,042.44**
Summary of significant accounting policies		V			

Note: The above statement should be read with the Significant Accounting Policies forming part of the Restated Financial Information in Annexure V, Statement of Adjustments to Restated Financial Information in Annexure VI and Notes to Restated Financial Information in Annexure VII.

As per our examination report of even date attached

For M.Anandam & Co.,
Chartered Accountants
ICAI Firm registration number: 000125S

For and on behalf of the Board of Directors
Balaji Speciality Chemicals Limited

M V Ranganath
Partner
Membership Number: 028031

N. Rajeshwar Reddy
Managing Director
DIN : 00003854

D. Ram Reddy
Wholetime Director
DIN : 00003864

Place: Secunderabad
Date: July 28, 2022

B. Srinivas
Company Secretary
Membership Number: 67430

PardeepSingh RameshSingh Watwani
Chief Financial Officer
ABSPW1999F

Place: Solapur
Date: July 28, 2022

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
Annexure II
Restated Statement of Profit and Loss
(All amounts are in rupees in millions, except share data or otherwise stated)

Particulars	Note No. Annexure VII	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME				
Revenue from operations	19	5,142.80	1,744.01	538.81
Other income	20	17.62	14.77	2.34
Total Income		**5,160.42**	**1,758.78**	**541.15**
EXPENSES				
Cost of materials consumed	21	2,641.29	1,002.81	529.75
Changes in inventories of finished goods and work-in-progress	22	(12.50)	19.13	(131.38)
Employee benefits expense	23	32.24	22.16	14.47
Finance costs	24	154.93	190.02	155.63
Depreciation and amortisation expenses	25	128.35	110.68	74.42
Other expenses	26	675.57	261.54	121.62
Total expenses		**3,619.88**	**1,606.34**	**764.51**
Profit/(loss) before tax		**1,540.54**	**152.44**	**(223.36)**
Tax expenses:	27			
Current tax		271.07	15.33	-
Deferred tax		180.02	33.16	(64.01)
Tax expense relating to earlier years		-	-	(0.65)
Total tax expense		**451.09**	**48.49**	**(64.66)**
Profit/(Loss) for the year		**1,089.45**	**103.95**	**(158.70)**
Other comprehensive income (OCI)				
Items that will not be reclassified to profit or loss				
i. Re-measurement gains/ (losses) of post-employment defined benefit plans		0.03	0.05	-
ii. Income tax related to above		(0.01)	(0.01)	-
Other comprehensive income (OCI) for the year (net of tax)		**0.02**	**0.04**	**-**
Total comprehensive income for the year		**1,089.47**	**103.99**	**(158.70)**
Earnings per equity share (Face value of Rs 2 each)	28			
1. Basic (Rs)		5.45	0.52	(0.79)
2. Diluted (Rs)		5.45	0.52	(0.79)
Summary of significant accounting policies	V			

Note: The above statement should be read with the Significant Accounting Policies forming part of the Restated Financial Information in Annexure V, Statement of Adjustments to Restated Financial Information in Annexure VI and Notes to Restated Financial Information in Annexure VII.

As per our examination report of even date attached

For M.Anandam & Co.,
Chartered Accountants
ICAI Firm registration number: 000125S

For and on behalf of the Board of Directors
Balaji Speciality Chemicals Limited

M V Ranganath
Partner
Membership Number: 028031

Rajeshwar Reddy
anaging Director
)IN : 00003854

D. Ram Reddy
Wholetime Director
DIN : 00003864

Place: Secunderabad
Date: July 28, 2022

B. Srinivas
Company Secretary
Membership Number: 67430

PardeepSingh RameshSingh Watwani
Chief Financial Officer
ABSPW1999F

Place: Solapur
Date: July 28, 2022

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
Annexure III
Restated Statement of Cash Flows
(All amounts are in rupees in millions, except share data or otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax:	1,540.54	152.44	(223.36)
Adjustments for:			
Depreciation and Amortisation Expenses	128.35	110.68	74.42
Interest on borrowings	146.93	185.33	149.64
Interest expense on lease liabilities	0.01	0.01	0.01
Interest income	(1.30)	(0.92)	(1.45)
Liabilities written back	-	(7.24)	(0.53)
Preliminary Expenses written off	-	-	5.44
Operating cash flows before working capital adjustments	**1,814.53**	**440.30**	**4.17**
Adjustments for working capital :			
(Increase) / decrease in Inventories	(57.94)	4.13	39.13
(Increase)/ decrease in Trade receivables	(1,170.02)	(53.75)	(335.63)
(Increase) / decrease in Financial assets other than trade receivables	4.03	(3.51)	0.15
(Increase) / decrease in Other assets	97.67	(74.20)	1.21
Increase/ (decrease) in Trade payables	93.65	(62.80)	185.57
Increase / (decrease) in other financial liabilities	(43.90)	(25.99)	(15.19)
Increase / (decrease) in provisions	0.66	0.75	0.41
Increase / (decrease) in other liabilities	49.85	(26.67)	(2.09)
	788.53	**198.26**	**(122.27)**
Income tax paid	(246.39)	(14.00)	-
NET CASH FLOW GENERATED FROM/(USED IN) OPERATING ACTIVITIES	**542.14**	**184.26**	**(122.27)**
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(3.92)	(0.42)	(101.57)
(Increase)/Decrease in capital advances	-	0.06	3.19
Interest income on deposits and others	1.34	1.37	1.50
NET CASH FLOW GENERATED FROM/(USED IN) INVESTING ACTIVITIES	**(2.58)**	**1.01**	**(96.88)**
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from non-current borrowings	120.00	343.44	1,977.40
Repayment from non-current borrowings	(546.23)	(253.13)	(1,658.39)
(Repayment) / proceeds from current borrowings (Net)	48.46	(81.69)	65.35
Interest paid	(147.17)	(189.22)	(150.59)
Repayment of lease liabilities	(0.06)	(0.06)	(0.06)
NET CASH FLOW GENERATED FROM/(USED IN) FINANCING ACTIVITIES	**(525.00)**	**(180.66)**	**233.71**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**14.57**	**4.61**	**14.56**
Cash and cash equivalents at the beginning of the year	19.55	14.94	0.38
Cash and cash equivalents at the end of the year	**34.12**	**19.55**	**14.94**
Reconciliation of Cash and Cash equivalents with the Balance Sheet			
Cash and Bank Balances as per Balance Sheet			
Balance with banks			
- in current accounts	25.09	19.54	14.94
- Debit balance in cash credit accounts	8.99	-	-
Cash on hand	0.04	0.01	-
Cash and cash equivalents at the end of the year	**34.12**	**19.55**	**14.94**

Notes :
The above Restated Statement of Cash flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows ".

As per our examination report of even date attached

For M.Anandam & co.,
Chartered Accountants
ICAI Firm registration number: 000125S

For and on behalf of the Board of Directors
Balaji Speciality Chemicals Limited

M V Ranganath
Partner
Membership Number: 028031

N. Rajeshwar Reddy
Managing Director
DIN : 00003854

D. Ram Reddy
Wholetime Director
DIN : 00003864

B. Srinivas
Company Secretary
Membership Number: 67430

PardeepSingh RameshSingh Watwani
Chief Financial Officer
ABSPW1999F

Place: Secunderabad
Date: July 28, 2022

Place: Solapur
Date: July 28, 2022

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
Annexure IV
Restated Statement of Changes in Equity
(All amounts are in rupees in millions, except share data or otherwise stated)

Equity Share Capital:

Particulars	March 31, 2022		March 31, 2021		March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Balance at the beginning of the reporting year	4,00,00,000	400.00	4,00,00,000	400.00	4,00,00,000	400.00
Add: Changes in equity share capital due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the year	4,00,00,000	400.00	4,00,00,000	400.00	4,00,00,000	400.00
Increase in shares on account of subdivision*	16,00,00,000	-	-	-	-	-
Balance outstanding at the end of the year	20,00,00,000	400.00	4,00,00,000	400.00	4,00,00,000	400.00

* The Company has only one class of equity shares having a par value of Rs. 2 per share (March 31, 2022).
During the year ended March 31, 2022, pursuant to the special resolution passed in the extra-ordinary general meeting held on February 26, 2022, the equity shares of the Company having face value of ₹10 each were subdivided into five equity shares having a face value of ₹2 each. Accordingly, 4,00,00,000 equity shares of face value of Rs.10 each were subdivided into 20,00,00,0000 equity shares of face value of Rs.2 each.

Other Equity:

Particulars	Reserves and surplus		Total
	Securities premium	Retained earnings	
Balance as at April 1, 2019	**440.00**	**0.03**	**440.03**
Profit/(loss) for the year	-	(158.70)	(158.70)
Remeasurement of defined benefit obligation, net of tax	-	-	-
Total comprehensive income	-	(158.70)	(158.70)
Balance as at March 31, 2020	**440.00**	**(158.67)**	**281.33**
Balance as at April 01, 2020	**440.00**	**(158.67)**	**281.33**
Profit/(loss) for the year	-	103.95	103.95
Remeasurement of defined benefit obligation, net of tax	-	0.04	0.04
Total comprehensive income	-	103.99	103.99
Balance as at March 31, 2021	**440.00**	**(54.68)**	**385.32**
Profit/(loss) for the period	-	1,089.45	1,089.45
Remeasurement of defined benefit obligation, net of tax	-	0.02	0.02
Total comprehensive income	-	1,089.47	1,089.47
Balance as at March 31, 2022	**440.00**	**1,034.79**	**1,474.79**

Notes:
Refer note no. 11 for description of the nature and purpose of each reserve within other equity.

As per our report of even date attached

For M.Anandam & co.,
Chartered Accountants
ICAI Firm registration number: 000125S

For and on behalf of the Board of Directors
Balaji Speciality Chemicals Limited

M V Ranganath
Partner
Membership Number: 028031

N. Rajeshwar Reddy
Managing Director
DIN : 00003854

D. Ram Reddy
Wholetime Director
DIN : 00003864

B. Srinivas
Company Secretary
Membership Number: 67430

PardeepSingh RameshSingh Watwani
Chief Financial Officer
ABSPW1999F

Place: Secunderabad
Date: July 28, 2022

Place: Solapur
Date: July 28, 2022

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
Annexure V
Summary of Significant Accounting Policies
(All amounts are in rupees in millions, except share data or otherwise stated)

1 Corporate Information

Balaji Speciality Chemicals Limited. (BSCL) (Formerly known as Balaji Speciality Chemicals Private Limited), is a Public Limited company incorporated in India under the provisions of the Companies Act.. The Company is domiciled in India, having its registered office located at 2nd Floor, Balaji Towers, No.9/1A/1, Hotgi Road, Aasara Chowk, Solapur, Maharastra - 413224. It is a subsidiary of Balaji Amines Limited ('BAL'), which is also a Public Limited Company listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), in India. Balaji Speciality Chemicals Ltd., is engaged in manufacturing of speciality chemicals with a plant capacity of 30,000 TPA.

The Company was converted into a public limited company under the Companies Act, 2013 on March 17, 2022 and consequently, the name was changed to " Balaji Speciality Chemicals Limited".

2 Basis of preparation and measurement

(i) Statement of compliance & Basis of preparation

The Restated Balance sheet as at March 31, 2022, March 31, 2021 and March 31, 2020 and the Restated Statement of Profit and Loss (including Other Comprehensive income), the Restated Statement of Changes in Equity and the Restated Statement of Cash flows for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and Other restated financial information (together referred to as 'Restated Financial Information') have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, notified under section 133 of the Companies Act, 2013, ("Act") and other relevant provisions of the Act.

The Special Purpose Financials for the year ended March 31, 2022 are re-audited by us pursuant to the Clause 11 of the Schedule VI - Disclosures in the Draft red herring prospectus, red herring prospectus and prospectus under "The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which forms the basis for Restated Financial Information.

The Restated Financial Information have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the Restated Financial Information except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

The Restated Financial Information has been prepared for inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus (collectively referred to as "Offer Documents") to be filed by the Company with the Securities and Exchange Board of India ('SEBI'), BSE, NSE and the registrar of companies, as applicable, in connection with proposed Initial Public Offering of its equity shares, in accordance with the requirements of:

- Section 26 of part I of Chapter III of the Act;
- relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI'); and
- Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI").

The Restated Financial Information has been compiled by the Management from the Special Purpose Financial Statements for respective years and
- there were no changes in accounting policies during the year of these financial statements;
- there were no material amounts which have been adjusted for in arriving at profit of the respective periods; and
- there were no material adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the year ended March 31, 2022 and the requirements of the The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

The Restated Financial Information were approved by the Board of Directors and authorised for issue on July 28, 2022.

(ii) Functional and presentation currency

These Restated Financial Information are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest million except share data or as otherwise stated.

(iii) Basis of measurement

The Restated Financial Information have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities :	Measured at fair value
- Net defined benefit (asset)/ liability :	Fair value of plan assets less present value of defined benefit obligations
- Borrowings :	Amortised cost using effective interest rate method

(iv) Use of estimates and judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment, impairment of property, plant and equipment, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 1 – determining an asset's expected useful life and the expected residual value at the end of its life;
- Note 7 – Impairment of financial assets;
- Note 31(c) – measurement of defined benefit obligations: key actuarial assumptions;
- Notes 34 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Measurement of fair values

Company accounting polices and disclosures require measurement of fair value for both financial and non-financial assets.

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:

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in the following notes:
- Note 34 - Financial instruments and risk management

(v) Current and non-current classification:
The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets
An asset is classified as a current when:
- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is expected to be realized within twelve months from the reporting date;
- it is held primarily for the purposes of being traded; or
- is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities
A liability is classified as a current when:
- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- Deferred tax assets/liabilities are classified as non-current.
- the Company does not have an unconditional right to defer settlement of liability for at least twelve months from the reporting date.

Operating Cycle
Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

3 Summary of significant accounting policies

A • Revenue recognition
(i) Revenue from contract with customers
Revenue is recognised when the performance obligations have been satisfied, which is once control of the goods is transferred from the Company to the customer.
Revenue related to the sale of goods is recognised when the product is delivered to the destination specified by the customer, and the customer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset.
Revenue is measured based on consideration specified in the contract with a customer which is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excludes amounts collected on behalf of third parties.
(ii) Recognition of interest income, dividend income and export benefits
Interest income is recognized on accrual basis taking into account the amount outstanding and rate applicable.
Dividend income is recognised when the right to receive the income is established.
Export benefit under the duty free credit entitlements is recognized in the statement of profit and loss, when right to receive such entitlement is established as per terms of the relevant scheme in respect of exports made and where there is no significant uncertainty regarding compliance with the terms and conditions of such scheme.

B • Property, plant and equipment (PPE)
Property, plant and equipment acquired by the company are reported at acquisition cost. The acquisition cost for this purpose includes the purchase price (net of duties and taxes which are recoverable in future) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use.

The catalyst is an asset that facilitates the process that increases the future economic benefits, output efficiency expected from the plant. Accordingly, the catalyst is in the nature of a property, plant and equipment as contemplated in Ind AS 23. The technical know-how is integral to the plant which is required for installation of the plant is classified as PPE.

Land allotted by MIDC on long lease basis is treated as "Lease Hold Land" on the basis of possession leaser from MIDC (the Lessor), The one-time lump sum premium paid at the time of allotment is amortized over the period of the 88 year lease.

Leasehold improvements are stated at cost including taxes, freight and other incidental expenses incurred, net of input tax credits availed. The depreciation is provided over the life estimated by the management.

C • Capital work-in-progress
Capital work-in-progress is recognized at cost. It comprises of property, plant and equipment that are not yet ready for their intended use at the reporting date.

D • Depreciation
Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on the straight line method over the useful lives as prescribed in Schedule II to the Act.

E • Investments
Investments representing equity interest carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

F • Government grants, subsidies and export incentives
Grants from the government are recognised at fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs they are intended to compensate and presented within other income.
Government grants relating to the purchase of Property, Plant and Equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected lives of the related assets and presented within other income.
The benefit of a government loan at below current market rate of interest is treated as a government grant.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Non-monetary grants are recognised
and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

G • Leases

As a Lessee:

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:
(1) The Contract involves the use of an identified asset;

The Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.
They are subsequently measured at cost less accumulated depreciation and impairment losses.
Right-of-use assets are depreciated from the commencement date on a straight-line basis over the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset shall be separately presented in the Balance Sheet and lease payments shall be classified as financing cash flows.

As a Lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are utilised.

H • Employee benefits:

Short-term employee benefits

Wages and salaries, including non-monetary benefits that are expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations
The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.
The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Defined benefit plan - Gratuity obligation

The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.
The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.
The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.
Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.
Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss. The gratuity liability is covered through a recognized Gratuity Fund managed by Life Insurance Corporation of India and the contributions made under the scheme are charged to Statement of Profit and Loss.

Defind contribution plans

The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

I • Tax expenses

Accounting treatment in respect of deferred taxation and current tax is in accordance with Indian Accounting Standard 12 (Ind AS 12) - "Income Taxes"
Tax expense for the year comprises current and deferred tax.
Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised 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 utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities 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.

Tax relating to items recognized directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the Statement of Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they are related to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

J • Inventories

Inventories includes stock of raw materials, stores and spares and packing materials, that are valued at the lower of cost and the net realisable value. Cost is determined on First-in-First-out basis. Finished goods and Work-in-progress are valued at lower of cost and net realisable value. Cost for this purpose, does not include duties/taxes that are recoverable in future.Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for recoverable taxes, if any.

K • Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned if any on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

L • Foreign Currency Transactions

The financial statements of the Company are presented in Indian rupees, which is the functional currency of the Company and the presentation currency for the financial statements. Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

M • Impairment of Assets

(i). Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and trade receivables. At each reporting date, the Company assesses whether these financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of non-financial assets

The Company'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 Companyed together into cash-generating units (CGUs). Each CGU represents the smallest Company 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 Company'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.

In respect of assets for which impairment loss has been recognised in prior periods, the Company 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 has been recognised.

N • Earnings Per Share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

O • Financial instruments

A financial instrument is any contract that gives rise to a Financial Asset of one entity and Financial liability or equity instrument of another entity.

(i) Initial measurement and recognition

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

All financial assets except Trade receivables are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are categorised as under:
- amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
− the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
− the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost : 'These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: 'These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial Liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss.

Derecognition - Financial assets

A Financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Derecognition - Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Financial Instruments Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

P • Provisions, Contingent liabilities and Contingent assets

The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to the reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent Liabilities are also disclosed 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 Company.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realised.

Q • Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022 , MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 applicable from 1st April, 2022. Amendments applicable to the Company are given below:

Ind AS 16 – Proceeds before intended use - The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment, amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in the statement of profit and loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts – Costs of Fulfilling a Contract - The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
Annexure VI - Statement of Adjustments to Restated Financial Information
(All amounts are in rupees in millions, except share data or otherwise stated)

Part A: Statement of restatement adjustments
Summarised below are the restatement adjustments made to the profit after tax of the Audited Financial Statements for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and their consequential impact on the profit/ (loss) of the Company:

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(Loss) for the year as per audited financial statements		1,099.60	117.85	(155.53)
Adjustments				
Material restatement adjustments:				
(i) Audit qualifications		-	-	-
Total		-	-	-
(ii) Adjustments due to prior period items / other adjustments				
Restatement of foreign currency bank balance as per Ind AS 21	1	-	(0.20)	0.20
Recognition of remeasurement of employee defined benefit plans as per Ind AS 19	2	(0.63)	(0.91)	(0.41)
Adjustments to revenue as per Ind AS 115	3	(13.56)	(13.78)	-
Preliminary Expenses written off as per Ind AS 38	4	3.26	1.09	(4.35)
Tax expense relating to earlier years	5	15.33	(15.33)	-
Recognition of MAT shown under deferred tax	6	(13.28)	15.33	-
Total		**(8.88)**	**(13.80)**	**(4.56)**
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable				
Deferred tax impact on restatement adjustments	6	(1.27)	(0.10)	1.39
Profit/ (Loss) for the year as per Restated Financial Information		**1,089.45**	**103.95**	**(158.70)**

Summarised below are the restatement adjustments made to the equity of the Audited Financial Statements for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and their consequential impact on the equity:

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Total Equity as per audited financial statements		1,901.95	802.35	684.51
Adjustments				
Material restatement adjustments:				
(i) Audit qualifications		-	-	-
Total		-	-	-
(ii) Adjustments due to prior period items / other adjustments				
Restatement of foreign currency bank balance as per Ind AS 21	1	-	(0.01)	0.20
Recognition of remeasurement of employee defined benefit plans as per Ind AS 19	2	(1.87)	(1.27)	(0.41)
Adjustments to revenue as per Ind AS 115	3	(27.34)	(13.78)	
Preliminary Expenses written off as per Ind AS 38	4	(0.00)	(3.27)	(4.36)
Tax expense relating to earlier years	5	-	(15.33)	-
Recognition of MAT shown under deferred tax	6	2.05	15.33	-
Total		**(27.16)**	**(18.32)**	**(4.57)**
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable				
Deferred tax impact on restatement adjustments	6	-	1.28	1.39
Total equity as per Restated Financial Information		**1,874.79**	**785.32**	**681.33**

Note : 1 Restatement of bank balances held in foreign currency
The closing balance available in HDFC EEFC bank account has been restated as per Ind AS 23 - "The Effects of Changes in Foreign Exchange Rates".

Note : 2 Provision for gratuity and leave encashment

Provision for gratuity and leave encashment are created as per the Acturial Valuation reports in the Restated Financial Information.

Note : 3 Adjustments on account of Sales-in-transit
Recognised sales-in-transit where the control of goods sold is not passed on to the customers as at March 31, 2022 in the Restated Financial Information in line with Ind AS 115.

Note : 4 Preliminary Expenses
In the Restated Financial Information, preliminary expenses are charged to revenue in FY 2019-20.

Note : 5 Tax expense relating to earlier years
During the financial year ended March 31, 2021, the Company has not made the provision for tax of Rs.15.33 million in the books relying on the judicial precedent of of Hon.Karnataka High Court in the case of Best Trading and Agencies Ltd., 119 Taxmann.com 129. Further the same is accounted as expense in the financial year ended March 31, 2022. As a part of the restatement adjustments, the tax amount relating to FY 2020-21 is accounted in that year itself.

Note : 6 Deferred Tax
MAT credit entitlement has been created in the Restated Financial Information. Deferred tax has been computed on adjustments made as detailed above and have been adjusted in the Restated Financial Information.

Note : 7 Material regrouping : None
Appropriate regroupings, have been made in the Restated Balance Sheet, Restated Statement of Profit & Loss and Restated Statement of Cashflows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Company for the period ended March 31, 2022 prepared in accordance with Schedule III of the Companies Act, 2013, 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.

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
Annexure VI - Statement of Adjustments to Restated Financial Information
(All amounts are in rupees in millions, except share data or otherwise stated)

Part B : Non-adjusting items:
Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Financial Information
In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016/Companies (Auditor's Report) Order, 2020 ("the CARO 2016 Order"/"the CARO 2020 Order") as applicable issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 on the financial statements as at and for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022 respectively. Certain statements/comments included in the CARO in the financial statements, which do not require any adjustments in the Restated Financial Information are reproduced below in respect of the financial statements prepared.

For the year ended March 31, 2022
Clause (ii) (b) of CARO 2020 Order
The Company has been sanctioned working capital limits in the excess of Rs.5 crore, in aggregate, from banks or financial institutions on the basis of security of current assets. As per the records produced before us, the quarterly statements filed by the Company with the bank are in agreement with the books of accounts of the Company for Quarter 3. However, in respect of Quarter 4, quarterly statements are yet to be filed with the banks. Further, refer Additional Regulatory Information disclosure point no.15 of financial statements for discrepancies found in Quarter 1 and 2.

Discrepancies found in Quarter 1 and 2 are given below: **(Rs. In lakhs)**

Particulars	**June 30, 2021**	**September 30, 2021**
Name of the bank	HDFC bank	HDFC bank
Particulars of securities provided	Inventory	Inventory
Amount as per books of account	1254	1698
Amount as reported in the quarterly return/statement	1232	1701
Amount of difference	23	-3
Reason for material discrepancies	Change in the value of inventory during finalising quarterly statements	

Clause (vii) (b) of CARO 2020 Order
According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no dues of Income-tax, Goods and Services Tax, which have not been deposited with appropriate authorities on account of any dispute except for the below:

Nature of dues	**Name of the statute**	**Amount**	**Period to which the amount relates**	**Forum where the dispute is pending**
TDS on payments made to foreign companies / Non-resident	Income Tax	2.14	2017-18	CIT (Appeals)
TDS on payments made to foreign companies / Non-resident	Income Tax	3.51	2018-19	CIT (Appeals)

For the year ended March 31, 2021

Clause (vii) (b) of CARO 2016 Order
According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no dues of Income-tax, Goods and Services Tax, which have not been deposited with appropriate authorities on account of any dispute except for the below:

Nature of dues	**Name of the statute**	**Amount**	**Period to which the amount relates**	**Forum where the dispute is pending**
TDS on payments made to foreign companies / Non-resident	Income Tax	2.14	2017-18	CIT (Appeals)

For the year ended March 31, 2020
Clause (vii) (b) of CARO 2016 Order
According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no dues of Income-tax, Goods and Services Tax, which have not been deposited with appropriate authorities on account of any dispute.

As per our examination report of even date attached

For M.Anandam & Co.,
Chartered Accountants
ICAI Firm registration number: 000125S

For and on behalf of the Board of Directors
Balaji Speciality Chemicals Limited

M V Ranganath
Partner
Membership Number: 028031

N. Rajeshwar Reddy
Managing Director
DIN : 00003854

D. Ram Reddy
Wholetime Director
DIN : 00003864

Place: Secunderabad
Date: July 28, 2022

B. Srinivas
Company Secretary
Membership Number: 67430

PardeepSingh RameshSingh Watwani
Chief Financial Officer
ABSPW1999F

Place: Solapur
Date: July 28, 2022

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
Annexure VII Notes to Restated Financial Information
(All amounts are in rupees in millions, except share data or otherwise stated)

1. Property, Plant and Equipment

Description	Leasehold improvements	Buildings	Leasehold land	Plant and machinery	Furniture and fixtures	Office equipment	Computers	Total
Cost as at April 1, 2019								
Additions	5.49	287.85	8.43	1,884.27	0.90	0.26	0.37	**2,187.57**
Disposals/adjustments								**-**
Cost as at March 31, 2020 (A)	**5.49**	**287.85**	**8.43**	**1,884.27**	**0.90**	**0.26**	**0.37**	**2,187.57**
Additions				0.35			0.07	**0.42**
Disposals/adjustments								**-**
Cost as at March 31, 2021 (C)	**5.49**	**287.85**	**8.43**	**1,884.62**	**0.90**	**0.26**	**0.44**	**2,187.99**
Additions	**0.12**			3.77			**0.03**	**3.92**
Disposals/adjustments								**-**
Cost as at March 31, 2022 (E)	**5.61**	**287.85**	**8.43**	**1,888.39**	**0.90**	**0.26**	**0.47**	**2,191.91**
Accumulated depreciation as at April 1, 2019								**-**
Depreciation for the year	0.27	7.24	0.10	66.56	0.07	0.04	0.09	**74.37**
Disposals/adjustments								**-**
Accumulated depreciation as at March 31, 2020 (B)	**0.27**	**7.24**	**0.10**	**66.56**	**0.07**	**0.04**	**0.09**	**74.37**
Depreciation for the year	0.35	9.12	0.10	100.82	0.09	0.05	0.12	**110.63**
Disposals/adjustments								**-**
Accumulated depreciation as at March 31, 2021 (D)	**0.62**	**16.36**	**0.20**	**167.38**	**0.16**	**0.09**	**0.21**	**185.00**
Depreciation for the year	0.35	9.12	0.10	118.46	0.10	0.04	0.14	**128.30**
Disposals/adjustments								**-**
Accumulated depreciation as at March 31, 2022 (F)	**0.97**	**25.47**	**0.30**	**285.83**	**0.26**	**0.13**	**0.35**	**313.30**
Net carrying amount as at March 31, 2020 (A)- (B)	**5.22**	**280.61**	**8.33**	**1,817.71**	**0.83**	**0.22**	**0.28**	**2,113.20**
Net carrying amount as at March 31, 2021 (C)- (D)	**4.88**	**271.49**	**8.23**	**1,717.24**	**0.74**	**0.17**	**0.23**	**2,002.99**
Net carrying amount as at March 31, 2022 (E)- (F)	**4.65**	**262.38**	**8.13**	**1,602.57**	**0.64**	**0.13**	**0.12**	**1,878.61**

1. Refer to note 29 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
2. Refer to note 12 and 15 for details of property plant and equipment subject to charges on secured borrowings.

Capital work-in-progress (CWIP):

Description	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	-	-	2,086.00
Additions during the year	-	-	85.83
Less: Capitalised	-	-	(2,171.83)
Balance at the end of the year	**-**	**-**	**-**

(All amounts are in rupees in millions, except share data or otherwise stated)

2.1. Right-of-use asset (ROU)

The Company has lease contract mainly for office buildings used for its operations. Leases of office building generally have a lease term of 3 years which got completed on May 31, 2021. The same lease was further renewed for next 3 years i.e. from June 01, 2021 to May 31, 2024. The company's obligations under its leases are secured by the lessor's title to the leased assets.

(i) Movement in Right of use assets and Lease liabilities is given below:

Description	**Office Building**
Cost as at April 1, 2019	**-**
Additions	0.11
Deletions/Adjustments	-
Cost as at March 31, 2020 (A)	0.11
Additions	-
Deletions/Adjustments	-
Cost as at March 31, 2021 (C)	0.11
Additions	0.15
Deletions/Adjustments	(0.11)
Cost as at March 31, 2022 (E)	0.15
Accumulated Depreciation as at April 1, 2019	-
Depreciation for the year	0.05
Deletions/Adjustments	
Accumulated Depreciation as at March 31, 2020 (B)	0.05
Depreciation for the period	0.05
Deletions/Adjustments	
Accumulated Depreciation as at March 31, 2021 (D)	0.10
Depreciation for the year	0.05
Deletions/Adjustments	(0.11)
Accumulated Depreciation as at March 31, 2022 (F)	**0.04**
Right to use asset as at April 1, 2019	**-**
Net carrying amount as at March 31, 2020 (A)- (B)	**0.06**
Net carrying amount as at March 31, 2021 (C)- (D)	**0.01**
Net carrying amount as at March 31, 2022 (E)- (F)	**0.11**

The aggregate amortization expense on ROU assets is shown under depreciation and amortisation expenses in the Restated Statement of Profit and Loss.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

(i) Lease liabilities included in the Restated Balance Sheet:

Particulars	**As at**		
	March 31, 2022	**March 31, 2021**	**March 31, 2020**
Opening Balance	0.01	0.06	-
Additions during the year	0.15	-	0.11
Disposal during the year	-	-	-
Accretion of interest	0.01	0.01	0.01
Payment of lease liabilities	(0.06)	(0.06)	(0.06)
Closing Balance	0.11	0.01	0.06

2.2. Lease Liabilities

Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Current lease liabilities	0.05	0.01	0.05
Non-current lease liabilities	0.06	-	0.01
Closing Balance	0.11	0.01	0.06

(ii) Payments recognised as expense

Particulars	**Year ended**		
	March 31, 2022	**March 31, 2021**	**March 31, 2020**
Short term leases and low value assets	-	-	-

(iii) Contractual maturities of lease liabilities on undiscounted basis

Particulars	**As at**		
	March 31, 2022	**March 31, 2021**	**March 31, 2020**
Less than one year	0.06	0.06	0.06
One to five years	0.07	0.13	0.01
More than five years	-	-	-
Total	**0.13**	**0.19**	**0.07**

(All amounts are in rupees in millions, except share data or otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
3. Other non-current financial assets			
Margin money deposits with banks against bank guarantees	7.54	7.06	5.54
Security deposits	11.49	11.49	11.50
Total	**19.03**	**18.55**	**17.04**
4.1. Deferred tax assets (net)			
Deferred tax assets	-	**227.39**	**224.69**
(a) Carry forward losses under Income Tax Act	-	212.05	224.68
(b) Unused tax credits	-	15.34	0.01
Deferred tax liabilities	-	**196.55**	**160.68**
Depreciation and amortisation expenses	-	196.55	160.68
Deferred tax assets (net)	-	**30.84**	**64.01**
4.2. Deferred tax liabilities (net)			
Deferred tax liabilities	216.41	-	-
Depreciation and amortisation expenses	216.41		
Deferred tax assets	67.22	-	-
(a) Carry forward losses under Income Tax Act	0.63	-	-
(b) Unused tax credits	66.59	-	-
Deferred tax liabilities (net)	149.19	-	-
5. Other non-current assets			
Unsecured, considered good			
Capital advances	-	-	0.06
Taxes paid under protest	1.13	-	-
Total	**1.13**	**-**	**0.06**
6. Inventories			
(Valued at cost or Net Realisable Value whichever is lower)			
Raw materials (includes goods-in-transit - FY 21-22 Rs. 22.24 millions, FY 20-21 Rs. 13.80 millions & FY 19-20 Rs. 5.81 millions)	58.74	29.03	17.22
Work-in-progress	31.26	-	22.58
Finished goods (includes sales-in-transit - FY 21-22 Rs. 22.76 millions, FY 20-21 Rs. 21.98 millions)	93.49	112.25	108.80
Stores and spares	23.46	6.55	6.56
Packing materials	10.02	8.70	2.44
Fuel and others	3.07	5.57	8.63
Total	**220.04**	**162.10**	**166.23**
(For inventories secured against borrowings, refer note no.15.1 to the Restated Financial Statements)			
7.1. Trade receivables			
- Unsecured, considered good*	1559.40	389.38	335.63
	1559.40	389.38	335.63
Less: Allowance for doubtful trade receivables (expected credit loss allowance)	-	-	-
Total	**1559.40**	**389.38**	**335.63**

* Includes amount receivable from related parties (refer note 32)
7.1.1 For Trade receivables secured against borrowings, refer note no. 15.1 to the Restated Financial Statements.
7.1.2 For Company's exposure to the market risk and credit risk, refer note no. 34 to the Restated Financial Statements.

Trade Receivables ageing schedule:
As at March 31, 2022

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	Total
(i) Undisputed Trade receivables – considered good	1559.40	-	-	-	-	1559.40
(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	-	-	-	-	-	-
Total	**1559.40**	**-**	**-**	**-**	**-**	**1559.40**

(All amounts are in rupees in millions, except share data or otherwise stated)

As at March 31, 2021

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	Total
(i) Undisputed Trade receivables – considered good	389.38	-	-	-	-	389.38
(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	-	-	-	-	-	-
Total	**389.38**	**-**	**-**	**-**	**-**	**389.38**

As at March 31, 2020

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	Total
(i) Undisputed Trade receivables – considered good	335.63	-	-	-	-	335.63
(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	-	-	-	-	-	-
Total	**335.63**	**-**	**-**	**-**	**-**	**335.63**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
7.2. Cash and cash equivalents			
Balances with bank			
- in current accounts	25.09	19.54	14.94
- Debit balance in cash credit accounts	8.99	-	-
Cash on hand	0.04	0.01	0.00
Total	**34.12**	**19.55**	**14.94**
7.3. Bank balances other than Cash and cash equivalents			
Balances with banks			
Margin money deposit accounts	0.22	0.32	0.74
Total	**0.22**	**0.32**	**0.74**
7.4. Other current financial assets			
Interest accrued on bank deposits and others	0.43	0.48	0.93
Export Credit Receivable	-	3.94	-
Total	**0.43**	**4.41**	**0.93**
8. Current tax assets (net)			
Advance tax (net of provision for tax)	-	-	0.14
Total	**-**	**-**	**0.14**
9. Other current assets			
Advances to Suppliers	153.68	107.42	-
Prepaid expenses	2.78	1.44	1.35
Other Receivables	146.55	293.42	328.11
Total	**303.01**	**402.29**	**329.46**
10. Equity share capital			
Authorized			
22,50,00,000 equity shares of Rs. 2/- each, fully paid-up	450.00	450.00	450.00
(P.Y. As at March 31, 2021 & As at March 31, 2020 - 4,50,00,000 equity shares of Rs. 10/- each, fully paid-up)			
Issued, subscribed and fully paid-up			
20,00,00,000 equity shares of Rs. 2/- each, fully paid-up	400.00	400.00	400.00
(P.Y. As at March 31, 2021 & As at March 31, 2020 - 4,00,00,000 equity shares of Rs. 10/- each, fully paid-up)			
	400.00	**400.00**	**400.00**

i) Movement in equity share capital

Particulars	Number of shares	Amount
Balance as at March 31, 2019	4,00,00,000	400.00
Movement during the year	-	-
Balance as at March 31, 2020	4,00,00,000	400
Movement during the year	-	-
Balance as at March 31, 2021	4,00,00,000	400
Increase on account of subdivision of shares (Refer note below)	16,00,00,000	-
Balance as at March 31, 2022	**20,00,00,000**	**400**

(All amounts are in rupees in millions, except share data or otherwise stated)

ii) The Company has only one class of equity shares having a face value of Rs. 2 per share (P.Y Rs. 10/- each). Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividends in Indian Rupees, proposed by the Board of Directors and subject to the approval of the shareholders in the Annual General Meetings. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) The Company has only one class of equity shares having a par value of Rs. 2 per share (P.Y Rs. 10/- each). During the year ended March 31, 2022, pursuant to the special resolution passed in the extra-ordinary general meeting held on February 26, 2022, equity share of the Company having face value of ₹10 each were subdivided into five equity shares having a face value of ₹2 each. Accordingly, the authorised share capital is changed to 22,50,00,000 equity shares of Rs.2 each and issued, subscribed and fully paid-up capital is changed to 20,00,00,000 equity shares of Rs.2 each. Hence, 4,00,00,000 Equity Shares of Rs. 10 per share outstanding as on March 31, 2021 & March 31, 2020 were subdivided into 20,00,00,000 Equity Shares of Rs. 2 per share outstanding as on March 31, 2022. The earnings per share in respect of current and previous years has been restated considering the aforesaid sub division of shares.

iv) Shares held by shareholders holding more than 5% in the Company

As at March 31, 2022

Name of the shareholder	No. of Shares	% holding
Balaji Amines Limited - Holding company	11,00,00,000	55.00%
Ande Srinivas Reddy	1,80,00,000	9.00%
Ande Prathap Reddy	1,35,00,000	6.75%

As at March 31, 2021

Name of the shareholder	No. of Shares	% holding
Balaji Amines Limited - Holding company	2,20,00,000	55.00%
Balaji Speciality Fine Chem Products Pvt. Ltd.	43,00,000	10.75%
Ande Srinivas Reddy	36,00,000	9.00%

As at March 31, 2020

Name of the shareholder	No. of Shares	% holding
Balaji Amines Limited - Holding company	2,20,00,000	55.00%
Balaji Speciality Fine Chem Products Pvt. Ltd.	43,00,000	10.75%
Ande Srinivas Reddy	36,00,000	9.00%

v) **Terms/Rights attached to equity shares**

The company has only one class of equity shares having a face value of Rs. 2/- each (P.Y Rs. 10/- each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

vi) Shareholding of promoters

As at March 31, 2022 (after subdivision of shares)

Name of the Promoter	No. of Shares	% holding	% of change during the year
Balaji Amines Limited - Holding company	11,00,00,000	55.00%	0.00%
A Srinivas Reddy	1,80,00,000	9.00%	0.00%
N Rajeshwar Reddy	63,79,800	3.19%	(0.32%)
D Ram Reddy	64,30,100	3.22%	23.87%
Ande Prathap Reddy	1,35,00,000	6.75%	76.44%
Hemanth Reddy Gaddam	45,99,795	2.30%	56.09%
	15,89,09,695	**79.45%**	

As at March 31, 2021

Name of the shareholder	No. of Shares	% holding	% of change during the year
Balaji Amines Limited - Holding company	2,20,00,000	55.00%	0.00%
A Srinivas Reddy	36,00,000	9.00%	0.00%
N Rajeshwar Reddy	12,80,000	3.20%	0.00%
D Ram Reddy	9,79,000	2.45%	0.00%
Ande Prathap Reddy	6,36,000	1.59%	0.00%
Hemanth Reddy Gaddam	4,03,959	1.01%	0.00%
	2,88,98,959	**79.45%**	

(All amounts are in rupees in millions, except share data or otherwise stated)

As at March 31, 2020

Name of the shareholder	No. of Shares	% holding	% of change during the year
Balaji Amines Limited - Holding company	2,20,00,000	55.00%	0.00%
A Srinivas Reddy	36,00,000	9.00%	0.00%
N Rajeshwar Reddy	12,80,000	3.20%	0.00%
D Ram Reddy	9,79,000	2.45%	0.00%
Ande Prathap Reddy	6,36,000	1.59%	0.00%
Hemanth Reddy Gaddam	4,03,959	1.01%	0.00%
	2,88,98,959	**72.25%**	

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
11. Other equity			
i) Securities premium			
Balance at the commencement of the year	440.00	440.00	440.00
Add/Less: Movement during the year	-	-	-
Balance as at the end of the year	440.00	440.00	440.00
ii) Retained earnings			
Balance at the commencement of the year	(54.68)	(158.67)	0.04
Add: Surplus as per statement of profit and loss	1089.45	103.95	(158.70)
Restatement of lease liabilities - Ind AS 116 Transition Adjustment (net of taxes)	-	-	(0.01)
Remeasurement of defined benefit obligation, net of tax	0.02	0.04	-
Balance as at the end of the year	1,034.79	(54.68)	(158.67)
Total Other equity (i+ii)	**1,474.79**	**385.32**	**281.33**

Nature and purpose of reserve

A. Securities premium

Securities premium is used to record the premium on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

B. Retained earnings

This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
12. Borrowings			
i) Secured term loans			
- from Banks	575.74	848.49	1159.08
ii) Unsecured Loans			
- from directors	-	40.00	40.00
- from holding company	660.00	773.48	463.48
	1235.74	**1661.97**	**1662.56**

i. Terms of secured loans from banks:

The company has availed term loans from HDFC Bank Limited and Bank of Baroda. The loan from Bank of Baroda is repayable in 66 equal monthly installments starting from May'2019, Term loan 1 from HDFC Bank Limited is repayable in 66 equal monthly installments starting from May'2019 and Term loan 2 from HDFC Bank Limited is repayable in 66 equal monthly installments starting from Dec'2020.

ii Security:

The term loans from HDFC Bank Ltd and Bank of Baroda are secured by first charge on all movable and immovable fixed assets located at E-8/1, MIDC, Chincholi, Solapur, Maharashtra. Second pari passu charge on entire current assets of the company present and future.

They are also secured by Corporate Guarantee of M/s. Balaji Amines Limited, Holding company.

The term loan from Bank of Baroda is additionally secured by the personal Guarantee of Mr. A Prathap Reddy, Mr. N. Rajeshwar Reddy, Mr. D. Ram Reddy, Mr. G. Hemanth Reddy, Mr. A. Srinivas Reddy directors of the Company.

Financial Year	HDFC Bank Limited	HDFC Bank Limited	Bank of Baroda	Total
	ROI 7.50% p.a.	**ROI 7.50% p.a.**	**ROI 8.50% p.a.**	
2022-2023	90.91	90.91	90.90	**272.72**
2023-2024	90.91	90.91	90.90	**272.72**
2024-2025	53.03	90.91	53.03	**196.97**
2025-2026	-	90.91	-	**90.91**
2026-2027	-	15.14	-	**15.14**
Total	**234.85**	**378.78**	**234.83**	**848.46**

(All amounts are in rupees in millions, except share data or otherwise stated)

iii. Terms of unsecured loans from others:

The Company has availed unsecured loans from the directors and the holding company at interest rate of 9% p.a. and 7% p.a. respectively.

iv. For the Company's exposure to the interest rate risk and liquidity risk, refer note no.34 to the Restated Financial Statements.

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
13. Provisions (non-current)			
Provision for gratuity	1.34	0.76	0.31
Provision for compensated leave encashment	0.36	0.31	0.09
Total	**1.70**	**1.07**	**0.40**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
14. Other non-current liabilities			
Deferred revenue export benefits	17.83	-	25.71
Total	**17.83**	**-**	**25.71**

Balance in the year ended March 31, 2020 represents, grants relating to Property, Plant and Equipment related to duty saved on import of capital goods and spares under Export Promotion Capital Goods (EPCG) Scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such committments are not met the Company would be required to pay the duty saved alongwith interest to the regulatory authorities. Further, the balance appearing in the year ended March 31, 2022 is related to Advance License Scheme i.e. Import Benefit against Export.

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
15.1. Borrowings			
Secured :			
Repayable on demand			
Working capital loans from banks	157.91	109.45	191.15
Current maturities of long term debt	272.72	272.72	181.81
Total	**430.63**	**382.17**	**372.96**

The cash credit facilities/working capital loans which are obtained from various banks, are secured by hypothecation of stocks of raw materials, stock in process, finished goods , spares and book debts and second charge on property,plant and equipment . The above loans carry interest rate ranging from 6.4%p.a to 7.15%p.a.

For the Company's exposure to the interest rate risk and liquidity risk, refer note no.34 to the Restated Financial Statements.

15.1(a) Net Debt Reconciliation

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Opening balance of borrowings	2047.54	2038.92	1654.56
Proceeds from non-current borrowings	120.00	343.44	1977.40
Repayment from from non-current borrowings	-546.23	-253.13	-1658.39
Proceeds/ (repayment) from current borrowings	48.46	-81.69	65.35
Closing balance of borrowings	**1669.77**	**2047.54**	**2038.92**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
15.2. Trade payables			
Due to micro enterprises and small enterprises	59.18	5.44	4.42
Due to creditors other than micro enterprises and small enterprises*	165.82	125.91	196.97
Total	**225.00**	**131.35**	**201.39**

*Includes amounts payable to related parties (refer note 35)

Trade payables ageing schedule

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
i) MSME	59.18	-	-	-	59.18
ii) Others	165.82	-	-	-	165.82
iii) Disputed Dues-MSME	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-
v) Unbilled dues	-	-	-	-	-
Total	**225.00**	**-**	**-**	**-**	**225.00**

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
i) MSME	5.44	-	-	-	5.44
ii) Others	125.91	-	-	-	125.91
iii) Disputed Dues-MSME	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-
v) Unbilled dues	-	-	-	-	-
Total	**131.35**	**-**	**-**	**-**	**131.35**

As at March 31, 2020

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
i) MSME	4.42	-	-	-	4.42
ii) Others	196.97	-	-	-	196.97
iii) Disputed Dues-MSME	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-
v) Unbilled dues	-	-	-	-	-
Total	**201.39**	**-**	**-**	**-**	**201.39**

(All amounts are in rupees in millions, except share data or otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
15.3. Other current financial liabilities			
Interest accrued but not due	3.28	3.52	7.41
Expenses payable	11.15	9.78	3.72
Other recoveries payable	0.11	0.07	0.02
Security deposits	0.01	0.01	0.01
Creditors for Capital goods	8.56	53.86	85.97
Total	**23.11**	**67.25**	**97.13**
16. Other current liabilities			
Statutory liabilities	35.29	0.50	0.89
Total	**35.29**	**0.50**	**0.89**
17. Provisions (current)			
Provision for Leave encashment	0.04	0.04	0.01
Total	**0.04**	**0.04**	**0.01**
18. Current tax liabilities (Net)			
Provision for tax (net of advance tax)	22.66	0.76	-
Total	**22.66**	**0.76**	**-**

BALAJI SPECIALITY CHEMICALS LIMITED (Formerly known as BALAJI SPECIALITY CHEMICALS PRIVATE LIMITED)
Annexure VII Notes to Restated Financial Information
(All amounts are in rupees in millions, except share data or otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
19. Revenue from operations			
Sale of speciality chemicals	5,082.77	1,704.00	535.91
Other operating revenue			
- Sale of scrap	0.21	-	0.28
- Export Incentive	59.82	40.01	2.62
Total revenue from operations	**5,142.80**	**1,744.01**	**538.81**
20. Other income			
Interest income on deposits and others	1.30	0.92	1.45
Liabilities no longer required written back	-	7.24	0.53
Miscellaneous Income	3.23	0.24	0.36
Foreign exchange gain (net)	13.09	6.37	-
Total	**17.62**	**14.77**	**2.34**
21. Cost of materials consumed			
Opening stock	15.23	11.41	180.86
Add: Purchases	2,662.56	1,006.63	367.36
Total	**2,677.79**	**1,018.04**	**548.22**
Less: Closing stock	36.50	15.23	11.41
Less : Internal consumption	-	-	7.06
Total	**2,641.29**	**1,002.81**	**529.75**
22. Changes in inventories of finished goods and work-in-progress			
Opening inventories			
Finished Goods	112.25	108.80	-
Work-in -process	-	22.58	-
(A)	**112.25**	**131.38**	**-**
Closing inventories			
Finished Goods	93.49	112.25	108.80
Work-in -process	31.26	-	22.58
(B)	**124.75**	**112.25**	**131.38**
TOTAL (A-B)	**(12.50)**	**19.13**	**(131.38)**
23. Employee benefits expense			
Salaries, wages and bonus	22.43	17.07	12.04
Contribution to provident and other funds	6.88	2.53	1.65
Gratuity expense	1.41	1.43	0.31
Leave encashment expense	0.81	0.33	0.12
Staff welfare expenses	0.71	0.80	0.35
Total	**32.24**	**22.16**	**14.47**
24. Finance costs			
Interest on borrowings	146.93	185.33	149.64
Interest on lease liabilities	0.01	0.01	0.01
Other borrowing costs	7.99	4.68	5.97
Total	**154.93**	**190.02**	**155.62**
25. Depreciation and amortisation expenses			
Depreciation on Property, Plant & Equipment	128.30	110.63	74.37
Amortisation of right-of-use assets	0.05	0.05	0.05
Total	**128.35**	**110.68**	**74.42**

(All amounts are in rupees in millions, except share data or otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
26. Other expenses			
Consumption of stores and spares	19.54	6.04	0.53
Consumption of packing material	38.98	18.06	6.44
Power and fuel	490.90	161.13	80.21
Freight Charges	75.41	45.65	11.34
Effluent treatment expenses	3.74	2.00	0.09
Travelling and conveyance	0.02	0.01	0.03
Repairs and Maintenance			
-Buildings	0.29	0.07	-
-Plant & Machinery	8.60	2.10	0.29
Office Equipment	0.03	0.02	-
Printing and stationery	0.22	0.17	0.16
Communication expenses	0.16	0.33	0.34
Legal and professional charges	1.54	1.20	1.23
Registrations and Renewals	-	6.40	0.31
Insurance	5.65	4.70	0.93
Auditors remuneration (Refer note 26(a) below)	1.42	0.45	0.20
Directors sitting fees	0.05	0.04	-
Rates and taxes	0.18	2.83	3.30
Inspection charges	0.03	0.10	0.01
Commission and discount	28.31	9.33	4.12
Sales promotion and other selling expenses	0.21	0.77	0.15
Preliminary Expenses written off	-	-	5.44
Miscellaneous expenses	0.32	0.17	0.20
Foreign exchange loss (net)	-	-	6.30
Total	**675.57**	**261.54**	**121.62**
26(a). Payment to auditors			
Statutory Auditors:			
Statutory audit fee	0.85	0.38	0.20
Others			
Tax audit fee	0.57	0.07	-
Total	**1.42**	**0.45**	**0.20**
27. Tax expenses:			
(a) Amount recognised in statement of profit and loss			
Current tax	271.07	15.33	-
Deferred tax	180.02	33.16	(64.01)
Tax pertaining to earlier years	-	-	(0.65)
Tax expenses	**451.09**	**48.49**	**(64.01)**
(b) Amount recognised in other comprehensive income			
Deferred tax related to items recognised in OCI			
Deferred tax expense/(income) on remeasurements of defined benefit obligations	0.01	0.01	-
Income-tax expense/(income) recognised in OCI	0.01	0.01	-

(All amounts are in rupees in millions, except share data or otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
(c) Reconciliation of effective tax rate:			
Profit before tax	**1,540.54**	**152.44**	**(223.36)**
Enacted tax rate in India	17.472%	16.692%	25.168%
Tax expense at enacted rates	269.16	25.45	-
Effect of brought forward losses or unaborbed depreciation whichever is less	-	(12.42)	-
Tax neutral adjustments made to the Restated Financial Information	1.91	2.31	-
Tax as per the Restated Financial Information	**271.07**	**15.33**	**-**
Tax effect of:			
Deferred tax	180.02	33.16	(64.01)
	451.09	**48.49**	**(64.01)**
Tax expense relating to earlier years	-	-	(0.65)
Income-tax recognised in the statement of profit and loss	**451.09**	**48.49**	**(64.66)**
28. Earnings per equity share			
Profit attributable to equity shareholders	1,089.45	103.95	(158.70)
Original number of equity shares (post subdivision of shares)*	20,00,00,000	20,00,00,000	20,00,00,000
Weighted average number of equity shares for basic EPS (Nos.)	20,00,00,000	20,00,00,000	20,00,00,000
Weighted average number of equity shares for dilutive EPS (Nos.)	20,00,00,000	20,00,00,000	20,00,00,000
Basic earnings per share (in Rs.)	5.45	0.52	(0.79)
Diluted earning per share (in Rs.)	5.45	0.52	(0.79)
Face value per equity Share (in Rs.)	2	2	2

*The Company on February 26, 2022, has approved sub-division of equity shares having face value of Rs.10 each into 5 equity shares having face value of Rs.2 each. Accordingly, the earnings per share has been adjusted for sub-division of shares for the current and previous years presented in accordance with the requirements of Indian Accounting Standard (Ind AS) 33 - Earnings per share.

(All amounts are in rupees in millions, except share data or otherwise stated)

29 Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Claims against the Company not acknowledged as debts			
Income Tax	5.65	2.14	-

Notes:

i. The above claims pertains to Income Tax - TDS on payments made to foreign companies / Non-residents for FY 2017-18 & 2018-19. The Company has filed appeals with CIT(A) of Income Tax and the same are pending for disposal. The Company has paid an amount of Rs. 1.13 million under protest.

ii. The company based on its legal assessment does not believe that any of the pending claims require a provision as at the balance sheet date, as the likelihood of the probability of an outflow of resources at this point of time is low.

Capital and other commitments

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	-	-	-

30 Dues to micro enterprises and small enterprises

Details of dues to micro enterprises and small enterprises as defined under the MSMED Act, 2006

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year/period;			
- Principal	59.18	5.44	4.42
- Interest	-	-	-
(b) the amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year/period;	-	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act;	-	-	-
(d) the amount of interest accrued and remaining unpaid at the end of the each accounting year/period; and	-	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.	-	-	-

Note: Dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

31 Employee benefit plans

(a) Leave obligations

The leave obligation covers the company's liability for earned leave which is unfunded.

(b) Defined contribution plans

The company has defined contribution plans namely provident fund. Contributions are made to provident fund at the rate of 12% of basic salary plus DA as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contributions plan is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Company’s contribution to provident fund	1.83	1.48	1.21

(All amounts are in rupees in millions, except share data or otherwise stated)

(c) Defined benefit plan

Gratuity

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days multiplied for the number of years of service. The company operates post retirement gratuity plan with LIC of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Change in defined benefit obligations:			
Obligation at the beginning of the year	0.76	0.31	-
Current service costs	0.56	0.48	0.31
Interest costs	0.05	0.02	-
Remeasurement (gains)/losses	(0.04)	(0.05)	-
Benefits paid	-	-	-
Obligation at the end of the year	1.33	0.76	0.31
Change in plan assets:			
Fair value of plan assets at the beginning of the year	0.95	-	-
Interest income	0.06	-	-
Remeasurement (gains)/losses	0.04	0.04	-
Employer's contributions	0.76	0.91	-
Benefits paid	-	-	-
Fair value of plan assets at the end of the year	1.81	0.95	-
Expenses recognised in the statement of profit and loss consists of:			
Employee benefits expense:			
Current service costs	0.56	0.48	0.31
Net interest expenses	(0.01)	0.02	-
Benefits paid	-	-	-
	0.55	0.50	0.31
Other comprehensive income:			
(Gain)/loss on plan assets	0.04	0.04	-
Actuarial (gain)/loss arising from changes in financial assumptions	(0.02)	-	-
Actuarial (gain)/loss arising from changes in experience adjustments	(0.01)	(0.05)	-
(Gain)/loss on obligations	(0.03)	(0.05)	-
Total OCI	**(0.07)**	**(0.09)**	**-**
Expenses recognised in the statement of profit and loss	**0.48**	**0.41**	**0.31**
Amounts recognised in the balance sheet consist of			
Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Fair value of plan assets at the end of the year	1.81	0.95	-
Present value of obligation at the end of the year	1.34	0.76	0.31
Recognised as:			
Retirement benefit liability - Non-current	**1.34**	**0.76**	**0.31**
Retirement benefit liability - Current	**-**	**-**	**-**

Fair value of plan assets --- 100% with LIC of India

Expected contribution to post-employment benefit plan of gratuity for the year ending March 31, 2023 is Rs. 2.67 million.

Expected contribution to post-employment benefit plan of gratuity for the year ending March 31, 2022 is Rs. 0.80 million.

Expected contribution to post-employment benefit plan of gratuity for the year ending March 31, 2021 is Rs. 0.90 million.

(d) Significant estimates and sensitivity analysis

The sensitivity of the defined benefit obligation to changes in key assumptions is:

Particulars	Key assumptions		Defined benefit obligation					
			Increase in assumption by			Decrease in assumption by		
	March 31, 2022	March 31, 2021	Rate	March 31, 2022	March 31, 2021	Rate	March 31, 2022	March 31, 2021
Discount rate	7.11%	6.75%	1%	1.28	0.73	1%	1.41	0.80
Salary growth rate	4.00%	4.00%	1%	1.52	0.87	1%	1.18	0.67
Attrition rate	5.00%	5.00%	50%	1.73	0.98	50%	0.81	0.46

Particulars	Key assumptions		Defined benefit obligation					
			Increase in assumption by			Decrease in assumption by		
	March 31, 2021	March 31, 2020	Rate	March 31, 2021	March 31, 2020	Rate	March 31, 2021	March 31, 2020
Discount rate	6.75%	6.65%	1%	0.73	0.30	1%	0.80	0.33
Salary growth rate	4.00%	4.00%	1%	0.87	0.36	1%	0.67	0.27
Attrition rate	5.00%	5.00%	50%	0.98	0.41	50%	0.46	0.19

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(e) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(All amounts are in rupees in millions, except share data or otherwise stated)

32 Related parties

(a) Details of related parties

Name of the related parties	Description of relationship
Balaji Amines Limited	Holding Company
Ande Prathap Reddy	Wholetime Director (from April 18, 2022)
	Director (upto April 18, 2022)
N Rajeshwar Reddy	Managing Director
D Ram Reddy	Wholetime Director (from April 18, 2022)
	Director and Chief Financial Officer (upto April 18, 2022)
G Hemanth Reddy	Non-Executive Director
Kashinath Revappa Dhole	Independent Director
Rajendrakumar Mohanprasad Tapadiya	Independent Director
Ande Srinivas Reddy	Director (upto April 18, 2022)
PardeepSingh RameshSingh Watwani	Chief Financial Officer (from April 18, 2022)
Jimisha Dawda	Company Secretary (from May 16, 2018 to January 21, 2021)
Soniya Mahajan	Company Secretary (from July 17, 2021 to October 25, 2021)
Lakhan Dargad	Company Secretary (from October, 25, 2021 to May 6, 2022)
B. Srinivas	Company Secretary (from May 6, 2022)
MVL Medisynth Private Limited	Enterprise where KMP has Significance Influence
SVS Sourcings Private Limited	Enterprise where KMP has Significance Influence

(b) Details of transactions during the year:

	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Balaji Amines Limited			
Purchase of Goods & Services	932.34	798.82	335.46
Sale of Goods & Services	202.62	169.47	36.28
Lease Rent of Office	0.06	0.06	0.07
Interest Charged	54.32	60.44	53.91
Loan accepted in the year	20.00	310.00	1,436.90
Loan Repayment in the year	133.48	-	1,300.00
MVL Medisynth Pvt. Ltd.			
Purchase of Goods & Services	-	-	4.38
Sale of Goods & Services	-	-	2.39
SVS Sourcings Pvt.Ltd.			
Purchase of Goods & Services	-	-	-
Sale of Goods & Services	9.07	-	-
Ande Prathap Reddy			
Loan accepted in the year	-	-	40.00
Loan Repayment in the year	40.00	-	-
Interest on unsecured loan	0.66	3.09	2.29
Kashinath Revappa Dhole			
Sitting fee paid	0.03	0.03	-
Rajendrakumar Mohanprasad Tapadiya			
Sitting fee paid	0.03	0.03	-

(c) Details of outstanding balances as at the year end where related party relationship existed:

Names of the related parties	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Balaji Amines Limited			
Unsecured loan outstanding	660.00	773.48	463.48
Trade payables	98.38	98.63	169.72
MVL Medisynth Pvt. Ltd.			
Closing balance payable	-	-	-
SVS Sourcings Pvt.Ltd.			
Closing balance receivable	3.26	-	-
Ande Prathap Reddy			
Unsecured loan outstanding	-	40.00	40.00

33 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The company monitors capital using a gearing ratio, which is debt divided by total capital. The company includes within debt, interest bearing loans and borrowings.

Gearing ratio:

	March 31, 2022	March 31, 2021	March 31, 2020
Total debt	1,666.37	2,044.14	2,035.52
Total equity	1,874.79	785.32	681.33
Debt equity ratio	0.89	2.60	2.99

(All amounts are in rupees in millions, except share data or otherwise stated)

34 Financial instruments and risk management

Fair values

1. The carrying amounts of trade payables, other financial liabilities (current), borrowings (current),trade receivables, cash and cash equivalents and other bank balances are considered to be the same as fair value due to their short term nature.

2. Borrowings (non-current) consists of loans from banks and related parties.

The fair value of 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.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

(i) Categories of financial instruments

Particulars	Level	March 31, 2022		March 31, 2021		March 31, 2020	
		Carrying amount	Fair value*	Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets							
Measured at amortised cost:							
Non-current							
Other financial assets	3	19.03	19.03	18.55	18.55	17.04	17.04
Current							
Trade receivables	3	1,559.40	1,559.40	389.38	389.38	335.63	335.63
Cash and cash equivalents	3	34.12	34.12	19.55	19.55	14.94	14.94
Other bank balances	3	0.22	0.22	0.32	0.32	0.74	0.74
Other financial assets	3	0.43	0.43	4.41	4.41	0.93	0.93
Total		**1,613.20**	**1,613.20**	**432.21**	**432.21**	**369.28**	**369.28**
Financial liabilities							
Measured at amortised cost							
Non-current							
Borrowings	3	1,253.57	1,235.74	1,661.97	1,661.97	1,688.27	1,662.56
Lease liabilities	3	0.06	0.06	-	-	0.01	0.01
Current							
Borrowings	3	430.63	430.63	382.17	382.17	372.96	372.96
Lease liabilities	3	0.05	0.05	0.01	0.01	0.05	0.05
Trade payables	3	225.00	225.00	131.35	131.35	201.39	201.39
Other financial liabilities	3	23.11	23.11	67.25	67.25	97.13	97.13
Total		**1,932.42**	**1,914.60**	**2,242.75**	**2,242.75**	**2,359.81**	**2,334.10**

*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instruments are included in Level 3.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

The Company is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

(A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

(i) Foreign currency exchange rate 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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/ other payables, trade/other receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US Dollar and Euros against the functional currencies of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in US dollors nad Euros exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts:

Foreign Currency Exposure

Particulars	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	EURO	USD	EURO	USD	EURO	USD
Loans and advances	-	230.21	-	104.23	-	-
Bank balance	-	25.06	-	19.02	-	0.20
Trade receivables	17.33	175.71	-	56.48	-	-
Trade payables	-	-	-	46.07	-	78.07
Net exposure to foreign currency risk	17.33	430.98	-	133.66	-	(77.87)

(All amounts are in rupees in millions, except share data or otherwise stated)

Particulars	Increase/(decrease) in profit before tax			Increase/(decrease) in other components of equity		
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2022	March 31, 2021	March 31, 2020
Change in EURO						
1% increase	0.17	-	-	0.17	-	-
1% decrease	(0.17)	-	-	(0.17)	-	-
Change in USD						
1% increase	4.31	1.34	(0.78)	4.31	1.34	(0.78)
1% decrease	(4.31)	(1.34)	0.78	(4.31)	(1.34)	0.78

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars and Euros, where the functional currency of the entity is a currency other than US dollars and Euros.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. As the Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in profit before tax			Increase/(decrease) in other components of equity		
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2022	March 31, 2021	March 31, 2020
Change in interest rate						
increase by 100 basis points	18.55	20.40	18.45	18.55	20.40	18.45
decrease by 100 basis points	(18.55)	(20.40)	(18.45)	(18.55)	(20.40)	(18.45)

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment.

(B) Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to financial assets of the Company include trade receivables, security deposits held with government authorities and bank deposits which represents Company's maximum exposure to the credit risk.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. With respect to other financial assets viz., loans & advances, deposits with government and banks, the credit risk is insignificant since the loans & advances are given to employees only and deposits are held with government bodies and reputable banks. The credit quality of the financial assets is satisfactory, taking into account the allowance for credit losses.

Credit risk on trade receivables and other financial assets is evaluated as follows:
(i) Expected credit loss for trade receivables under simplified approach:

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Gross carrying amount	1,559.40	389.38	335.63
Expected credit losses (Loss allowance provision)	-	-	-
Carrying amount of trade receivables	1,559.40	389.38	335.63

(ii) Significant estimates and judgements

Impairment of financial assets:

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements: The company had access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Expiring within one year (bank overdraft and other facilities)	92.09	140.55	58.85

(ii) Maturities of financial liabilities
Contractual maturities of financial liabilities as at :

Particulars	March 31, 2022		March 31, 2021		March 31, 2020	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	430.63	1,235.74	382.17	1,661.97	372.96	1,662.56
Lease liabilities	0.05	0.06	0.01	-	0.05	0.01
Trade payables	225.01	-	131.35	-	201.39	-
Other financial liabilities	23.11	-	67.25	-	97.13	-
Total	**678.80**	**1,235.80**	**580.78**	**1,661.97**	**671.53**	**1,662.57**

(iii) Management expects finance costs to be incurred for the year ending March 31, 2023 is Rs. 81.09 millions.

(All amounts are in rupees in millions, except share data or otherwise stated)

35 Capital management

Capital management and gearing ratio

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The company monitors capital using a gearing ratio, which is debt divided by total capital. The company includes within debt, interest bearing loans and borrowings.

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Borrowings			
Current	430.63	382.17	372.96
Non current	1,235.74	1,661.97	1,662.56
Debt	**1,666.37**	**2,044.14**	**2,035.52**
Equity			
Equity share capital	400.00	400.00	400.00
Other equity	1,474.79	385.32	281.33
Total capital	**1,874.79**	**785.33**	**681.34**
Gearing ratio in % (debt/ equity)	**88.88%**	**260.29%**	**298.75%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.
No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

36 Segment information:

a) Description of segments and principal activities

The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business 'reporting 'system. The Company is principally engaged in a single business segment viz. 'Chemicals' only.

b) Information about geographical segments

For the purpose of geographical segments the revenue and assets are divided into two segments, i.e.. India and outside India.

Geographical Area	March 31, 2022			March 31, 2021		
	India	Outside India	Total	India	Outside India	Total
Revenues	3,840.13	1,242.64	5,082.77	1,293.69	410.31	1,704.00
Total Non-Current Assets	1,898.88	-	1,898.88	2,052.39	-	2,052.39
Total Current Assets	1,877.10	240.12	2,117.22	945.93	32.12	978.05

Geographical Area	March 31, 2021			March 31, 2020		
	India	Outside India	Total	India	Outside India	Total
Revenues	1,293.69	410.31	1,704.00	524.36	11.55	535.91
Total Non-Current Assets	2,052.39	-	2,052.39	2,194.37	-	2,194.37
Total Current Assets	945.93	32.12	978.05	848.07	-	848.07

c) Information about products:

Revenue from external customers - Sale of speciality chemicals : Rs. 5082.98 millions (FY 2020-21 - Rs. 1704.00 millions and FY 2019-20 Rs.536.19 millions).

d) Information about major customers

Sales to two of the customers of the company exceed 10% of the Revenue from operations of company individually, the revenue from each of the customers is disclosed below:

Customer 1 - Rs. 840.55 millions (FY 2020-21 Rs. 407.30 millions and FY 2019-20 Rs. 208.41 millions)

Customer 2 - Rs. 755.29 millions (FY 2020-21 Rs. 233.75 millions)

37 Impact assessment of the global health pandemic COVID - 19 and related estimation uncertainty:

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 in the preparation of the financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

38 Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(All amounts are in rupees in millions, except share data or otherwise stated)

39. Ratios as per Schedule III:

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Current Assets	2117.22	978.05	848.07
Current Liabilities	736.787	582.08	672.43
Ratio	**2.87**	**1.68**	**1.26**
% Change from previous year	**71.02%**	**33.23%**	

Reason for change more than 25%:

For March 31, 2022 : Increase in Trade Receivables due to rise in Sales resulted in improvement in Current Ratio.

For March 31, 2021 : Increase in Trade Receivables due to rise in Sales resulted in improvement in Current Ratio.

b) Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Total debt	1666.37	2044.14	2035.52
Total equity	1874.79	785.32	681.33
Ratio	**0.89**	**2.60**	**2.99**
% Change from previous year	**(65.85%)**	**(12.87%)**	

Reason for change more than 25%:

For March 31, 2022 : Increase in profits has lead to repayment of borrowings and improved Debt Equity Ratio.

c) Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Profit after tax	1089.45	103.95	(158.70)
Add: Non cash operating expenses and finance costs	283.28	300.7	230.05
- Depreciation and amortization expenses	128.35	110.68	74.42
- Finance costs	154.93	190.02	155.63
Earnings available for debt services	1372.73	404.65	71.35
Interest cost on borrowings	154.93	190.02	155.63
Lease payments	0.06	0.06	0.06
Principal repayments	546.23	253.13	1658.39
Total Interest & Lease payments and Principal repayments	701.22	443.21	1814.08
Ratio	**1.96**	**0.91**	**0.04**
% Change from previous year	**114.42%**	**2221.31%**	

Reasons for change more than 25%:

For March 31, 2022 : Due to increase in earnings of the Company available for debt service on account of increase in profit during the year.

For March 31, 2021 : Due to increase in earnings of the Company available for debt service on account of increase in profit during the year.

d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Net profit after tax	1089.45	103.95	(158.70)
Equity	1330.06	733.33	760.68
Ratio	**0.82**	**0.14**	**(0.21)**
% Change from previous year	**477.84%**	**167.94%**	

Reason for change more than 25%:

For March 31, 2022 : Due to increase in earnings of the Company.

For March 31, 2021 : Due to increase in earnings of the Company.

e) Inventory Turnover Ratio = Sales divided by Average Inventory

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Sales	5142.8	1744.01	538.81
Average Inventory	191.07	164.165	185.795
Inventory Turnover Ratio	**26.92**	**10.62**	**2.90**
% Change from previous year	**153.36%**	**266.33%**	

Reason for change more than 25%:

For March 31, 2022 : Due to increase in sales of the Company.

For March 31, 2021 : Due to increase in sales of the Company.

(All amounts are in rupees in millions, except share data or otherwise stated)

39. Ratios as per Schedule III:

f) Trade Receivables turnover ratio = Total Sales divided by Average Trade Receivables

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Total Sales	5142.80	1744.01	538.81
Average Trade Receivables	974.39	362.51	167.82
Ratio	**5.28**	**4.81**	**3.21**
% Change from previous year	**9.71%**	**49.84%**	

Reason for change more than 25%:
For March 31, 2021 : Due to increase in Sales & closing Trade Receivables.

g) Trade payables turnover ratio = Total purchases divided by Average Trade Payables

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Total Purchases	2,662.56	1,006.63	367.36
Average Trade Payables	178.1765	166.37	108.875
Ratio	**14.94**	**6.05**	**3.37**
% Change from previous year	**146.98%**	**79.32%**	

Reason for change more than 25%:
For March 31, 2022 : Due to increase in Purchases and payment made within credit period to the suppliers.
For March 31, 2021 : Due to increase in Purchases and payment made within credit period to the suppliers.

h) Net capital Turnover Ratio = Sales divided by Working capital whereas working capital= current assets - current liabilities

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Sales	5142.8	1744.01	538.81
Working Capital	1380.433	395.97	175.64
Ratio	**3.73**	**4.40**	**3.07**
% Change from previous year	**(15.41%)**	**43.57%**	

Reason for change more than 25%:
For March 31, 2021 : Due to increase in sales and advance to suppliers.

i) Net profit ratio = Net profit after tax divided by Sales

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Net profit after tax	1089.45	103.95	(158.70)
Sales	5142.8	1744.01	538.81
Ratio	**0.21**	**0.06**	**(0.29)**
% Change from previous year	**255.41%**	**120.24%**	

Reason for change more than 25%:
For March 31, 2022 : Increase in sales and better price realisation has resulted in increase in Net Profit after Tax.
For March 31, 2021 : Increase in sales and better price realisation has resulted in increase in Net Profit after Tax.

j) Return on Capital employed =Earnings before interest and taxes(EBIT) divided by Capital Employed

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Profit before tax (A)	1540.54	152.44	(223.36)
Finance Costs (B)	154.93	190.02	155.63
EBIT (C) = (A)+(B)	1695.47	342.46	(67.73)
Capital Employed (G)=(D)+(E)+(F)	3690.35	2829.46	2716.85
Tangible Networth (D)	1874.79	785.32	681.33
Total Debt (E)	1666.37	2044.14	2035.52
Deferred Tax Liability (F)	149.19	-	-
Ratio (C)/(G)	**0.46**	**0.12**	**(0.02)**
% Change from previous year	**279.59%**	**585.50%**	

Reason for change more than 25%:
For March 31, 2022 : Due to increase in Earnings before interest and taxes (EBIT) & Net worth of the company.
For March 31, 2021 : Due to increase in Earnings before interest and taxes (EBIT) & Net worth of the company.

k) Return on Investment - Not Applicable

As per our Report of even date attached

For M.Anandam & Co., For and on behalf of the Board of Directors
Chartered Accountants Balaji Speciality Chemicals Limited
ICAI Firm registration number: 000125S

M V Ranganath
Partner
Membership Number: 028031

N. Rajeshwar Reddy
Managing Director
DIN : 00003854

D. Ram Reddy
Wholetime Director
DIN : 00003864

Place: Secunderabad
Date: July 28, 2022

B. Srinivas
Company Secretary
Membership Number: 67430

PardeepSingh RameshSingh Watwani
Chief Financial Officer
ABSPW1999F

Place: Solapur
Date: July 28, 2022

OTHER FINANCIAL INFORMATION

Accounting ratios

The details of accounting ratios derived from Restated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below:

(in ₹ million, except otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Earnings per share (1) *			
Basic earnings per share	5.45	0.52	(0.79)
Diluted earnings per share	5.45	0.52	(0.79)
Return on net worth % (2) *	81.91	14.18	(20.86)
Net asset value per equity share (3) *	9.37	3.93	3.41
EBITDA (in million) (4)	1806.20	438.37	4.35

(1) *Basic and diluted earnings per share is computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*

(2) *Return on net worth means restated profit after tax for the year divided by total average equity.*

(3) *Net Asset Value per share is calculated by dividing the restated net worth by the number of equity shares outstanding at the end of the year.*

(4) *EBITDA is calculated as profit after tax for the year, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income.*

* *Pursuant to a Shareholders' resolution dated February 26, 2022, equity shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued and subscribed share capital of our Company, comprising 40,000,000 equity shares of face value of ₹10 each, was sub-divided into 200,000,000 Equity Shares of face value of ₹ 2 each. Accordingly, the basic and diluted earnings per share, return on net worth, and net asset value per share have been calculated after giving effect to such sub-division.*

Other financial statements

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company for Fiscals 2022, 2021 and 2020 (collectively, the "**Audited Financial Statements**"), are available on our website at www.balajispecialitychemicals.com/details?source_ref=Mw==.

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements 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 Audited Financial Statements and the 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 (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of related party transactions as per the requirements under Ind AS 24 – Related Party Disclosures, read with the SEBI ICDR Regulations, for the Fiscals ended March 31, 2022, March 31, 2021, and March 31, 2020, see "*Restated Financial Information-Annexure VII-Note 32. Related Parties*" on page 245.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Information on page 216. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2020, 2021 and 2022 included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Restated Financial Information" on page 216.

Unless otherwise indicated, the financial information included herein is based on our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Information" on page 216. Unless the context otherwise requires, in this section, references to "we", "us", or "our", "the Company" or "our Company" refers to Balaji Specialty Chemicals Limited. Additionally, refer to "Definitions and Abbreviations" on page 1 for certain terms used in this section.

The Restated Financial Information included in this Draft Red Herring Prospectus reflect our financial performance and results of operations in our first three fiscal years of manufacturing operations, i.e. in Fiscal 2020, 2021 and 2022. Since we commenced commercial production in June 2019, Fiscal 2020 reflects our first approximately nine months of manufacturing operations, and Fiscal 2021 reflects our first full year of manufacturing operations. Accordingly our financial performance and results of operations in Fiscal 2020 and Fiscal 2021 may not be strictly comparable.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Assessment of Amine Industry" released on August 4, 2022 in Mumbai (the "**CRISIL Report**") prepared and issued by CRISIL Limited, appointed pursuant to the engagement letter dated May 24, 2022, and exclusively commissioned and paid for by us to understand the industry in which we operate in connection with the Offer. The CRISIL Report is available on the website of the Company at www.balajispecialitychemicals.com/details?source_ref=NQ==. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant Fiscal. For further information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by CRISIL Limited exclusively commissioned and paid for by us for such purpose." on page 43. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 16.*

OVERVIEW

We are the sole manufacturer in India of niche chemicals such as Ethylenediamine, Piperazine (Anhydrous), Diethylenetriamine, Amino Ethyl Ethanol Amines and Amino Ethyl Piperazine, using the Monoethanol Amine ("**MEA**") process (*Source: CRISIL Report*). The chemicals we manufacture are import substitutes and are used in various end-use industries such as speciality chemicals, agrochemicals, and pharmaceuticals (*Source: CRISIL Report*). We commenced commercial production in June 2019 from our manufacturing facility located at Solapur, Maharashtra and have since scaled our operations, grown our brand and customer base to become one of the fastest growing speciality chemicals companies in India (*Source: CRISIL Report*).

We are a subsidiary of Balaji Amines Limited ("**BAL**"), one of the leading manufacturers of aliphatic amines in India (*Source: CRISIL Report*). BAL specializes in manufacturing of methylamines, ethylamines, derivatives of specialty chemicals and pharma excipients (*Source: CRISIL Report*). The key products manufactured by BAL include Monomethyl Amine, Dimethyl Amine, and Trimethyl Amine and which are used in pharmaceutical and agrochemical industries with various end use application including corrosion control, photographic chemicals, solvents, and corrosion inhibitors amongst others.

Industry Opportunity

The global market for our portfolio of Ethylenediamine, Piperazine, Diethylenetriamine, Amino Ethyl Ethanol Amines and Amino Ethyl Piperazine is expected to grow from 1,078 kilo tons ("**KT**") in Fiscal 2022 to 1,570 KT by Fiscal 2028, growing at a CAGR of 6.5% *(Source: CRISIL Report)*. The global market for these products is presently valued at US$ 2.2 billion and is expected to grow at 6.9% CAGR to US$ 3.3 to 3.4 billion by Fiscal 2028 *(Source: CRISIL Report)*.

In Fiscal 2022, India imported 31.8 KT of Ethylenediamine, 1.1 KT of Piperazine (Anhydrous), 4.4 KT of Diethylenetriamine, 0.2 KT of Amino Ethyl Ethanol Amines and 0.3 KT of Amino Ethyl Piperazine. Further, in the last three Fiscals, India cumulatively imported 125.4 KT of these products, *i.e.*, 105.5 KT of Ethylenediamine, 6.3 KT of Piperazine (Anhydrous), 12.2 KT of Diethylenetriamine, 0.6 KT of Amino Ethyl Ethanol Amines and 0.7 KT of Amino Ethyl Piperazine (*Source: CRISIL Report*).

The industry for these products is characterised by high entry barriers because of its capital-intensive nature, technical know-how required to produce products and a large distribution network which may not be possible for new entrants in the market (*Source: CRISIL Report*).

Given our experience and the experience of our Corporate Promoter, BAL, in the amines industry, and technical know-how of complex chemistries required for the manufacture of niche chemicals that we manufacture, we believe that we are well positioned to grow, expand our market share and improve our profitability.

Product Portfolio

As of March 31, 2022, our product portfolio comprised five niche chemicals catering to a diverse range of end user industries, including speciality chemicals, agrochemicals; and pharmaceuticals across multiple applications.

We have focused on products based on certain criteria: (i) manufactured for the first time in India; (ii) import substitutes; (iii) continuous process technology, (iv) high export potential; (v) multiple high growth application areas such as speciality chemicals, pharma and agrochemicals; and (vi) commodity raw materials.

Since there is no effective substitute for our products in the end-use industries they serve, historically such products were imported from international markets including Japan, China, Belgium, Sweden, and Saudi Arabia and catered to a significant portion of the total demand for these products (*Source: CRISIL Report*). We have consistently increased our production volume, from 4,428.39 MT in Fiscal 2020 to 16,851.72 MT in Fiscal 2022, enabling us to cater to the growing market opportunity. In addition, our Ethylenediamine, and Diethylenetriamine products are REACH certified, which enable our products to be exported into European Union.

Manufacturing Facility

We operate a single manufacturing facility located at Solapur, Maharashtra for the manufacture of all of our products. The manufacturing facility is spread across 41,920 square meters and had an aggregate annual installed capacity of 30,000 MT per annum as of March 31, 2022. Our manufacturing facility has received environmental clearance for additional capacity, and based on our growth strategies, we may in the future implement debottlenecking measures through additional equipment or otherwise develop additional capacity within the same manufacturing facility. The manufacturing of our products involves high temperature and pressure reactions, reflecting our ability to handle chemical reactions.

The technology used in our reactor is transferred to us for use in India pursuant to a technology transfer agreement with an international institute on an exclusive basis i.e., we will be the exclusive user of such technology in India for a period of ten years commencing June 13, 2019 (date of successful commissioning of our manufacturing facility). For further information, see "- *Competitive Strengths – Manufacturing facility with stringent quality norms and procedures*" on page 163.

Our manufacturing facility is first of its kind in India to manufacture these niche products using the MEA process. The process uses a high pressure-high temperature catalytic fixed bed reactor with equilibrium reaction and is based on "continuous flow" across multiple unit operations *(Source: CRISIL Report)*. Our facility is equipped with bulk storage facilities for raw materials and finished goods, and is controlled by an automated Distributed Control System. In addition, our facility is a zero liquid discharge facility with an efficient effluent treatment system.

Financial and Operational Metrics

Our revenue from operations have grown from ₹ 538.81 million in Fiscal 2020 to ₹ 1,744.01 million in Fiscal 2021 and to ₹ 5,142.80 million in Fiscal 2022. Our restated profit after tax was ₹ (158.70) million, ₹ 103.95 million and ₹ 1,089.45 million in Fiscals 2020, 2021 and 2022, respectively. Our restated profit after tax margin was (29.33)%, 5.91% and 21.11% in Fiscals 2020, 2021 and 2022.

The following table sets out key financial parameters in the relevant periods:

Key Financial Indicators	Fiscal		
	2020	2021	2022
	(₹ million, except percentages)		
Revenue from Operations	538.81	1,744.01	5,142.80
Gross Profit(1)	140.44	722.07	2,514.01
Gross Margin(2)	26.06%	41.40%	48.88%
EBITDA(3)	4.35	438.37	1,806.20
EBITDA Margin(4)	0.81%	25.14%	35.12%
Fixed Asset Turnover(5)	25.50%	87.07%	273.76%
Restated Profit After Tax for the Year	(158.70)	103.95	1,089.45
PAT Margin(6)	(29.33)%	5.91%	21.11%
Return on Average Equity ("**RoAE**")(7)	(20.86)%	14.18%	81.91%
Return on Average Capital Employed ("**RoACE**")(8)	(2.70)%	11.89%	53.12%
Net Debt / Equity(9)	2.97	2.58	0.87
Net Debt / EBITDA	464.50	4.62	0.90
Working Capital Turnover Ratio	3.07	4.40	3.73
Working Capital as a Percentage of Revenue from Operations(10)	32.60%	22.70%	26.84%

Note:

(1) *Gross Profit is calculated as revenues from operations less cost of goods sold (cost of goods sold is equal to cost of material Consumed and changes in inventories of finished goods and work-in-progress).*

(2) *Gross Margin is calculated as gross profit divided by revenues from operations.*

(3) *EBITDA is calculated as profit after tax for the year / period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income.*

(4) *EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.*

(5) *Fixed Asset Turnover is calculated as revenues from operations divided by fixed assets.*

(6) *PAT Margin is calculated as restated profit after tax for the year / period as a percentage of total income.*

(7) *RoAE is calculated as restated profit after tax for the year/ period divided by total average equity (calculated as average of equity share capital plus other equity).*

(8) *RoACE is calculated as EBIT divided by Average Capital Employed. (Capital Employed is calculated as Shareholders' Equity + Long term debt + Short Term debt – Cash and cash equivalents – Short term investments.).*

(9) *Net Debt / Equity is calculated as net debt (calculated as total debt less cash and cash equivalents) divided by total equity.*

(10) *Working Capital as a Percentage of Revenue from Operations is calculated as current assets less current liabilities divided by revenues from operations.*

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations have been, and will continue to be, affected by a number of events and actions, some of which are beyond our control. However, there are some specific items that we believe have impacted our results of operations and, in some cases, will continue to impact our results. We believe that the following factors, amongst others, have, or could have, an impact on these results, the manner in which we generate income and incur the expenses associated with generating this income.

Relationship with key customers

We have developed an extensive customer base. In Fiscal 2022, we sold our products to 182 customers which includes manufacturers of speciality chemicals, agrochemical and pharmaceutical as well as distributors that further sell our products to customers in these industries. We have established strong relationships with a range of customers, and our customer base has grown from 45 customers in Fiscal 2020 to 182 customers in Fiscal 2022. We believe that the diversification of our end-use customer base across various industries has enabled us to minimize impact of industry-specific disruptions on our business operations and prospects. The demand from our customers, in particular our top 10 customers, determines our revenues and results of operations, and our sales are impacted by production and inventory levels of our customers. Our customers in turn are dependent on demand from their consumers, as well as general trends in the industry.

The table below sets forth details of contribution by customers to our revenue from operations for the respective Fiscals:

Customer concentration	Fiscal					
	2020		2021		2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Top 1	208.41	38.68%	407.30	23.35%	840.55	16.34%
Top 3	275.77	51.18%	810.52	46.47%	2,108.61	41.00%
Top 10	452.09	83.91%	1,411.24	80.92%	3,818.02	74.24%

We expect that we will continue to be reliant on our major customers for the foreseeable future. We have long-term relationships and ongoing active engagements with a number of our customers.

In addition, we contract with our customers on a purchase order basis and have had repeat orders from our customers. However, we do not have exclusivity arrangement with our customers. Our agreements typically require our customers to place purchase orders that include the quantity and price of the products. Under our agreements with our customers, the purchase price typically includes the cost of, amongst others, raw materials, packaging, labour, utilities and taxes as well as a margin, and is mutually agreed upon between our customers and us. To the extent there is fluctuation in the price of raw materials, packaging, labour, utilities costs, our margins may be impacted.

Reliance on limited products and end user industries

A majority of our revenues are derived from our product portfolio that comprises five niche chemicals such as Ethylenediamine, Piperazine (Anhydrous), Diethylenetriamine, Amino Ethyl Ethanol Amines and Amino Ethyl Piperazine, using the MEA process *(Source: CRISIL Report)*. We have focused on products based on certain criteria: (i) manufactured for the first time in India; (ii) import substitutes; (iii) continuous process technology, (iv) high export potential; (v) multiple high growth application areas such as speciality chemicals, pharma and agrochemicals; and (vi) commodity raw materials. We are reliant on the sale of our products for our revenue from operations.

The table below sets forth our revenues generated from the sale of our key products in the periods indicated therein:

Category	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Ethylenediamine	360.99	67.00%	1,204.68	69.08%	3,849.16	74.85%
Piperazine[(1)]	89.03	16.52%	174.62	10.01%	530.91	10.32%
Diethylenetriamine	44.53	8.26%	134.29	7.70%	410.83	7.99%
Amino Ethyl Ethanol Amines	2.99	0.55%	18.36	1.05%	60.40	1.17%
Amino Ethyl Piperazine	0.04	0.01%	1.65	0.09%	28.05	0.55%
Others[(2)]	41.23	7.65%	210.41	12.06%	263.45	5.12%
Total	**538.81**	**100.00%**	**1,744.01**	**100.00%**	**5,142.80**	**100.00%**

(1) Anhydrous form.

(2) Others include steam and mixture of higher amines

Our products cater to a diverse range of end user industries, including speciality chemicals, agrochemicals; and pharmaceuticals across multiple applications. Accordingly, our revenues are dependent on the end user industries that use our products as an input. The following table sets forth the split of our revenues from operations depending on the nature of our end-use customers (including sales to distributors for onward sales to end-use customers):

Category	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	Amount (₹ million)	% of Total Revenue from Operations	Amount (₹ million)	% of Total Revenue from Operations	Amount (₹ million)	% of Total Revenue from Operations
Speciality Chemicals[(1)]	241.14	44.75%	899.45	51.57%	3,098.78	60.25%
Agrochemicals[(1)]	237.05	44.00%	747.94	42.89%	1,669.47	32.46%
Pharmaceuticals[(1)]	60.62	11.25%	96.62	5.54%	374.55	7.28%
Total	**538.81**	**100.00%**	**1,744.01**	**100.00%**	**5,142.80**	**100.00%**

[(1)] *Calculated on the basis of the nature of the significant majority of the business operations of our end-customers including end-customers served by our distributors.*

Should the demand from end-industries where our products are used decrease, there may be a decline in the demand for the products we manufacture. Factors that may impact the demand include, seasonality of demand for our customers' products; our customers' failure to successfully market their products or to compete effectively; loss of market share (including pursuant to import of such chemicals); economic conditions of markets in which our customers operate; increased competition; pricing pressures; and change in government policies and regulatory action.

Availability and cost of raw materials

The success of our operations depends on, among other things, our ability to source raw materials at competitive prices. Availability and prices of raw materials are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand and changes in government policies and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use.

We procure certain of our raw materials such as ammonia and hydrogen from various domestic vendors. In addition, we import Mono Ethanol Amine which is the primary raw material used for chemical reaction for the production of our products from Malaysia, Thailand, United Kingdom and China. Further, we typically source raw materials from third-party suppliers on a purchase order basis and pricing is typically negotiated for each purchase order.

In Fiscal 2020, 2021 and 2022, the cost of materials consumed was ₹ 529.75 million, ₹ 1,002.81 million and ₹ 2,641.29 million, and represented 98.32%, 57.50% and 51.36%, respectively, of our revenue from operations. Our imported raw materials, amounted to ₹ 1.35 million, ₹ 205.90 million and ₹ 1,618.56 million, and accounted for 0.37%, 20.45% and 60.79% of our total raw materials purchased in Fiscal 2020, 2021 and 2022, respectively.

Further, our Corporate Promoter, BAL has been our largest raw material supplier in the last three Fiscals. In Fiscal 2020, 2021 and 2022, the purchase of raw materials from BAL amounted ₹ 334.36 million, ₹ 791.52 million and ₹ 780.35 million, and represented 62.06%, 45.39% and 15.17%, respectively, of our revenue from operations and 91.02%, 78.63% and 29.31% of the total cost of materials consumed, respectively.

The table below sets forth details of our supplier concentration based on cost of materials consumed in the periods indicated:

Supplier Concentration	Fiscal 2020		Fiscal 2021		Fiscal 2022	
	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Cost of Materials Consumed (%)
Top 1 (BAL)	334.36	91.02%	791.52	78.63%	780.35	29.31%
Top 5	359.41	97.84%	949.31	94.31%	2,117.54	79.53%
Top 10	366.84	99.86%	979.67	97.32%	2,488.52	93.46%

We typically do not enter into long term supply contracts with any of our vendors and instead place purchase orders with them from time to time. As we continue to expand our product portfolio and increase our production capacities, we would need to procure additional volumes of raw materials. Any increase in raw material prices may result in corresponding increases in our product costs. We are thus exposed to fluctuations in availability and prices of our raw materials. While raw materials we currently import from China are not restricted, given the trade tensions between India and China, there may be restrictions in terms of what products we may be able to import from China in future. This may have an impact on the supply of our raw materials or impact our ability to source raw materials at competitive rates. Interruption of, or a shortage in the supply of, raw materials may result in our inability to operate our facility at optimal capacity, leading to a decline in production and sales. For further information, see "*Risk Factors - Restrictions on import of raw materials and an increase in shipment cost may adversely impact our business and results of operations.*" on page 32.

Foreign currency fluctuation

Our financial statements are prepared in Indian Rupees. However, a portion of our revenue is generated from export of our products. In Fiscal 2020, 2021 and 2022, we had exported our products to countries such as USA, United Kingdom, Germany, Belgium, Italy, China, UAE, Turkey, Korea, Malaysia, Kuwait among others. Our total export sales grew from ₹ 11.55 million in Fiscal 2020 to ₹ 1,242.65 million in Fiscal 2022 representing 2.15% of our total revenue from operations in Fiscal 2020 to 24.16% of our total revenue from operations in Fiscal 2022.

The table below provides details of the products that we exported in our key markets and other countries in the periods indicated:

Category	Fiscal 2020			Fiscal 2021			Fiscal 2022		
	Sales volume (in MT)	Amount (₹ million)	% of total revenue from operations	Sales volume (in MT)	Amount (₹ million)	% of total revenue from operations	Sales volume (in MT)	Amount (₹ million)	% of total revenue from operations
Key export markets[(1)]	84.29	11.08	2.06%	2,829.79	408.34	23.41%	3,881.52	1,194.52	23.23%
Other export markets[(2)]	3.60	0.47	0.09%	14.40	1.97	0.11%	202.10	48.13	0.94%
Total	**87.89**	**11.55**	**2.15%**	**2,844.19**	**410.31**	**23.52%**	**4,083.62**	**1,242.65**	**24.17%**

(1) *We identify the following markets as our key export markets, based on historical and prospective sales in such markets: China, Malaysia, Turkey, United States of America, Republic of Korea, Germany and Belgium.*

(2) *We identify the following markets as other markets, based on historical and prospective sales in such markets: United Arab Emirates, United Kingdom, Italy and Kuwait.*

In addition, revenue from operations relating to export sales have depended significantly on sales of our products to China. In Fiscal 2020, 2021 and 2022, revenue from operations from sales to China were nil, ₹ 365.36 million and ₹ 742.56 million, respectively, and accounted for nil, 89.04% and 59.76% of our overall export sales in such periods, respectively. In the event there are restrictions on the supply of our products to China due to any geopolitical issues, our export sales could significant reduced which could eventually result in the reduction of our revenue from operations.

As a result, our results of operations are influenced by exchange rate fluctuations between foreign currencies of the markets in which we sell our products and the Indian Rupee. Significant currency exchange rate fluctuations and currency devaluations could have an adverse effect on our results of operations. A substantial majority of our sales are denominated in foreign currencies, principally U.S. dollars, Renminbi and Euro, and to an extent on other currencies applicable in the markets in which our products are sold.

Some of our expenditures, including raw materials costs and freight costs are also denominated in foreign currencies. We have not taken forward contracts, options, futures or other derivative instruments to manage our foreign currency risk. As a consequence, we are exposed to currency rate fluctuations between the Indian Rupee, Renminbi and US dollars and other foreign currencies. We are exposed to exchange rate risk primarily due to payables in respect of our imported raw material and from receivables in respect of our exports, which are mainly denominated in foreign currencies. Any fluctuation in the value of the Indian Rupee against such currencies may adversely affect our results of operations. Since we export our products and import some of our raw materials it helps us to naturally hedge our foreign currency exposure, however a devaluation of any of the foreign currencies against the Indian Rupee may result in reduction of our margins. Any gains or losses arising on account of differences in foreign exchange rates on settlement and translation of monetary assets and liabilities are recognized in the statement of profit and loss.

Competition and pricing pressure

We compete with different companies depending on the market and type of products. We compete with large multinational chemical companies *(Source: CRISIL Report)*. Some of our competitors are larger than us and have greater financial, manufacturing, research and development and other resources. Consequently, our competitors may possess wider product ranges, larger sales teams, greater intellectual property resources and broader appeal across various divisions Our ability to negotiate price with our customers is also impacted by such competition. Our ability to compete as well as offer competitive prices of our manufactured products is dependent on our ability to manage conversion efficiencies and optimize our product portfolio. As we continue to expand our operations into new geographies, we will be continue to be exposed to competition from newer players.

PRESENTATION OF FINANCIAL INFORMATION

The Restated Financial Information have been compiled by the Company from:

(a) Audited Ind AS financial statements of the Company as at and for the years ended March 31, 2021 and March 31, 2020, prepared in accordance with the Indian Accounting Standards (referred to as "**Ind AS**") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India; and

(b) Special purpose financial statements of the Company as at and for the year ended March 31, 2022, prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India.

The Restated Financial Information included in this Draft Red Herring Prospectus reflect our financial performance and results of operations in our first three fiscal years of manufacturing operations, i.e. in Fiscal 2020, 2021 and 2022. Since we commenced commercial production in June 2019, Fiscal 2020 reflects our first approximately nine months of manufacturing operations, and Fiscal 2021 reflects our first full year of manufacturing operations. Accordingly our financial performance and results of operations in Fiscal 2020 and Fiscal 2021 may not be strictly comparable.

NON-GAAP MEASURES

Earnings before Interest, Taxes, Depreciation and Amortization Expenses ("EBITDA")/ EBITDA Margin

EBITDA presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, EBITDA is 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, IFRS or US GAAP. In addition, EBITDA is not a standardised term; hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure. Although EBITDA is not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance.

Reconciliation of EBITDA and EBITDA Margin to Profit for the Period / Year

The table below reconciles profit for the period / year to EBITDA. EBITDA is calculated as profit after tax for the year / period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income. EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.

Particulars	Fiscal		
	2020	2021	2022
	(₹ million)		
Profit/(Loss) before exceptional items and tax	**(223.36)**	**152.44**	**1,540.54**
Adjustments:			
Add: Finance Costs	155.63	190.02	154.93
Add: Depreciation and Amortization expense	74.42	110.68	128.35
Less: Other Income	2.34	14.77	17.62
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) (A)	**4.35**	**438.37**	**1,806.20**
Revenue from Operations (B)	**538.81**	**1,744.01**	**5,142.80**
EBITDA Margin (EBITDA as a percentage of Revenue from Operations) (A/B)	**0.81%**	**25.14%**	**35.12%**

SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue from contract with customers

Revenue is recognised when the performance obligations have been satisfied, which is once control of the goods is transferred from our Company to the customer.

Revenue related to the sale of goods is recognised when the product is delivered to the destination specified by the customer, and the customer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset.

Revenue is measured based on consideration specified in the contract with a customer which is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excludes amounts collected on behalf of third parties.

Recognition of interest income, dividend income and export benefits

Interest income is recognized on accrual basis taking into account the amount outstanding and rate applicable.

Dividend income is recognised when the right to receive the income is established.

Export benefit under the duty free credit entitlements is recognized in the statement of profit and loss, when right to receive such entitlement is established as per terms of the relevant scheme in respect of exports made and where there is no significant uncertainty regarding compliance with the terms and conditions of such scheme.

Property, plant and equipment (PPE)

Property, plant and equipment acquired by the company are reported at acquisition cost. The acquisition cost for this purpose includes the purchase price (net of duties and taxes which are recoverable in future) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use.

The catalyst is an asset that facilitates the process that increases the future economic benefits, output efficiency expected from the plant. Accordingly, the catalyst is in the nature of a property, plant and equipment as contemplated in Ind AS 23. The technical know-how is integral to the plant which is required for installation of the plant is classified as PPE.

Land allotted by MIDC on long lease basis is treated as "Lease Hold Land" on the basis of possession leaser from MIDC (the Lessor), The one-time lump sum premium paid at the time of allotment is amortized over the period of the 88 year lease.

Leasehold improvements are stated at cost including taxes, freight and other incidental expenses incurred, net of input tax credits availed. The depreciation is provided over the life estimated by the management.

Capital work-in-progress

Capital work-in-progress is recognized at cost. It comprises of property, plant and equipment that are not yet ready for their intended use at the reporting date.

Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on the straight line method over the useful lives as prescribed in Schedule II to the Act.

Investments

Investments representing equity interest carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Government grants, subsidies and export incentives

Grants from the government are recognised at fair value where there is a reasonable assurance that the grant will be received and our Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected lives of the related assets and presented within other income.

The benefit of a government loan at below current market rate of interest is treated as a government grant.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Non-monetary grants are recognised

and disclosed as 'deferred income' under non-current liability in the balance sheet and transferred to the statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

Leases

As a Lessee

Our Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- Our Contract involves the use of an identified asset;
- Our Company has substantially all the economic benefits from use of the asset through the period of the lease; and
- Our Company has the right to direct the use of the asset.

Our Company recognizes a right-of-use asset ("**ROU**") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset shall be separately presented in the Balance Sheet and lease payments shall be classified as financing cash flows.

As a Lessor

Leases for which our Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When our Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Operating lease

Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are utilised.

Employee benefits

Short-term employee benefits

Wages and salaries, including non-monetary benefits that are expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Defined benefit plan - Gratuity obligation

The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss. The gratuity liability is covered through a recognized Gratuity Fund managed by Life Insurance Corporation of India and the contributions made under the scheme are charged to Statement of Profit and Loss.

Defined contribution plans

The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

Tax expenses

Accounting treatment in respect of deferred taxation and current tax is in accordance with Indian Accounting Standard 12 (Ind AS 12) - "Income Taxes".

Tax expense for the year comprises current and deferred tax.

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised 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 utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities 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.

Tax relating to items recognized directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the statement of profit and loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they are related to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Inventories

Inventories includes stock of raw materials, stores and spares and packing materials, that are valued at the lower of cost and the net realisable value. Cost is determined on First-in-First-out basis. Finished goods and Work-in-progress are valued at lower of cost and net realisable value. Cost for this purpose, does not include duties/taxes that are recoverable in future. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for recoverable taxes, if any.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned if any on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

Foreign Currency Transactions

The financial statements of the Company are presented in Indian rupees, which is the functional currency of the Company and the presentation currency for the financial statements. Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

Impairment of Assets

Impairment of financial instruments

Our Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and trade receivables. At each reporting date, the Company assesses whether these financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Our Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which our Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, our Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on our Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to our Company in accordance with the contract and the cash flows that our Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when our Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of non-financial assets

The Company'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 accompanied together into cash-generating units ("**CGUs**"). Each CGU represents the smallest company 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).

Our Company'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.

In respect of assets for which impairment loss has been recognised in prior periods, the Company 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 has been recognised.

Provisions, Contingent liabilities and Contingent assets

The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to the reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent Liabilities are also disclosed 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 Company.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realised.

Earnings per share

Basic Earnings Per Share ('**EPS**') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Initial measurement and recognition

Financial assets and financial liabilities are initially recognised when our Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial Assets

All financial assets except trade receivables are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are categorised as under:

- amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit or Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period our Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, our Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, our Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss.

Derecognition - Financial assets

Our Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. Our Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Financial Instruments Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Standards issued but not yet effective

Ministry of Corporate Affairs ("**MCA**") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022 , MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 applicable from 1st April, 2022. Amendments applicable to the Company are given below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment, amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in the statement of profit and loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts – Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. Our Company does not expect the amendment to have any significant impact in its financial statements.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies during Fiscal 2020, 2021 and 2022.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income comprise (i) revenue from operations; and (ii) other income.

Revenue from Operations

Revenue from operations comprise sale of speciality chemicals as well as other operating revenue such as sale of scrap and export incentive. Our Company has got export benefits under Export Promotion Capital Goods Scheme, Duty Drawback Scheme, Merchandise Exports from India Scheme and the Advance License Scheme.

Other Income

Other income includes interest income on deposits and others, write-back of liabilities no longer required, miscellaneous income and foreign exchange gain (net). We have foreign currency payables for procurement of certain raw materials and costs incurred during our export sales business operations and from our receivables, trade payables, borrowings and other payables, and are therefore exposed to foreign exchange risk between the Indian Rupee, Renminbi and U.S. dollars. We have not hedged any of our foreign currency and as of March 31, 2022, ₹ 193.04 million of our foreign currency exposure was unhedged.

Expenses

Our expenses comprise cost of materials consumed, employee benefits expense, finance costs, depreciation and amortization expenses; and other expenses, as adjusted for changes in inventories of finished goods and work-in-progress.

Costs of Materials Consumed

Cost of material consumed consists of aggregate of opening stock and purchases as adjusted for closing stock. Our primary raw materials include mono ethanol amine, ammonia and hydrogen.

Changes in Inventories of Finished Goods and Work-in-Progress

Changes in inventories of finished goods and work-in-progress consists of (i) opening inventories (finished goods and work-in-progress); and (ii) closing inventories (finished goods and work-in-progress).

Employee Benefits Expense

Employee benefits expense primarily comprises (i) salaries, wages and bonus; (ii) contribution to provident and other funds; (iii) gratuity expense; (iv) leave encashment expense; and (v) staff welfare expenses.

Finance Costs

Finance costs include (i) interest on borrowings; (ii) interest on lease liabilities; and (iii) other borrowing costs consisting of processing fees paid on loans and bank charges related to credit facilities.

Depreciation and Amortization Expenses

Depreciation and amortization expenses comprise (i) depreciation on property, plant and equipment; and (ii) amortization of right-of-use assets. Our property, plant and equipment primarily includes our manufacturing facility, equipment used in our manufacturing process and storage facilities located at Solapur, Maharashtra. Pursuant to the technology transfer agreement with an international institute relating to the technology acquired for use in our manufacturing operations, we have also procured certain catalyst used for manufacturing our various products. Such catalyst is an asset that facilitates our manufacturing processes leading to an increase in future economic benefits and output efficiency expected from our manufacturing facility. Accordingly, such catalyst procured initially at stage of commencement of commercial production was treated as property, plant and equipment as contemplated under Ind AS 23. The technical know-how is integral to our manufacturing process and for the installation of our manufacturing facility, and was also classified as property, plant and equipment. Depreciation and amortisation of such catalyst is based on applicable accounting standards, which are derived based on the productivity and expected life of such catalyst. Accordingly, the depreciation of the catalyst is dependent on our manufacturing operations and directly proportionate to the production volume in the relevant fiscal period.

Other Expenses

Other expenses comprises: (i) consumption of stores and spares; (ii) consumption of packing material; (iii) power and fuel; (iv) freight charges; (v) effluent treatment expenses; (vi) travelling and conveyance; (vii) repairs and maintenance on (a) buildings; and (b) plant and machinery; (viii) office equipment; (ix) printing and stationery; (x) communication expenses; (xi) legal and professional charges; (xii) registrations and renewals; (xiii) insurance; (xiv) auditors remuneration; (xv) directors sitting fee; (xvi) rates and taxes; (xvii) inspection charges; (xviii) commission and discount; (xix) sales promotion and other selling expenses; (xx) preliminary expenses written off; (xxi) miscellaneous expenses and (xxii) foreign exchange loss (net).

RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our results of operations for Fiscal 2020, 2021 and 2022:

Particulars	**Fiscal**					
	2020		**2021**		**2022**	
	(₹ million)	**Percentage of Total Income (%)**	**(₹ million)**	**Percentage of Total Income (%)**	**(₹ million)**	**Percentage of Total Income (%)**
Revenue						
Revenue from operations	538.81	99.57%	1,744.01	99.16%	5,142.80	99.66%
Other income	2.34	0.43%	14.77	0.84%	17.62	0.34%
Total Income	**541.15**	**100.00%**	**1,758.78**	**100.00%**	**5,160.42**	**100.00%**
Expenses						
Cost of materials consumed	529.75	97.89%	1,002.81	57.02%	2,641.29	51.18%
Changes in inventories of finished goods and work-in-progress	(131.38)	24.28%	19.13	1.09%	(12.50)	0.24%
Employee benefits expense	14.47	2.67%	22.16	1.26%	32.24	0.62%
Finance costs	155.63	28.76%	190.02	10.80%	154.93	3.00%
Depreciation and amortization expenses	74.42	13.75%	110.68	6.29%	128.35	2.49%
Other expenses	121.62	22.47%	261.54	14.87%	675.57	13.09%
Total expenses	**764.51**	**141.28%**	**1,606.34**	**91.33%**	**3,619.88**	**70.15%**
Profit/(Loss) before tax	**(223.36)**	**41.28%**	**152.44**	**8.67%**	**1,540.54**	**29.85%**
Tax expense						
Current tax	-	-	15.33	0.87%	271.07	5.25%
Deferred tax	(64.01)	11.83%	33.16	1.89%	180.02	3.49%
Tax expenses related to earlier years	(0.65)	0.12%	-	-	-	-
Total tax expense	**(64.66)**	**11.95%**	**48.49**	**2.76%**	**451.09**	**8.74%**

Particulars	Fiscal					
	2020		2021		2022	
	(₹ million)	**Percentage of Total Income (%)**	**(₹ million)**	**Percentage of Total Income (%)**	**(₹ million)**	**Percentage of Total Income (%)**
Profit/(Loss) for the period (A)	**(158.70)**	**29.33%**	**103.95**	**5.91%**	**1,089.45**	**21.11%**
Other comprehensive (loss) / income						
Items that will not be reclassified to profit or loss						
Re-measurement gains/ (losses) of post-employment defined benefit plans	-	-	0.05	0.00%	0.03	0.00%
Income tax relating to above	-	-	(0.01)	0.00%	(0.01)	0.00%
Other comprehensive income (B)	-	-	0.04	0.00%	0.02	0.00%
Total comprehensive income for the period (A+ B)	(158.70)	29.33%	103.99	5.91%	1,089.47	21.11%

FISCAL 2022 COMPARED TO FISCAL 2021

Key Developments

- In Fiscal 2022, there was a significant increase in our revenues from operations from ₹ 1,744.01 million to ₹ 5,142.80 million primarily due to increased sale of products resulting from an increase in demand. Total production increased from 11,124.28 MT in Fiscal 2021 to 16,851.72 MT in Fiscal 2022 as our end-use industries recovered from the effects of the COVID 19 pandemic, particularly the specialty chemicals, agrochemical and pharmaceutical industries. The recovery from the pandemic restrictions also allowed us to increase production of our products, and tap into such increased demand from our customers. Further, export growth is expected to accelerate, owing to competitive positioning of players, recovery in global demand, and the China-plus-one strategy of customers. This will also be supported by weakened competitiveness of China due to implementation of stringent environmental norms, rising labour cost, and geopolitical issues (the US-China trade war) (*Source: CRISIL Report)*.

Revenue

Total income increased by 193.41% from ₹ 1,758.78 million in Fiscal 2021 to ₹ 5,160.42 million in Fiscal 2022, primarily attributable to the following:

Revenue from Operations

Revenue from operations increased by 194.88% from ₹ 1,744.01 million in Fiscal 2021 to ₹ 5,142.80 million in Fiscal 2022, attributable to the significant increase in sale of our products, particularly sales of Ethylenediamine. Sales of Ethylenediamine, which contributes the significant majority of our revenues from operations, increased by 219.52% from ₹1,204.68 million in Fiscal 2021 to ₹3,849.16 million in Fiscal 2022. Piperazine Anhydrous increased by 204.04% from ₹174.62 million in Fiscal 2021 to ₹530.91 million in Fiscal 2022, Diethylenetriamine increased by 205.93% from ₹134.29 million to ₹410.83 million, Amino ethyl ethanol amines increased by 228.98% from ₹ 18.36 million to ₹ 60.40 million, while Amino ethyl piperazine increased from ₹ 1.65 million to ₹ 28.05 million.

In terms of our revenue from operations presented according to end-use industries (including sales to distributors for onward sales to end-use customers), we registered higher growth in products for the speciality chemicals industry. Revenue from operations for products used in the speciality chemicals industry increased by 244.58% from ₹ 899.45 million in Fiscal 2021 to ₹ 3,099.34 million in Fiscal 2022. Revenue from operations for products used in the agrochemicals increased by 123.21% from ₹ 747.94 million in Fiscal 2021 to ₹ 1,669.47 million in Fiscal 2022, while revenue from operations for products used in the pharmaceutical industry increased by 287.07%

from ₹ 96.62 million to ₹ 373.99 million. Sale realisation in Fiscal 2022 was relatively higher than that of Fiscal 2021 as a result of resilient prices and the increase in demand of our products to meet the demand-supply gap in our end-use industries.

Revenues from operations from exported products increased by 202.86% from ₹ 410.31 million in Fiscal 2021 to ₹ 1,242.65 million in Fiscal 2022, as we experienced increased demand for our products from our key export markets, particularly from China, Turkey, Germany and Republic of Korea. Consequently, export incentives also increased by 49.51% from ₹ 40.01 million in Fiscal 2021 to ₹ 59.82 million in Fiscal 2022.

Other Income

Other income increased by 19.30% from ₹ 14.77 million in Fiscal 2021 to ₹ 17.62 million in Fiscal 2022, primarily relating to an increase in foreign exchange gain (net), by 105.49% from ₹ 6.37 million in Fiscal 2021 to ₹ 13.09 million in Fiscal 2022 as a result of increase in export of products.

Expenses

Total expenses increased by 125.35% from ₹ 1,606.34 million in Fiscal 2021 to ₹ 3,619.88 million in Fiscal 2022 reflecting our increased production and growth in business operations. Total expenses as a percentage of revenue from operations improved significantly to 70.39% in Fiscal 2022 compared to 92.11% in Fiscal 2021. This was primarily due to an increase in cost of materials consumed and in other expenses reflecting the increased production in Fiscal 2022 as well as an increase in price of coal used in our manufacturing activities.

Cost of Materials Consumed

Cost of materials consumed increased by 163.39% from ₹ 1,002.81 million in Fiscal 2021 to ₹ 2,641.29 million in Fiscal 2022 reflecting our increased production. However, as a percentage of revenue from operations in the respective periods, cost of materials consumed decreased to 51.36% in Fiscal 2022 compared to 57.50% in Fiscal 2021 primarily as a result of resilient prices for our products and efficiencies of scale in our procurement process, including lower transportation costs associated with our raw materials.

Employee Benefits Expense

Employee benefits expense increased by 45.49% from ₹ 22.16 million in Fiscal 2021 to ₹ 32.24 million in Fiscal 2022. This was due to an increase in salaries, wages and bonus from ₹ 17.07 million in Fiscal 2021 to ₹ 22.43 million in Fiscal 2022 and an increase in contribution to provident and other funds from ₹ 2.53 million in Fiscal 2021 to ₹ 6.88 million in Fiscal 2022. However, as a percentage of revenue from operations in the respective periods, employee benefit expenses decreased to 0.63% in Fiscal 2022 compared to 1.27% in Fiscal 2021.

Finance Cost

Finance costs decreased by 18.47% from ₹ 190.02 million in Fiscal 2021 to ₹ 154.93 million in Fiscal 2022 primarily attributable to a decrease in interest on borrowings by 20.72% from ₹ 185.33 million in Fiscal 2021 to ₹ 146.93 million in Fiscal 2022. This was primarily on account of decrease in borrowings, which was partially offset by a slight increase in other borrowing costs from ₹ 4.68 million in Fiscal 2021 to ₹ 7.99 million in Fiscal 2022, attributable to payment of processing charges to State Bank of India for a new working capital loan of ₹250.00 million availed by us.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 15.96% from ₹ 110.68 million in Fiscal 2021 to ₹ 128.35 million in Fiscal 2022, while depreciation of property, plant and equipment increased by 15.97% from ₹ 110.63 million in Fiscal 2021 to ₹ 128.30 million in Fiscal 2022. This increase in depreciation cost is primarily associated with the depreciation cost of catalyst used which is directly proportional to the increased production in Fiscal 2022 compared to that in Fiscal 2021.

Other Expenses

Other expenses increased by 158.30% from ₹ 261.54 million in Fiscal 2021 to ₹ 675.51 million in Fiscal 2022.

Power and fuel expenses increased from ₹ 161.13 million in Fiscal 2021 to ₹ 490.90 million in Fiscal 2022, related to increased production and growth in business operations in Fiscal 2022 as well as an increase fuel prices, primarily coal. Fuel expenses increased 347.81% from ₹ 86.47 million in Fiscal 2021 to ₹ 387.22 million in Fiscal 2022. Power consumption increased from ₹ 74.66 million in Fiscal 2021 to ₹ 103.68 million in Fiscal 2022.

Consumption of stores and spares increased from ₹ 6.04 million in Fiscal 2021 to ₹ 19.54 million in Fiscal 2022.

Packing expenses increased from ₹ 18.06 million in Fiscal 2021 to ₹ 38.98 million in Fiscal 2022, reflecting increased production and sales.

Freight charges increased by 65.19% from ₹ 45.65 million in Fiscal 2021 to ₹ 75.41 million in Fiscal 2022.

Commission and discount provided to our customers (including distributors) on the purchase of our products increased from ₹ 9.33 million in Fiscal 2021 to ₹ 28.31 million in Fiscal 2022, reflecting the increase in sales of our products.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 1,540.54 million in Fiscal 2022, as compared to ₹ 152.44 million in Fiscal 2021.

Tax Expenses

Deferred tax charge was ₹ 180.02 million in Fiscal 2022, as compared to ₹ 33.16 million in Fiscal 2021; Current tax charges amounted to ₹ 271.07 million in Fiscal 2022, as compared to ₹ 15.33 million in Fiscal 2021. Total tax expense amounted to ₹ 451.09 million in Fiscal 2022, as compared to ₹ 48.49 million in Fiscal 2021.

Profit for the Year

For the various reasons discussed above, we recorded a profit after tax for the year of ₹ 1,089.45 million in Fiscal 2022, as compared to ₹ 103.95 million in Fiscal 2021.

Total Comprehensive Income for the Year, Net of Tax

Total comprehensive income for the year, net of tax was ₹ 1,089.47 million in Fiscal 2022, as compared to ₹ 103.99 million in Fiscal 2021.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 1,806.20 million in Fiscal 2022 representing 35.12% of our revenue from operations in Fiscal 2022 compared to ₹ 438.37 million in Fiscal 2021 representing 24.14% of our revenue from operations in Fiscal 2021.

FISCAL 2021 COMPARED TO FISCAL 2020

The Restated Financial Information included in this Draft Red Herring Prospectus reflect our financial performance and results of operations in our first three fiscal years of manufacturing operations, i.e. in Fiscal 2020, 2021 and 2022. Since we commenced commercial production in June 2019, Fiscal 2020 reflects our first approximately nine months of manufacturing operations, and Fiscal 2021 reflects our first full year of manufacturing operations. Accordingly our financial performance and results of operations in Fiscal 2020 and Fiscal 2021 may not be strictly comparable.

Revenue

Total income was ₹ 1,758.78 million in Fiscal 2021 compared to ₹ 541.15 million in Fiscal 2020, reflecting our significant growth and increased production in our first full year of operations in Fiscal 2021.

Revenue from Operations

Revenue from operations were ₹ 538.81 million in Fiscal 2020 while it was ₹ 1,744.01 million in Fiscal 2021. The increase reflects the difference between nine months of operations in Fiscal 2020 compared to our full year of operations in Fiscal 2021, as well as the significant increase in our business operations and increased production and sales of our products.

Revenue from operation from sale of Ethylenediamine were ₹360.99 million in Fiscal 2020, increasing to ₹1,204.68 million in Fiscal 2021, representing our most significant product and growth driver. Revenue from operation from sale of Piperazine Anhydrous were ₹89.03 million in Fiscal 2020, increasing to ₹174.62 million in Fiscal 2021, while that from sale of Diethylenetriamine increased from ₹44.53 million to ₹134.29 million, Amino ethyl ethanol amines from ₹ 2.99 million to ₹ 18.36 million, and Amino ethyl piperazine from ₹ 0.04 million to ₹ 1.65 million.

In terms of our revenue from operations presented according to end-use industries (including sales to distributors for onward sales to end-use customers), we registered the most significant growth in products for the speciality chemicals industry and the agrochemicals industry. Revenue from operations for products used in the speciality chemicals industry increased by 273.00% from ₹ 241.14 million in Fiscal 2020 to ₹ 899.45 million in Fiscal 2021. Revenue from operations for products used in the agrochemicals increased by 215.52% from ₹ 237.05 million in Fiscal 2020 to ₹ 747.94 million in Fiscal 2021 while revenue from operations for products used in the pharmaceutical industry increased by 59.39% from ₹ 60.62 million in Fiscal 2020 to ₹ 96.62 million in Fiscal 2021.

Revenue from operations from exported products increased by 3,452.47% from ₹ 11.55 million in Fiscal 2020 to ₹ 410.31 million in Fiscal 2021, as we exported ₹ 365.36 million of our products to China. Consequently, our export incentive also increased by 1,427.10% from ₹ 2.62 million in Fiscal 2020 to ₹ 40.01 million in Fiscal 2021.

Other Income

Other income was ₹ 2.34 million in Fiscal 2020 while it was ₹ 14.77 million in Fiscal 2021. The increase was primarily attributable to write back of liabilities no longer required (relating to capital goods creditors) which increased from ₹ 0.53 million in Fiscal 2020 to ₹ 7.24 million in Fiscal 2021. Foreign exchange gain (net) was ₹ 6.37 million in Fiscal 2021 compared to nil in Fiscal 2020 as we increased export of products in Fiscal 2021.

Expenses

Total expenses was ₹ 764.51 million in Fiscal 2020 while it was ₹ 1,606.34 million in Fiscal 2021. The increase was primarily due to an increase in cost of materials consumed and other expenses reflecting increased production in Fiscal 2021. However total expenses as a percentage of revenue from operations decreased from 141.89% in Fiscal 2020 to 92.11% in Fiscal 2021 primarily due to an increase in cost of materials consumed and in other expenses reflecting the increased production in Fiscal 2021.

Cost of Materials Consumed

Cost of materials consumed was ₹ 529.75 million in Fiscal 2020 while it was ₹ 1,002.81 million in Fiscal 2021, resulting from an increase in purchases from ₹ 367.36 million in Fiscal 2020 to ₹ 1,006.63 million in Fiscal 2021.

Cost of materials consumed as a percentage of revenue from operations however decreased from 97.89% in Fiscal 2020 to 57.02% in Fiscal 2021. As we commenced commercial production in June 2019 and slowly ramped up production and built up inventory, marketing and customer relationships during Fiscal 2020, there was a very significant increase in sales of products in Fiscal 2021 compared to that in Fiscal 2020.

Employee Benefits Expense

Employee benefits expense was ₹ 14.47 million in Fiscal 2020 while it was ₹ 22.16 million in Fiscal 2021. However, as a percentage of revenue from operations in the respective periods, employee benefit expenses decreased to 1.27% in Fiscal 2021 compared to 2.69% in Fiscal 2021. Salaries, wages and bonus was ₹ 12.04 million in Fiscal 2020 reflecting approximately nine months of commercial operations while it was ₹ 17.07 million in Fiscal 2021, our first full year of operations. All employee costs from April 1, 2019 until June 13, 2019 i.e. commencement of commercial production, was capitalised as pre-operative expense cost.

Finance Cost

Finance costs was ₹ 155.63 million in Fiscal 2020 while it was ₹ 190.02 million in Fiscal 2021. Interest on borrowings was ₹ 149.64 million in Fiscal 2020 (nine months of operations following commercial production) while it was ₹ 185.33 million in Fiscal 2021. All finance costs from April 1, 2019 until June 13, 2019 i.e. commencement of commercial production, was capitalised as pre-operative expense cost.

Depreciation and Amortization Expense

Depreciation and amortization expense was ₹ 74.42 million in Fiscal 2020 while it was ₹ 110.68 million in Fiscal 2021, while depreciation of property, plant and equipment increased by 48.76% from ₹ 74.37 million in Fiscal 2020 to ₹ 110.63 million in Fiscal 2021. This increase in depreciation cost is primarily associated with the depreciation cost of catalyst used which is directly proportional to the increased production in Fiscal 2021 compared to that in Fiscal 2020.

Other Expenses

Other expenses were ₹ 121.62 million in Fiscal 2020 while ₹ 261.54 million in Fiscal 2021.

Power and fuel expenses was ₹ 80.21 million in Fiscal 2020 while it was ₹ 161.13 million in Fiscal 2021. Fuel expenses was ₹ 49.74 million in Fiscal 2020, increasing to ₹ 86.47 million in Fiscal 2021. The increase was primarily due to the increased production in Fiscal 2021, offset in part by a slight decrease in coal prices. Power consumption was ₹ 30.47 million in Fiscal 2020 while it was ₹ 86.47 million in Fiscal 2021.

Packing expenses was ₹ 6.44 million in Fiscal 2020 while it was ₹ 18.06 million in Fiscal 2021, primarily reflecting increased production and sales in Fiscal 2021.

Freight charges was ₹ 11.34 million in Fiscal 2020 while it was ₹ 45.65 million in Fiscal 2021, again reflecting the significant increase in sales in Fiscal 2021.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 152.44 million in Fiscal 2021, as compared to a loss of ₹ 223.36 million in Fiscal 2020.

Tax Expenses

Deferred tax charge was ₹ 33.16 million in Fiscal 2021, as compared to ₹ (64.01) million in Fiscal 2020; Current tax charges amounted to ₹ 15.33 million in Fiscal 2021, as compared to nil in Fiscal 2020. Total tax expense amounted to ₹ 48.49 million in Fiscal 2021, as compared to ₹ (64.66) million in Fiscal 2020.

Profit / Loss for the Year

For the various reasons discussed above, we recorded a profit after tax for the year of ₹ 103.95 million in Fiscal 2021 compared to a loss of ₹ 158.70 million in Fiscal 2020.

Total Comprehensive Income for the Year, Net of Tax

Total comprehensive income for the year, net of tax was ₹ 103.99 million in Fiscal 2021, as compared to ₹ (158.70) million in Fiscal 2020.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 438.37 million in Fiscal 2021 representing 24.14% of our revenue from operations in Fiscal 2021 compared to ₹ 4.35 million in Fiscal 2020 representing 0.81% of our revenue from operations in Fiscal 2020.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through debt financing and funds generated from our operations. From time to time, we have obtained loan facilities to finance our short term working capital requirements.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Fiscal		
	2020	2021	2022
	(₹ million)		
Net cash flow from/(used in) operating activities	(122.27)	184.26	542.14
Net cash flows (used in)/from investing activities	(96.88)	1.01	(2.58)
Net cash flows (used in)/from financing activities	233.71	(180.66)	(525.00)
Cash and cash equivalents	14.94	19.55	34.12

For further information, see "*Restated Financial Information – Annexure III- Restated Statement of Cash Flows*" on page 222.

Operating Activities

Fiscal 2022

In Fiscal 2022, net cash flows generated from operating activities was ₹ 542.14 million. Profit before tax was ₹ 1,540.54 million in Fiscal 2022. Primary adjustments consisted of depreciation and amortization expenses of ₹ 128.35 million and interest on borrowings of ₹ 146.93 million.

Operating cash flows before working capital adjustments was ₹ 1,814.53 million in Fiscal 2021. The main working capital adjustments in Fiscal 2022 included increase in inventories of ₹ 57.94 million; increase in trade receivables of ₹ 1,170.02 million; decrease in other financial liabilities of ₹ 43.90 million; increase in trade payables of ₹ 93.65 million; increase in other liabilities of ₹ 49.85 million and decrease in other assets of ₹ 97.67 million.

Fiscal 2021

In Fiscal 2021, net cash flows generated from operating activities was ₹ 184.26 million. Profit before tax was ₹ 152.44 million in Fiscal 2021. Primary adjustments consisted of depreciation and amortization expenses of ₹ 110.68 million and interest on borrowings of ₹ 185.33 million.

Operating cash flows before working capital adjustments was ₹ 440.30 million in Fiscal 2021. The main working capital adjustments in Fiscal 2021 included an increase in trade receivables of ₹ 53.75 million; increase in other assets of ₹ 74.20 million; decrease in trade payables of ₹ 62.80 million; decrease in other financial liabilities of ₹ 25.99 million and a decrease in other liabilities of ₹ 26.67 million.

Fiscal 2020

In Fiscal 2020, net cash flows used in operating activities was ₹ 122.27 million. Net loss before tax was ₹ 233.36 million in Fiscal 2020. Primary adjustments consisted of depreciation and amortization expenses of ₹ 74.42 million and interest on borrowings of ₹ 149.64 million.

Operating cash flows before working capital adjustments was ₹ 4.17 million in Fiscal 2020. The main working capital adjustments in Fiscal 2020 included decrease in inventories of ₹ 39.13 million; increase in trade receivables of ₹ 335.63 million; increase in trade payables of ₹ 185.57 million and decrease in other financial liabilities of ₹ 15.19 million.

Investing Activities

Fiscal 2022

Net cash flow used in investing activities was ₹ 2.58 million in Fiscal 2022, primarily on account of purchase of property, plant and equipment of ₹ 3.92 million. This was partially offset by interest income on deposits and others of ₹ 1.34 million.

Fiscal 2021

Net cash flow generated from investing activities was ₹ 1.01 million in Fiscal 2021, primarily on account of interest income on deposits and others of ₹ 1.37 million and a decrease in capital advances of ₹ 0.06 million. This was partially offset by purchase of property, plant and equipment of ₹ 0.42 million.

Fiscal 2020

Net cash flow used in investing activities was ₹ 96.88 million in Fiscal 2020, primarily on account of purchase of property, plant and equipment of ₹ 101.57 million. This was partially offset by interest income on deposits and others of ₹ 1.50 million and a decrease in capital advances of ₹ 3.19 million.

Financing Activities

Fiscal 2022

Net cash flows used in financing activities was ₹ 525.00 million in Fiscal 2022, primarily on account of repayment of non-current borrowings of ₹ 546.23 million and interest payment of ₹ 147.17 million. This was partially offset from the proceeds from non-current borrowings of ₹ 120.00 million and proceeds from current borrowings of ₹ 48.46 million.

Fiscal 2021

Net cash flows used in financing activities was ₹ 180.66 million in Fiscal 2021, primarily on account of repayment of non-current borrowings of ₹ 253.13 million; repayment of current borrowings of ₹ 81.69 million and interest payment of ₹ 189.22 million. This was partially offset from the proceeds from non-current borrowings of ₹ 343.44 million.

Fiscal 2020

Net cash flows generated from financing activities was ₹ 233.71 million in Fiscal 2020, primarily on account of proceeds from non-current borrowings of ₹ 1,977.40 million and proceeds from current borrowings of ₹ 65.35 million. This was partially offset by repayment of non-current borrowings of ₹ 1,658.39 million and interest payment of ₹ 150.59 million.

INDEBTEDNESS

We have historically financed the expansion of our business and operations primarily through debt financing, equity funding and funds generated from our operations. From time to time, we may obtain loan facilities to finance our short term working capital requirements.

As of March 31, 2022, we had total borrowings (consisting of non-current borrowings and current borrowings) of ₹ 1,666.37 million. Our total debt/ equity ratio was 0.89 as of March 31, 2022.

The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2022, and our repayment obligations in the periods indicated:

Particulars	**As of March 31, 2022**				
	Payment due by period				
	(₹ million)				
	Total	**Not later than 1 year**	**1-3 years**	**3 -5 years**	**More than 5 years**
Current Borrowings					

Particulars	As of March 31, 2022				
	Payment due by period				
	(₹ million)				
	Total	Not later than 1 year	1-3 years	3 -5 years	More than 5 years
Working capital loans from banks	157.91	157.91	-	-	-
Total Current Borrowings	**157.91**	**157.91**	-	-	-
Non-Current Borrowings					
- Secured term loans from banks (including current maturities of long term debt payable with one year)	848.46	272.72	469.69	106.05	-
- Unsecured Loans from holding company	660.00	660.00	-	-	-
Total Current Borrowings	**1,508.46**	**932.72**	**469.68**	**106.06**	**-**
Total Borrowings	**1,666.37**	**932.72**	**469.68**	**106.06**	**-**

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2022, our contingent liabilities that have not been accounted for in our financial statements were as follows:

Particulars	Amount (₹ million)
Claims against the Company not acknowledged as debts	
Income tax	5.65

Notes:

(i) *The above claims pertains to income tax – TDS on payments made to foreign companies / non-residents for Fiscals 2018 and 2019. Our Company has filed appeals with CIT(A) of Income Tax and the same are pending for disposal. Our Company has paid an amount of ₹ 1.13 million under protest.*

(ii) *Our Company based on its legal assessment does not believe that any of the pending claims require a provision as at the balance sheet date, as the likelihood of the probability of an outflow of resources at this point of time is low.*

For further information on our contingent liabilities, see "*Restated Financial Information- Annexure VII- 29. Contingent liabilities and commitments (to the extent not provided for*" on page 243.

Except as disclosed in the Restated Financial Information or elsewhere in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Other than as discussed herein, we do not have any long-term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.

CAPITAL EXPENDITURES

In Fiscal 2020, 2021 and 2022, our capital expenditure towards additions (after disposal and adjustments) to fixed assets (property, plant and equipment's and intangible assets) were ₹ 101.57 million, ₹ 0.42 million and ₹ 3.92 million, respectively. We commenced commercial production in June 2019. The following table sets forth our fixed assets for the periods indicated:

Particulars	Fiscal 2020	Fiscal 2021	Fiscal 2022
	(₹ million)		
Plant and Equipment	15.74	0.42	3.92
Capital Work in Progress	85.83	-	-
Rights of use	-	-	-
Other intangible assets	-	-	-
Total	**101.57**	**0.42**	**3.92**

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include purchase of goods and services, sale of goods and services, lease and rent of office, loan accepted, loan repayment and interest charged.

In Fiscal 2020, 2021 and 2022, BAL was among our top 10 customers and total revenue generated from BAL was ₹36.28 million, ₹ 169.47 million and ₹ 202.62 representing 6.75%, 9.72% and 3.94%, respectively of our revenue from operations. In addition, our Corporate Promoter, BAL has been our largest raw material supplier in the last three Fiscals. In Fiscal 2020, 2021 and 2022, the purchase of raw materials from BAL amounted ₹ 334.36 million, ₹ 791.52 million and ₹ 780.35 million, and represented 62.06%, 45.39% and 15.17%, respectively, of our revenue from operations and 72.17%, 78.93% and 29.73% of the total cost of materials consumed, respectively. Hence, in Fiscal 2020, 2021 and 2022, the aggregate amount of such related party transactions was ₹ 3,211.68 million, ₹ 1,341.94 million and ₹ 1,392.61 million respectively. The percentage of the aggregate value of such related party transactions to our total revenue from operations in Fiscal 2020, 2021 and 2022 was 596.07%, 76.95% and 27.08% respectively.

For further information relating to our related party transactions, see "*Restated Financial Information-Annexure VII-Note 32. Related Parties*" on page 245.

AUDITOR'S OBSERVATIONS

Our Statutory Auditors have not included any emphasis of matters/qualifications/reservations in their examination report.

However, our Statutory Auditors have included certain observations for Fiscal 2021 and 2022 in their reporting under the Companies (Auditor's) Report Order, 2016 ("**CARO 2016**") / Companies (Auditor's Report) Order, 2020 ("**CARO 2020**"), as applicable. These observations included statutory dues which have not been deposited on account of any disputes as set out below:

Fiscal 2022 – CARO 2020

Nature of Dues	Name of the statute	Amount (in ₹ million)	Period to which the amount related	Forum where the dispute is pending
TDS on payments made to foreign companies / non-resident	Income Tax Act, 1961	2.14	2017-2018	CIT (Appeals)
TDS on payments made to foreign companies / non-resident	Income Tax Act, 1961	3.51	2018-2019	CIT (Appeals)

Further, our Statutory Auditors have included an observation for Fiscal 2022 according to which our Company had been sanctioned working capital limits in excess of ₹ 50.00 million, in aggregate, from banks or financial institutions on the basis of security of current assets. While the quarterly statements filed by our Company for the third quarter of Fiscal 2022 were in agreement with the books of accounts, certain discrepancies were found in the quarterly statements for the first and second quarters of Fiscal 2022.

For further information, see "*Restated Financial Information – Annexure VI – Part B: Non-adjusting items – For the year ended March 31, 2022*" on page 231.

Fiscal 2021 – CARO 2016

Nature of Dues	Name of the statute	Amount (in ₹ million)	Period to which the amount related	Forum where the dispute is pending
TDS on payments made to foreign companies / non-resident	Income Tax Act, 1961	2.14	2017-2018	CIT (Appeals)

For further information, see "*Restated Financial Information – Annexure VI – Part B: Non-adjusting items – For the year ended March 31, 2021*" on page 231.

In addition, our previous statutory auditors have included the following emphasis of matter in the audited financial statements for Fiscal 2021, which have been subsequently adjusted as part of our Restated Financial Information.

"The company has not made the provision for tax of ₹ 15.33 million in the books relying on the judicial precedent of Hon. Karnataka High court case of Best Trading and Agencies Ltd., 119 taxmann.com 129."

For further information, see "*Restated Financial Information – Annexure VI – Part A – Note 5 – Tax expenses relating to earlier years*" on page 230.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our activities expose us to market risk, liquidity risk and credit risk. Our board of directors has overall responsibility for the establishment and oversight of our risk management framework.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure.

For further information, please see "*Restated Financial Information – Annexure VII- Note 34. Financial instruments and risk management*" on page 246.

Foreign Currency Exchange 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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/ other payables, trade/other receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US Dollar and Euros against the functional currencies of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

For further information, please see "*Restated Financial Information – Annexure VII- Note 34. Financial instruments and risk management*" on page 246.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. As the Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

For further information, please see "*Restated Financial Information – Annexure VII- Note 34. Financial instruments and risk management*" on page 246.

Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to financial assets of the Company include trade receivables, security deposits held with government authorities and bank deposits which represents Company's maximum exposure to the credit risk.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

With respect to other financial assets viz., loans & advances, deposits with government and banks, the credit risk is insignificant since the loans & advances are given to employees only and deposits are held with government bodies and reputable banks. The credit quality of the financial assets is satisfactory, taking into account the allowance for credit losses.

Liquidity Risk

Liquidity risk is the risk that our Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

For further information, please see "*Restated Financial Information – Annexure VII- Note 34. Financial instruments and risk management*" on page 246.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition*" and the uncertainties described in "*Risk Factors*" on pages 255 and 27, respectively.

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 "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition*" and the uncertainties described in "*Risk Factors*" on pages 255 and 27, respectively. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 156 and 253, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new business segments.

COMPETITIVE CONDITIONS

We operate in a competitive environment. For further information, see "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 156, 113 and 27, respectively on competitive conditions that we face.

EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES

Changes in revenue in the last three Fiscals are as described in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2022 compared to Fiscal 2021*" *and* "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2021 compared to Fiscal 2020*" above on pages 270 and 272, respectively.

SEGMENT REPORTING

Our Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business' reporting' system. Our Company is principally engaged in a single business segment i.e., 'Chemicals'.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

Sales to each of two of our customers exceeded 10% of our revenue from operations in Fiscal 2020, 2021 and 2022. For further information, see "*Restated Financial Information – Annexure VII – Note 36. Segment Information*" on page 248.

The table below sets forth certain information relating to contribution by our top, top three and top 10 customers (our customers include end-use customers as well as distributors that sell onwards to end-use customers) to our revenue from operations in the periods indicated:

Customer concentration	Fiscal					
	2020		2021		2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Top 1	208.41	38.68%	407.30	23.35%	840.55	16.34%
Top 3	275.77	51.18%	810.52	46.47%	2,108.61	41.00%
Top 10	452.09	83.91%	1,411.24	80.92%	3,818.02	74.24%

SEASONALITY/ CYCLICALITY OF BUSINESS

Considering the operations of our Company, we do not believe our business is seasonal in nature.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2022 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed above and elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since March 31, 2022, that could materially and 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.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at March 31, 2022, on the basis of our Restated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Restated Financial Information*" and "*Risk Factors*" on pages 253, 216 and 27, respectively.

(in ₹ million, except ratios)

Particulars	Pre-Offer as at March 31, 2022	As adjusted for the proposed Offer*
Borrowings		
Current borrowings (**I**)	157.91	[●]
Non-current borrowings (including current maturity of long term debt) (**II**)	1,508.46	[●]
Total Borrowings (I) + (II) = (A)	**1,666.37**	[●]
Equity		
Equity share capital^	400.00	[●]
Other equity	1,474.79	[●]
Total Equity (B)	**1,874.79**	[●]
Capitalisation (A) + (B)	**3,541.16**	[●]
Non-current borrowings (including current maturity of long term debt)/equity ratio	0.80	[●]
Total borrowings/equity ratio	0.89	[●]

* *The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the book building process and hence have not been furnished. To be updated upon finalization of the Offer Price.*

^ *Pursuant to a resolution of our Shareholders dated February 26, 2022, the face value of the equity shares of our Company was sub-divided from ₹ 10 each into ₹ 2 each.*

FINANCIAL INDEBTEDNESS

Our Company avails loans and financing facilities in our ordinary course of business for meeting our capital and business requirements. For details of the borrowing powers of our Board, see "*Our Management- Borrowing Powers*" on page 192.

We have obtained the necessary consents required under the relevant financing documentation for undertaking the activities in relation to the Offer, including, *inter alia*, effecting changes in our capital structure, shareholding pattern, constitutional documents and the composition of our Board.

The details of the indebtedness of our Company as on June 30, 2022 is provided below:

(in ₹ million)

Category of borrowing	Sanctioned amount	Outstanding amount (as at June 30, 2022)
Secured		
Term loans	1,500.00	780.28
Fund-based working capital loan	500.00	460.20
Non-fund based working capital facilities	500.00	64.01
Total secured facilities (A)	**2,500.00**	**1,304.49**
Unsecured		
Total unsecured facilities (B)	**Nil**	**Nil**
Total borrowings	**2,500.00**	**1,304.49**

Note: As certified by our Statutory Auditors, pursuant to their certificate dated August 10, 2022.

Principal terms of the borrowings availed by our Company:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financing documentation executed by our Company in relation to our indebtedness.

1. ***Interest:*** The interest rates for the working capital facilities availed by our Company is typically linked to the marginal cost of funds based lending rate ("**MCLR**") of the respective lenders and typically ranges from 6.40% per annum to 7.75% per annum. Similarly, the interest rates for the term loans availed by us are also linked to the MCLR of the respective lenders and is typically up to a maximum of 8.50% per annum.

2. ***Penal interest*:** The terms of certain financing facilities availed by us prescribe penalties for non-compliance of certain obligations by us. These include, *inter alia*, breach of financial covenants, non-renewal of external ratings, diversion of facilities, non-submission of annual financial statements and stock statements, etc. The terms of certain borrowings availed by us prescribe a penalty interest rate ranging from 2% to 5% per annum over and above the applicable interest rate.

3. ***Pre-payment penalty:*** Our borrowings typically have pre-payment provisions which allow for pre-payment of the outstanding loan amount at any given point in time, subject to the conditions specified in the borrowing arrangements and subject to such prepayment penalties as laid down in the facility agreements. Subject to certain conditions, certain term loans and working capital facilities availed by us carry a pre-payment penalty of up to 2% per annum on the pre-paid amount or up to 2% per annum on the balance amount of loan and for the residual period of prepayment.

4. ***Validity/Tenor:*** The working capital facilities availed by us are payable on demand. The tenor of the working capital facilities availed by us is a maximum of 12 months. In case of the bank guarantee facilities availed by us, the tenor of the facility availed is maximum five years. In case of working capital demand loan availed by us, the tenor is of 3 months. The tenor of the term loans availed by us typically range from 78 months to 84 months.

5. ***Security:*** In terms of our borrowings where security needs to be created, we are required to *inter alia*:

   (a) create charge on the entire fixed assets, land and buildings (both present and future) located at our Manufacturing Facility;

   (b) create charge on plant and machinery (both present and future) located at our Manufacturing Facility;

   (c) create charge on the entire current assets (both present and future) of our Company;

(d) furnish personal guarantee by our Individual Promoters namely, Ande Prathap Reddy, Rajeshwar Reddy Nomula, Ram Reddy Dundurapu, Gaddam Hemanth Reddy and Ande Srinivas Reddy;

(e) furnish corporate guarantee by our Corporate Promoter, Balaji Amines Limited; and

(f) Post dated cheques from Ande Prathap Reddy, Rajeshwar Reddy Nomula, Ram Reddy Dundurapu, Gaddam Hemanth Reddy and Ande Srinivas Reddy for the certain term loan facility amount.

There may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

6. ***Repayment:*** The working capital facilities availed by us are payable on demand or on their respective due dates within the maximum tenure or on the conditions as may be agreed between us and the respective lenders. The term loans availed by our Company are typically repayable in structured instalments.

7. ***Key Covenants:*** The financing arrangements entered into by us entail various restrictive conditions and covenants restricting certain corporate actions, and we are required to take the prior approval of the lenders before carrying out such activities.

For instance, certain corporate actions for which we require the prior written consent of the lenders include:

(a) effecting any change in our capital structure;

(b) reducing promoter shareholding below the current level;

(c) making any amendments in the Memorandum of Association or Articles of Association or undertaking or permitting any merger, demerger, amalgamation, consolidation, restructuring, reorganisation;

(d) resorting to any additional/outside borrowing;

(e) repay any unsecured loan and interest on it, if availed during the currency of the term loan;

(f) Implementing any scheme of expansion/modernisation/diversification/renovation or acquiring any fixed assets during any accounting year, except such schemes which have already been approved by the lenders;

(g) declare or pay any dividend if any instalment towards principal or interest remains unpaid;

(h) permitting any transfer of the controlling interest or making any drastic change in the management set-up;

(i) investing any funds by way of deposits, or loans or in share capital of any other concerns so long as the money remains due to the lenders; our Company will however be free to deposit funds by way of security with third party in the ordinary course of business; and

(j) Create any mortgage, charge, lien or encumbrance over our assets or otherwise dispose off any fixed assets;

Further, in relation to the borrowings availed by our Company, certain lenders have the right to appoint nominee director on our Board.

The abovementioned list is indicative and there may be additional restrictive covenants and conditions where we may be required to take prior written consent or intimate the respective lender under the various borrowing arrangements entered into by us.

8. ***Events of default:*** The borrowing arrangements entered into by us contain certain standard events of default, including:

(a) default in payment of interest or instalment amount;

(b) non-compliance of financial covenants;

(c) any substantial change in the constitution or management of the Company without the previous consent of the lender or upon management ceasing to enjoy the confidence of the lender;

(d) breach of security arrangements;

(e) cessation of or threat of cessation of Company's business;

(f) if any representation or statements or particulars made by the Company is found to be incorrect;

(g) existence of circumstance or event which is prejudicial to or impairs or jeopardise or is likely to prejudice, impair, imperil, depreciate or jeopardise any security given by the Company or any part thereof;

(h) initiation of insolvency, bankruptcy, winding-up or liquidation proceedings of the Company, and seizure, confiscation, possession of the Company's assets by any of the Government authorities; and

(i) cross default.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

9. ***Consequences of occurrence of events of default:*** In terms of our borrowing arrangements, as a consequence of occurrence of events of default, our lenders may:

(a) declare all amounts outstanding in respect of facility due and immediately payable;

(b) non-disbursement of full amount of advance;

(c) enforce security or change any of the terms of sanction;

(d) impose penal interest on the outstanding amount;

(e) convert the whole or part of the outstanding due amounts under the loan into equity shares of our Company and/or formulate mechanism for resolution of stressed assets; and

(f) appoint a nominee director on Board 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 covenants required to be complied with in relation to our borrowings, see "*Risk Factors – We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition. In addition, certain of our financing agreements involve variable interest rates and an increase in interest rates may adversely affect our results of operations and financial condition.*" on page 42.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities; (iii) claims related to direct and indirect taxes (disclosed in a consolidated manner); (iv) other legal proceedings which are determined to be material as per the Materiality Policy adopted by our Board, in each case involving our Company, Promoters, and Directors ("**Relevant Parties**") and (v) litigation involving our Group Companies which may have a material impact on our Company.*

*In relation to (iv) above, our Board in its meeting held on June 1, 2022, has considered and adopted a policy of materiality for identification of material litigation/arbitration ("**Materiality Policy**"). In terms of the Materiality Policy, the following shall be considered 'material' for the purposes of disclosure in the Draft Red Herring Prospectus:*

(a) Any outstanding litigation involving the Company, Directors or Individual Promoters, where the aggregate monetary claim made by or against the Company or its Directors or its Individual Promoters (individually or in the aggregate), in any such pending litigation/ arbitration proceeding is equal to or in excess of 1% of the Company's profit after tax in the most recently completed fiscal year as per the Restated Financial Information. The total profit after tax, as per the as per the Restated Financial Information of the Company for Fiscal 2022 is ₹ 1,089.45 million and accordingly, all litigation involving our Company, our Directors and our Individual Promoters, in which the amount involved is equal to or exceeds ₹ 10.89 million have been considered as material, if any, or;

(b) Any outstanding litigation involving the Corporate Promoter, shall be considered material if the aggregate monetary claim made by or against the Corporate Promoter (individually or in aggregate), in any such pending litigation/ arbitration proceeding is equal to or in excess of 1 % of the Corporate Promoter's consolidated profit after tax in the most recently completed fiscal year. The consolidated profit after tax, as per the audited financials of the Corporate Promoter for Fiscal 2022 is ₹ 4,179.01 million and accordingly, all litigation involving the Corporate Promoter in which the amount involved exceeds ₹ 41.79 million has been considered as material

(c) Any such litigation wherein a monetary liability is not quantifiable, or which does not fulfil the threshold as specified above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company, irrespective of the amount involved in such litigation;

Further, there are no disciplinary actions (including penalties) imposed 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.

For the purposes of the above, pre-litigation notices received by our Company, Promoters, Directors, or Group Companies from third parties (excluding those notices issued by statutory / regulatory / tax authorities or notices threatening criminal action to the Company, Promoters and Directors) have not and shall not, unless otherwise decided by our Board, be considered material for the purpose of point (iv) above, until such time that the Company, Promoters, Directors, or Group Companies is impleaded as a defendant in litigation before any judicial/arbitral forum.

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. In accordance with the Materiality Policy, a creditor of the Company shall be considered material for the purpose of disclosure in this Draft Red Herring Prospectus, if amounts due to such creditor is equal to or in excess of 5% of the trade payables of the Company as on March 31, 2022 as per the Restated Financial Information. The trade payable of our Company as at March 31, 2022 was ₹ 225.00 million as per the Restated Financial Information. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeded ₹ 11.25 million as on March 31, 2022. Further, for outstanding dues to any party which is a micro, small or medium enterprise ("**MSME**"), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Act, 2006, as amended.*

Unless stated to the contrary, the information provided below is as on the date of this Draft Red Herring Prospectus.

LITIGATION INVOLVING OUR COMPANY

(i) ***Outstanding litigation proceedings against our Company***

(a) Criminal Proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Company.

(b) Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against our Company.

(c) Other pending material proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding proceedings initiated against our Company, which have been considered material by our Company in accordance with the Materiality Policy.

(d) Tax proceedings

Except as mentioned below, there are no pending claims related to direct and indirect taxes against our Company as on the date of this Draft Red Herring Prospectus.

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹ million)
Direct tax	2	5.65
Indirect tax	Nil	Nil
Total	2	5.65

**To the extent quantifiable*

(ii) ***Outstanding litigation proceedings by our Company***

(a) Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Company.

(b) Other pending proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding proceedings initiated by our Company, which have been considered material by our Company in accordance with the Materiality Policy.

LITIGATION INVOLVING OUR DIRECTORS

(i) Outstanding litigation proceedings against Directors

(a) *Criminal proceedings against our Directors*

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Directors.

(b) Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against our Directors.

(c) Other pending proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding proceedings initiated against our Directors, which have been considered material by our Company in accordance with the Materiality Policy.

(d) Claims related to direct and indirect taxes

There are no pending claims related to direct and indirect taxes against our Directors as on the date of this Draft Red Herring Prospectus.

(ii) *Outstanding litigation proceedings by our Directors*

(a) Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Directors.

(b) Other pending proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding proceedings initiated by our Directors, which have been considered material by our Company in accordance with the Materiality Policy.

LITIGATION INVOLVING OUR CORPORATE PROMOTER

(i) Outstanding litigation proceedings against our Corporate Promoter

(a) Criminal proceedings against our Corporate Promoter

As on the date of this Draft Red Herring Prospectus, there are no pending outstanding criminal proceedings initiated against our Corporate Promoter.

(b) Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against our Corporate Promoter.

(c) Other pending proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding proceedings initiated against our Corporate Promoter, which have been considered material by our Company in accordance with the Materiality Policy.

(d) Claims related to direct and indirect taxes

Except as mentioned below, there are no pending claims related to direct and indirect taxes against our Corporate Promoter as on the date of this Draft Red Herring Prospectus.

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹ million)
Direct tax	5	29.65
Indirect tax	Nil	Nil
Total	5	29.65

**To the extent quantifiable*

(ii) ***Outstanding litigation proceedings by our Corporate Promoter***

(a) Criminal proceedings

1. Our Corporate Promoter has, in the ordinary course of business, filed five proceedings under Section 138 of the Negotiable Instruments Act, 1881 in respect of dishonour of cheques aggregating to an amount of ₹ 0.70 million. Such proceedings are pending before various adjudicating forums.

(b) Other pending proceedings

Except as disclosed below, on the date of this Draft Red Herring Prospectus, there are no outstanding proceedings initiated by our Corporate Promoter, which have been considered material by our Company in accordance with the Materiality Policy.

Our Corporate Promoter has filed six civil miscellaneous applications (the "**Applications**") before the Additional Sessions Judge, Osmania District and Sessions Court (the "**Court**") against the Union of India, the National Highway Authority of India ("**NHAI**"), The Competent Authority & Deputy Collector Land Acquisition Officer and the Arbitrator, Collector of Osmanabad the ("**Arbitrator**") in relation to the compensation receivable by our Corporate Promoter pursuant to the compulsory acquisition of six plots of land owned by it in Osmanabad, Maharashtra (the "**Plots of Land**"). The Plots of Land were acquired by NHAI in relation to the construction of the National Highway-211. Pursuant to disagreement on the compensation payable for each Plot of Land, the Arbitrator was appointed to fix the compensation payable. The Arbitrator had pursuant to separate orders for each of the six Plots of Land held that an aggregate compensation of ₹ 19.16 million was payable to the Corporate Promoter for the Plots of Land. Our Corporate Promoter has filed the Applications challenging the orders of the Arbitrator and has requested for an aggregate compensation of ₹ 151.58 million for the Plots of Land. The Applications are currently pending.

LITIGATION INVOLVING OUR INDIVIDUAL PROMOTERS

(i) ***Outstanding litigation proceedings against our Individual Promoters***

(a) Criminal proceedings against our Individual Promoters

As on the date of this Draft Red Herring Prospectus, there are no pending outstanding criminal proceedings initiated against our Individual Promoters.

(b) Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against our Individual Promoters.

(c) Other pending proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding proceedings initiated against our Individual Promoters, which have been considered material by our Company in accordance with the Materiality Policy.

(d) Claims related to direct and indirect taxes

There are no pending claims related to direct and indirect taxes against our Individual Promoters as on the date of this Draft Red Herring Prospectus.

(ii) ***Outstanding litigation proceedings by our Individual Promoters***

(a) Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Individual Promoters.

(b) Other pending proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding proceedings initiated by our Individual Promoters, which have been considered material by our Company in accordance with the Materiality Policy.

A. Litigation involving our Group Companies

Our Group Companies are not party to outstanding litigations which will have a material impact on our Company.

B. Outstanding dues to creditors

As per the Materiality Policy, a creditor of our Company shall be considered 'material' ("**Material Creditors**") for the purpose of disclosure in this Draft Red Herring Prospectus, if amounts due to such creditor by our Company is equal to or in excess of 5% of the trade payables of our Company as on March 31, 2022 as per the Restated Financial Information. The trade payable of our Company as at March 31, 2022 was ₹ 225.00 million as per the Restated Financial Information. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeded ₹ 11.25 million as on March 31, 2022. Based on this criterion, details of outstanding dues owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), Material Creditors and other creditors, as on March 31, 2022 by our Company, are set out below:

Type of creditors	Number of creditors	Amount involved (*in ₹ million*)
Micro, small and medium enterprises	19	59.18
Other creditors	65	165.82
Total	84	225.00
Material Creditors	3	162.22

The details pertaining to outstanding dues to Material Creditors, along with the name and amounts involved for each such Material Creditor, are available on the website of our Company at www.balajispecialitychemicals.com/details?source_ref=NQ==.

C. Material Developments

Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 253, there have been no material developments, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances, which materially and adversely affect, or are likely to affect trading or profitability of our Company or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, consents, licenses, registrations, and permits issued by relevant governmental, statutory, and regulatory authorities of the respective jurisdictions under various rules and regulations. In the event any of the approvals and licenses that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time.

Set out below is an indicative list of all material consents, licenses, registrations, permissions, and approvals obtained from various governmental, statutory, and regulatory authorities, which are necessary for undertaking our Company's current business activities and operations. Except as disclosed below, no further material approvals are required for carrying on the present business activities and operations of our Company. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus.

For details in connection with the regulatory and legal framework within which our Company operates, see "Key Regulations and Policies" on page 177. For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factors - We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our Manufacturing Facility, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations." on page 36.

For Offer related approvals, see "Other Regulatory and Statutory Disclosures" on page 294, and for incorporation details of our Company, see "History and Certain Corporate Matters" on page 183.

Material approvals in relation to our Company's business and operations

Tax related approvals

1. Permanent account number issued by the Income Tax Department, Government of India, under the Income Tax Act, 1961.

2. Tax deduction account number issued by the Income Tax Department, Government of India, under the Income Tax Act, 1961. *

3. Goods and services tax registration issued by the Government of India, under the Central Goods and Services Tax Act, 2017 and the rules thereunder, and the Maharashtra Goods and Services Tax Act, 2017, for the state of Maharashtra.

4. Certificates for professional tax registration and enrollment issued by the Maharashtra Sales Tax Department under the Maharashtra State Tax on Professions, Trades, Callings, and Employments Act, 1975.

5. Approval obtained from the Deputy Commissioner of State Tax, Solapur, Maharashtra, for the letter of undertaking filed for the export of goods and/ or services without payment of integrated tax, under Section 16(3) of the Integrated Goods and Services Tax Act, 2017, read with the Notification No. 37/ 2017 – Central Tax dated October 4, 2017. *

Business related approvals

1. Registration issued by the Directorate of Industrial Safety and Health, Government of Maharashtra, under the Factories Act, 1948, to enable our Company to operate our Manufacturing Facility.

2. Certificate of Importer-Exporter Code issued by the Office of the Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India, under the Foreign Trade (Development and Regulation) Act, 1992.

3. No objection certificate issued by the Maharashtra Industrial Development Corporation under the Maharashtra Fire Prevention and Life Safety Measures Act, 2006, for the plant building at our Manufacturing Facility. *

4. Certificate for use of a boiler issued by the Office of the Joint Director, Directorate of Steam Boilers, Government of Maharashtra under the Indian Boilers Act, 1923.

5. Licence to store compressed gas in pressure vessel or vessels at our Manufacturing Facility issued by the Chief Controller of Explosives, Nagpur, under the Static and Mobile Pressure Vessels (Unfired) Rules, 2016.

6. Industrial Entrepreneurs Memorandum in relation to our Manufacturing Facility for the manufacture of certain chemicals, issued by the Ministry of Commerce and Industry, Government of India, under the Industries (Development and Regulation) Act, 1951.

7. Certificates of verification issued by the Inspector of Legal Metrology, Solapur-4 Division under the Legal Metrology Act, 2009, with respect to weights and measures in relation to our Manufacturing Facility.

8. Registration for diesel generating sets at our Manufacturing Facility issued by the Office of the Chief Electrical Inspector, Industries, Energy and Labour Department, Mumbai under the Bombay Electricity Duty Rules, 1962.

9. Registration-cum-membership certificate as a merchant-cum-manufacturer exporter for basic inorganic and organic chemicals including agro chemicals issued by the Basic Chemicals Cosmetics and Dyes Export Promotion Council, Ministry of Commerce and Industry under the Foreign Trade Policy, Government of India.

10. Eligibility certificate for mega projects – new investment based, issued by the Directorate of Industries, Government of Maharashtra in accordance with the Eligibility Certificate for Package Scheme of Incentives-2013.

11. Occupancy certificate in relation to a building situated at our Manufacturing Facility issued by the Maharashtra Industrial Development Corporation under the Maharashtra Regional and Town Planning Act, 1966. *

12. Legal entity identification code issued by Legal Entity Identifier India Limited.

13. UN certificates issued by the Indian Institute of Packaging, to enable our Company to transport Dimethylamines (DMA) Solution, Ethylenediamine, Piperazine Anhydrous PIP, and Solar BA 77.

14. Registration of self sealing permission for export of goods in container under e-sealing procedure issued by the Office of the Commissioner of Customs (General), Maharashtra.

Environment related approvals

1. Environment clearance issued by the Impact Assessment Division, Ministry of Environment, Forest, and Climate Change, Government of India, for setting up a chemical manufacturing unit at our Manufacturing Facility.

2. Consolidated consent and authorisation issued by the Maharashtra Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974; Air (Prevention and Control of Pollution) Act, 1981; Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, and Environment (Protection) Act, 1986, with respect to our Manufacturing Facility. *

Labour/ employment related approvals

1. Registration for employees' provident fund issued by the Employees' Provident Fund Organisation under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

2. Registration for employees' insurance issued by the Regional Office, Employees' State Insurance Corporation under the Employees' State Insurance Act, 1948.

3. Registration issued by the Maharashtra Labour Welfare Board under the Maharashtra Labour Welfare Fund Act, 1953.
4. Certificate of registration issued by the Office of the Assistant Commissioner of Labour, Solapur, for our Registered Office under the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017.

Licenses for international sales

In the ordinary course of business, dependent on the location of our customers, we are also required to obtain licenses in certain jurisdictions outside India. In this regard, our Company has *inter alia* obtained the following approvals:

1. Registration issued by the European Chemicals Agency to enable our Company to manufacture/import or produce an article containing diethylenetriamine.

2. UK REACH compliance certificate issued by UK Reach Expert Limited acknowledging its appointment for the completion of the Downstream User Import Notification in relation to ethylenediamine and diethylenetriamine.

3. REACH compliance certificate issued by Pharmegic Healthcare acknowledging its appointment as our only representative for REACH compliance of ethylenediamine and diethylenetriamine.

4. KKDIK pre-registration confirmation letter issued by Chd Global, Turkey, acknowledging its appointment as our only representative for KKDIK pre-registration of ethylenediamine and diethylenetriamine.

Material approvals that have been applied for but not yet received*:*

Nil

Material approvals that have expired for which renewal applications have been made:

Nil

Material approvals that have expired but for which no renewal applications have been made:

Nil

Intellectual Property Rights

For details, including with respect to the license agreement dated July 29, 2022 executed between our Company and our Corporate Promoter, see "*History and Certain Corporate Matters-Other Agreements*" on page 185, "*Our Business – Intellectual Property*" on page 175 and "*Risk Factors - Our business operations benefit from our association with our Corporate Promoter, and any deterioration in or cessation of such relationship in the future may have an adverse impact on our business operations and financial performance.*" on page 31.

**Our Company was converted into a public limited company pursuant to the Shareholders' resolution dated February 26, 2022, and consequently, the name of our Company was changed to our present name i.e., 'Balaji Speciality Chemicals Limited' pursuant to a certificate of incorporation consequent upon conversion to a public limited company dated March 17, 2022, issued by the RoC. Our Company has filed or is in the process of completing the filing of the necessary applications with relevant statutory and regulatory authorities for reflecting the change of name of the Company, pursuant to conversion from a private limited company to a public limited company.*

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorized by our Board of Directors pursuant to the resolution passed at its meeting dated June 1, 2022, and our Shareholders have authorized the Fresh Issue pursuant to a special resolution passed at their meeting dated June 2, 2022 under Section 62(1)(c).

Further, our Board has taken on record the consent of the Selling Shareholders in its meeting held on August 10, 2022.

Our Board has approved this Draft Red Herring Prospectus pursuant to their resolution dated August 10, 2022.

The Offer for Sale has been authorized by each of the Selling Shareholder as follows:

Selling Shareholder	Aggregate value of dilution in the Offer for Sale	Date of consent letter
Ande Prathap Reddy	Up to 1,030,000 Equity Shares aggregating to ₹ [•] million	August 5, 2022
Ande Srinivas Reddy	Up to 5,600,000 Equity Shares aggregating to ₹ [•] million	August 5, 2022
Ram Reddy Dundurapu	Up to 1,900,000 Equity Shares aggregating to ₹ [•] million	August 5, 2022
Rajeshwar Reddy Nomula	Up to 2,300,000 Equity Shares aggregating to ₹ [•] million	August 5, 2022
Gaddam Hemanth Reddy	Up to 660,000 Equity Shares aggregating to ₹ [•] million	August 5, 2022
Achanta Annapurna	Up to 2,250,000 Equity Shares aggregating to ₹ [•] million	August 5, 2022
Dundurapu Vandana Reddy	Up to 2,000,000 Equity Shares aggregating to ₹ [•] million	August 5, 2022
Ande Shakuntala Devi	Up to 3,600,000 Equity Shares aggregating to ₹ [•] million	August 5, 2022
Gaddam Madhumathi	Up to 900,000 Equity Shares aggregating to ₹ [•] million	August 5, 2022
Gaddam Tanmai Reddy	Up to 1,300,000 Equity Shares aggregating to ₹ [•] million	August 5, 2022
Eeshan Reddy Nomula	Up to 2,100,000 Equity Shares aggregating to ₹ [•] million	August 5, 2022
Nomula Deepti Rajeshwar Reddy	Up to 800,000 Equity Shares aggregating to ₹ [•] million	August 5, 2022
Gaddam Laasya Reddy	Up to 780,000 Equity Shares aggregating to ₹ [•] million	August 5, 2022
Gaddam Komali Reddy	Up to 780,000 Equity Shares aggregating to ₹ [•] million	August 5, 2022

In-Principle Listing Approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI other Governmental Authorities

Our Company, our Promoters (including persons in control of our Company), our Directors, the members of the Promoter Group, persons in control of our Corporate Promoter, and the Selling Shareholders are not prohibited from accessing or operating 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.

Our Company, Promoters or Directors have neither been declared as Wilful Defaulters nor Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI.

Our Directors have not been declared as fugitive economic offenders in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018.

The Selling Shareholders confirm that they are not prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters, the members of the Promoter Group and the Selling Shareholders, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, in relation to the Company, to the extent in force and applicable, as on the date of this Draft Red Herring Prospectus.

Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market. There are no outstanding actions initiated by SEBI in the last five years preceding the date of this Draft Red Herring Prospectus against our Directors.

Eligibility for the Offer

We are an unlisted company not complying with the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed under Regulation 6(2) of the SEBI ICDR Regulations, which states the following:

"An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so."

We undertake to comply with Regulation 6(2) of the SEBI ICDR Regulations. Not less than 75% of the Net Offer is proposed to be allocated to QIBs and in the event that we fail to do so, the full Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and other applicable law.

Further, our Company confirms that the Offer for Sale is in compliance with the condition specified in Regulation 8A of the SEBI ICDR Regulations, to the extent applicable.

Each of the Selling Shareholders has, severally and not jointly, confirmed that it has held its respective portion of offered shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus and that it is in compliance with Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered in the Offer for sale.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 and 7(1) of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

(a) None of our Company, our Promoters, members of our Promoter Group, any of 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 the 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 has been declared a fugitive economic offender in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018.

(e) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus.

(f) Our Company along with the Registrar to the Offer has entered into a tripartite agreement dated May 26, 2022 and May 27, 2022 with NDSL and CDSL, respectively for dematerialisation of the Equity Shares.

(g) The Equity Shares of our Company held by our Promoters are in dematerialised form; and

(h) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing 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. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholders and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, HDFC BANK LIMITED AND JM FINANCIAL 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, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 10, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM 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 BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors, the Selling Shareholders and the Book Running Lead Managers

Our Company, our Directors, the Selling Shareholders and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company’s instance and anyone placing reliance on any other source of information, including our Company’s website, www.balajispecialitychemicals.com or the website of any affiliate of our Company and its Group Companies, would be doing so at his or her own risk. The Selling Shareholders, its 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 itself and their Offered Shares in this Draft Red Herring Prospectus.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders and the Book Running Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

None among our Company, or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, employees, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Book Running Lead Managers and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoters, members of the Promoter Group, 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, its directors, the Promoters, officers, agents, and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term ‘affiliate’ means (i) any person or entity that controls or is controlled by or is under common control with another person or entity; (ii) any other person which is a holding company, or subsidiary of another entity; and/or (iii) any other person in which another person or entity has a “significant influence” or which has “significant influence” over such party, where “significant influence” over a person is the power to participate in the management, financial or operating policy decisions of that person but is less than Control over those policies and that shareholders beneficially holding, directly or indirectly though one or more intermediaries, a 10% or more interest in the voting power of that person are presumed to have a significant influence over that person.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Solapur only.

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, state industrial development corporations, permitted insurance companies registered with IRDAI, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, permitted provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by the army and navy or air force of Union of India and insurance funds set up and managed by the Department of Posts, India, systemically important NBFCs registered with the RBI and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, other than in India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. 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. The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S 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.

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.

Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions.

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 or any offer for sale thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date thereof 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 state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S 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.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act unless made pursuant to available exemptions from the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws in the United States.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. 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 offered pursuant to the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications will be made to BSE and NSE for obtaining their permission for the listing and trading of the Equity Shares.

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 this 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.

The Selling Shareholders undertake 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 the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

Consents

Consents in writing; (a) of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Legal Counsel to our Company as to Indian law, Legal Counsel to the Book Running Lead Managers as to Indian law, International Legal Counsel to the BRLMs, Chartered Engineer, Bankers to our Company, the Book Running Lead Managers, the Registrar to the Offer, the Statutory Auditors and CRISIL Limited, in their respective capacities, have been obtained; and (b) consents in writing of the Syndicate Members, Public Offer Account Bank(s), Sponsor Bank, Escrow Collection Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of filing of the Red Herring Prospectus with the RoC.

Expert to the Offer

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

Our Company has received written consent dated August 10, 2022 from our Statutory Auditors, M. Anandam & Co, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors and in respect of their (i) examination report dated July 28, 2022 on our Restated Financial Information, and (ii) their report dated August 10, 2022 on the statement of possible special tax benefits, in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Further, our Company has received written consent dated August 10, 2022 from Kulkarni Mukund Murlidhar, Chartered Engineer 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 as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in his capacity as Independent Chartered Engineer in relation to his certificate dated August 10, 2022 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

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 and group companies during the last three years

Our Company has not undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any Subsidiary and our Group Companies are not listed.

Performance vis-à-vis Objects – Last public/rights issue of our listed subsidiaries/promoter

As on the date of this Draft Red Herring Prospectus, our Company does not have a subsidiary. Our listed Corporate Promoter, Balaji Amines Limited, has not undertaken any public or rights issue of its equity shares in the preceding five years.

Exemption under securities laws

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

Price information of past issues handled by the BRLMs

A. HDFC Bank Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by HDFC Bank Limited:*

Sr. No.	Offer Name	Offer Size (in ₹ Mn)	Offer price (₹)	Listing Date	Opening Price on Listing Date	+/- % 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.	Aether Industries Limited	8,080.44	642	June 03, 2022	706.15	+21.00% [-5.13%]	-	-
2.	Adani Wilmar Limited	36,000.00	230	February 08, 2022	227.00	+48.00% [-5.34%]	+180.96% [-4.95%]	+193.26% [+0.76%]
3.	AGS Transact Technologies Limited	6,800.00	175	January 31, 2022	176.00	-42.97% [-3.05%]	-28.63% [-1.64%]	-52.69% [-0.77%]
4.	One 97 Communications Limited	183,000.00	2,150	November 18, 2021	1,955.00	-38.52% [-4.40%]	-60.39% [-2.51%]	-72.49% [-11.17%]
5.	PB Fintech Limited	57,097.15	980	November 15, 2021	1,150.00	+14.86% [-4.33%]	-20.52% [-4.06%]	-34.16% [-12.85%]
6.	Aditya Birla Sun Life AMC Limited	27,682.56	712	October 11, 2021	715.00	-11.36% [+0.55%]	-23.85% [-0.74%]	-25.65% [-0.90%]
7.	Chemplast Sanmar Limited	38,500.00	541	August 24, 2021	550.00	+2.06% [+5.55%]	+12.68% [+6.86%]	-3.30% [+3.92%]
8.	G R Infraprojects Limited	9,623.34	837	July 19, 2021	1,700.00	+90.61% [+6.16%]	+138.67% [+16.65%]	+132.16% [+16.50%]
9.	Computer Age	22,421.05	1,230	October	1,518.00	+5.52%	+49.52%	+43.67%

Sr. No.	Offer Name	Offer Size (in ₹ Mn)	Offer price (₹)	Listing Date	Opening Price on Listing Date	+/- % 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
	Management Services Ltd			01, 2020		[+2.37%]	[+23.04%]	[+26.65%]

Source: www.nseindia.com and www.bseindia.com for price information and prospectus for offer details

Notes:
1. *Designated stock exchange of the respective issuer has been considered for the pricing information*
2. *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 as listing date plus 179 calendar days*
3. *In case of reporting dates falling on a trading holiday, values for immediately previous trading day have been considered*
4. *In G R Infraprojects Limited, the offer price to eligible employees was ₹795 after a discount of ₹42 per equity share*
5. *In Computer Age Management Services Limited, the offer price to eligible employees was ₹1,108 after a discount of ₹122 per equity share*
6. *In Adani Wilmar Limited, the offer price to eligible employees was ₹209 after a discount of ₹21 per equity share*

2. *Summary statement of price information of past offers handled by HDFC Bank Limited:*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day 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%
2022 – 23	1	8,080.44	-	-	-	-	-	1	-	-	-	-	-	-
2021 – 22	7	3,58,703.05	-	2	1	1	1	2	2	2	1	2	-	-
2020 – 21	1	22,421.05	-	-	-	-	-	1	-	-	-	-	1	-

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 offers listed during such financial year.*

B. *JM Financial Limited*

1. *Price information of past issues (during the 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.	Paradeep Phosphates Limited#	15,017.31	42.00	May 27, 2022	43.55	-10.24% [-3.93%]	Not Applicable	Not Applicable
2.	Life Insurance Corporation of India#8	205,572.31	949.00	May 17, 2022	867.20	-27.24% [-3.27%]	Not Applicable	Not Applicable
3.	Campus Activewear Limited*7	13,997.70	292.00	May 05, 2022	360.00	11.92% [0.70%]	41.71% [6.72%]	Not Applicable
4.	AGS Transact Technologies Limited#	6,800.00	175.00	January 31, 2022	176.00	-42.97% [-3.05%]	-28.63% [-1.64%]	-52.69% [-0.77%]
5.	CMS Info Systems Limited#	11,000.00	216.00	December 31, 2021	218.50	21.99% [-1.81%]	25.35% [0.74%]	3.75%[-8.71%]
6.	Data Patterns (India) Limited*	5,882.24	585.00	December 24, 2021	856.05	29.70% [3.61%]	13.56% [1.42%]	14.16%[-8.03%]
7.	C.E. Info Systems Limited#	10,396.06	1,033.00	December 21, 2021	1,581.00	70.21% [6.71%]	48.48% [2.74%]	21.40%[-8.80%]
8.	Tega Industries Limited*	6,192.27	453.00	December 13, 2021	760.00	30.70% [3.96%]	1.02% [-4.25%]	3.39% [-6.66%]
9.	Go Fashion (India) Limited*	10,136.09	690.00	November 30, 2021	1,310.00	59.75% [1.36%]	32.91% [-1.91%]	48.90% [-3.71%]

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
10.	Sapphire Foods India Limited*	20,732.53	1,180.00	November 18, 2021	1,350.00	3.69% [-4.39%]	20.78% [-2.32%]	-7.85% [-10.82%]

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. 27 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *A discount of Rs. 45 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion and Retail Individual Investors. A discount of Rs. 60 per Equity Share was offered to Policy holders.*
9. *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%
2022-2023	3	2,34,587.32	-	1	1	-	-	1	-	-	-	-	-	-
2021-2022	17	2,89,814.06	-	1	2	5	5	4	1	2	3	4	3	4
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1

Website for track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular (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
HDFC Bank Limited	www.hdfcbank.com
JM Financial Limited	www.jmfl.com

Stock market data of Equity Shares

This being an initial public issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange 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

The agreement between the Registrar to the Offer, and our Company 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 at the Stock Exchanges or any such period as prescribed under the 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 unblocking intimation/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 Book Running Lead Managers or the Registrar to the Offer, in the manner provided below.

All Offer related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, 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 where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. For offer related grievances, investors may contact Book Running Lead Managers, details of which are given in "*General Information*" on page 70.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

SEBI, by way of its circular 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 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 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 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 0.50 million, shall use UPI. Eligible Employees Bidding under the Employee Reservation Portion for up to ₹ 0.50 million, Balaji Amines Shareholders Bidding under the Balaji Amines Shareholder Reservation Portion for up to ₹ 0.20 million and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 0.20 million and up to ₹ 0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

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

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

Our Company will obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES, immediately after filing the Draft Red Herring Prospectus.

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 has also constituted a Stakeholders Relationship Committee, to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer, and issue of duplicate shares. For details of our Stakeholders' Relationship Committee, please see "*Our Management*" beginning on page 187.

The Selling Shareholders have authorised the Company Secretary and Compliance Officer of the 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 Srinivas Bodige, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, "*General Information – Company Secretary and Compliance Officer*" on page 71.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

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 Book Running Lead Managers, the Syndicate Members, the 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.

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

Exemptions from complying with any provision of securities laws, if any, granted by SEBI

Our Company has not applied for or received any exemption from complying with any provisions of securities laws from SEBI.

SECTION VII – 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, 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 issue, offer for sale and listing and trading of securities, issued from time to time, by the SEBI, the Government of India, 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 and/or regulatory authority while granting approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our company and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and each of the Selling Shareholders in the manner specified in "*Objects of the Offer – Offer Expenses*" on page 102.

Ranking of Equity Shares

The Equity Shares being offered and Allotted pursuant to the Offer will be subject to the provisions of the Companies Act 2013, the Memorandum of Association and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with applicable law. See "*Main Provisions of the Articles of Association*" on page 342.

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 Government of India in this respect. Any dividends declared after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale) in this Offer will be payable to the Allottees, for the entire year, in accordance with applicable law. See "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on pages 215 and 342, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 2. At any given point of time there will be only one denomination for the Equity Shares. The Floor Price of the Equity Shares is ₹[●] and the Cap Price of the Equity Shares is ₹[●]. 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 Book Running Lead Managers, 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 Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located), and shall be made available to the Stock Exchanges for the purpose of uploading on their respective 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 website of the Stock Exchanges.

The Offer Price shall be determined by our Company and Selling Shareholders, in consultation with the Book Running Lead Managers, after the Bid/Offer Closing Date.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Shareholders

Subject to applicable law, rules, regulations and guidelines and the Articles of Association, the 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;
- 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 of free transferability of 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 "*Main Provisions of the Articles of Association*" on page 342.

Allotment only in dematerialized form

In terms of 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 May 26, 2022 among our Company, NSDL and the Registrar to the Offer; and
- Tripartite agreement dated May 27, 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 318.

Joint holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Nomination facility

In accordance with Section 72 of the Companies Act 2013, read with 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, shall vest to the exclusion of all other person, unless the nomination if verified or cancelled in the prescribed manner. A person, being nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall 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 Shares. 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 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. A fresh nomination can be made only on the prescribed form, which is available on request at the Registered or with the register and transfer agent of our Company.

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 holder of 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, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no 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[(1)]	[●]
BID/OFFER CLOSES ON[(2)(3)]	[●]

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

(2) *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.*

(3) *UPI mandate end time and date shall be at 12:00 pm on [●].*

EVENT	INDICATIVE DATE
BID/OFFER CLOSING DATE	[●]
FINALIZATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	[●]
INITIATION OF REFUNDS (IF ANY, FOR ANCHOR INVESTORS)/UNBLOCKING OF FUNDS FROM ASBA ACCOUNT*	[●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS OF ALLOTTEES	[●]
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON 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 by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 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.*

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

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 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 extended subject to change for various reasons, including extension of Bid/Offer Period by our Company and the Selling Shareholders in consultation with the BRLMs, 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 complete co-operation required by our Company and the BRLMs, 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 within such other period as may be prescribed by SEBI.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on a 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 same Working Day and submit the confirmation to the Book Running Lead Managers and the Registrar to the Offer not later than the next working day from the finalization of basis of allotment by the Registrar to the Offer, as per the format prescribed in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

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 IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the Offer procedure is subject to change basis any revised SEBI circulars to this effect.

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 12:00 p.m. on [●].*

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4:00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors, and

(ii) until 5:00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Form as stated herein 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.

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, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation 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. Investors 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.

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 revision of 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 Book Running Lead Managers, 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 Book Running Lead Managers and terminals of the Syndicate Members and will also be intimated to the Designated Intermediaries and the Sponsor Bank. 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

In the event our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through development of Underwriters, as applicable, within 60 days from the date of Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date due to withdrawal of Bids or technical rejections or any other reason, 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. If there is a delay beyond four days, as applicable, our Company and our Directors, who are officers in default, shall pay interest at the rate of prescribed under applicable law.

No liability to make any payment of interest shall accrue to any Selling Shareholder unless any delay in making any of the payments hereunder or any delay in obtaining listing and/or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder and to the extent of its portion of the Offered Shares.

The requirement for minimum subscription is not applicable to the Offer for Sale in accordance with the SEBI ICDR Regulations.

In the event of achieving aforesaid minimum subscription, however, there is under-subscription in achieving the total Offer size, the Equity Shares will be Allotted in the following order:

(i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue portion is subscribed;

(ii) once the Equity Shares have been Allotted as per (i) above, all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted; and

(iii) once Equity Shares have been Allotted as per (i) and (ii) a above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Issue portion.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company and the Selling Shareholders shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Each Selling Shareholder shall reimburse, severally and not jointly, and only to the extent of the Equity Shares offered by such Selling Shareholders in the Offer, any expenses and interest incurred by our Company on behalf of such Selling Shareholder for any delays in making refunds as required under the Companies Act, 2013 and any other applicable law, provided that such Selling Shareholder shall not be responsible or liable for payment and/or reimbursement of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder in relation to its portion of the Offered Shares.

Arrangement for Disposal of odd lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

Restriction on transfer of shares and transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, the Promoter's minimum contribution and the Anchor Investor lock-in in the Offer as detailed in "*Capital Structure*" on page 80, and except as provided in the Articles of Association as detailed in "*Main Provisions of the Articles of Association*" on page 342. Further, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/splitting.

Option to receive Equity Shares in Dematerialized

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

The Offer shall be withdrawn in the event the requirement of the minimum subscription as prescribed under regulation 45 of SEBI ICDR Regulations is not fulfilled. Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Selling Shareholders, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company will issue a public notice in the newspaper, 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 or the Sponsor Bank, as the case may be, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly by our Company. If our Company and the Selling Shareholders, in consultation with the BRLMs, withdraw the Offer at any stage 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 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 and the filing of the Prospectus with RoC. If the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER STRUCTURE

The Offer is being made through the Book Building Process. The Offer of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Shares) aggregating up to ₹[●] million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹2,500.00 million by our Company and an Offer for Sale of up to 26,000,000 Equity Shares aggregating up to ₹[●] million by the Selling Shareholders. In accordance with and subject to Regulation 33 of the SEBI ICDR Regulations, the Offer may include an Employee Reservation Portion up to [●] Equity Shares aggregating up to ₹[●] million, for subscription by Eligible Employees and a Balaji Amines Shareholder Reservation Portion of up to [●] Equity Shares aggregating up to ₹[●] million for subscription by Balaji Amines Shareholders.

Our Company, in consultation with the Selling Shareholders and the Book Running Lead Managers, may consider undertaking a further issue of Equity Shares or any other instrument as may be permissible through a preferential issue or any other method as may be permitted in accordance with applicable law to any person(s), for a cash consideration aggregating up to ₹ 500.00 million between the date of this Draft Red Herring Prospectus till the filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers. If the Pre-IPO Placement is undertaken, the amount raised pursuant to such Pre-IPO Placement will be reduced from the amount of the Fresh Issue, subject to compliance with the SEBI ICDR Regulations and the SCRR.

The Offer and the Net Offer will constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company.

Particulars	QIB Portion (1)	Non-Institutional Portion	Retail Portion	Balaji Amines Shareholder Reservation Portion^%	Employee Reservation Portion#%
Number of Equity Shares available for Allotment/ allocation* (2)	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Net Offer less allocation to QIBs and Retail Individual Investors	Not more than [●] Equity Shares available for allocation or Net Offer less allocation to QIBs and Non-Institutional Investors.	Up to [●] Equity Shares	Up to [●] Equity Shares
Percentage of Offer available for Allotment/ allocation	Not less than 75% of the Net Offer size shall be allocated to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not more than 15% of the Net Offer, or the Net Offer less allocation to QIB Bidders and Retail Individual Investors will be available for allocation, subject to the following: (i) one-third of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million; and (ii) two-third of the Non-Institutional Portion shall be reserved for	Not more than 10% of the Net Offer, or the Net Offer less allocation to QIB Bidders and Non-Institutional Investors	In accordance with and subject to Regulation 33 of the SEBI ICDR Regulations, the Balaji Amines Shareholder Reservation Portion shall constitute up to [●]% of the Offer	In accordance with and subject to Regulation 33 of the SEBI ICDR Regulations, the Employee Reservation Portion shall constitute up to [●]% of the Offer

Particulars	QIB Portion (1)	Non-Institutional Portion	Retail Portion	Balaji Amines Shareholder Reservation Portion^%	Employee Reservation Portion#%
		allocation to Bidders with application size of more than ₹ 1 million. provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the other sub-category of Non-Institutional Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price			
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 Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be	Proportionate however, the allotment of specified securities to each Non-Institutional Investor shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.	The allotment to each Retail Individual Investors shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see *"Offer Procedure"* beginning on page 318.	Allotment to each Balaji Amines Shareholder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Balaji Amines Shareholder Reservation Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis (not exceeding ₹ 0.20 million). For details, see *"Offer Procedure"* beginning on page 318.	Allotment to each Eligible Employee shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Employee Reservation Portion, and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis (not exceeding ₹ 0.20 million). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹ 0.20 million up to ₹ 0.50 million each. For details, see *"Offer Procedure"* beginning on page 318.

Particulars	QIB Portion [1]	Non-Institutional Portion	Retail Portion	Balaji Amines Shareholder Reservation Portion^%	Employee Reservation Portion#%
	available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.				
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹ 0.20 million and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 0.20 million and in multiples of [●] Equity Shares thereafter	[●] Equity Shares in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net Offer size (excluding the QIB Portion), subject to limits prescribed under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 0.20 million	Such number of Equity Shares and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Balaji Amines Shareholder does not exceed ₹ 0.20 million, if any	Such number of Equity Shares and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹ 0.50 million, (which will be less Employee Discount, if any)
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter				
Mode of allotment	Compulsorily in dematerialised form				
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter				
Trading Lot	One Equity Share				
Who can apply[3]	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, Eligible FPIs (other than individuals corporate bodies and family offices), VCFs, AIFs, FVCIs registered with the SEBI, state industrial development corporation, insurance companies	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies and trusts, family offices and FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)	Balaji Amines Shareholders	Eligible Employees

Particulars	QIB Portion [1]	Non-Institutional Portion	Retail Portion	Balaji Amines Shareholder Reservation Portion^%	Employee Reservation Portion#%
	registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.				
Terms of Payment[5]	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[4] **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.				
Mode of Bidding[5]	Only through the ASBA process (except for Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI mechanism.				

^*Assuming full subscription in the Offer.*

(1) *Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations, 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.*

(2) *Subject to valid Bids being received at or above the Offer Price. 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(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer will be available for allocation to QIBs on a proportionate basis. Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors, of which one-third of the Non-Institutional Category will be available for allocation to Bidders with an application size between ₹ 0.20 million to ₹ 1.00 million and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 1 million and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the Net Offer will be available for allocation to Retail Individual Investors 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 Category, 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, on a proportionate basis and in accordance with applicable laws. Under-subscription, if any, in the Net QIB Category will not be allowed to be met with spill-over from other categories or a combination of categories. For details, see "Terms of the Offer" on page 306.

(3) *If the Bid is submitted in joint names, the relevant Bidders should ensure that the depositary account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only 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. Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers reserve the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories, subject to applicable laws.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investors Allocation Price and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

(5) *SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 0.50 million, shall use UPI. Eligible Employees Bidding under Employee Reservation Portion for up to ₹ 0.50 million, Balaji Amines Shareholders Bidding under Balaji Amines Shareholder Reservation Portion for up to ₹ 0.20 million and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 0.20 million and up to ₹ 0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.*

Bids by FPIs with certain structures as described under "Offer Procedure - Bids by FPIs" on page 324 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the 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.

#Eligible Employee(s) Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ 0.50 million (net of Employee Discount). Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Balaji Amines Shareholder Reservation Portion (subject to complying with the eligibility criteria and applicable limits) and/or in the Retail Portion, and such Bids will not be treated as multiple Bids subject to applicable limits. Further, any unsubscribed portion remaining in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion, subject to applicable law.

^ Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion can Bid up to a Bid Amount of ₹ 0.20 million (net of Shareholder Discount). Further, a Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion can also Bid in the Employee Reservation Portion (subject to complying with the eligibility criteria and applicable limits) and /or in the Retail Portion, and such Bids will not be treated as multiple Bids subject to applicable limits. Further, any unsubscribed portion remaining in the Balaji Amines Shareholder Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Balaji Amines Shareholder Reservation Portion, subject to applicable law.

%Bids by Balaji Amines Shareholders in the Balaji Amines Shareholder Reservation Portion, in the Employee Reservation Portion and in the Retail Portion shall not be treated as multiple Bids. However, Bids by Balaji Amines Shareholders in the Balaji Amines Shareholder Reservation Portion, in the Employee Reservation Portion and in the Non-Institutional Portion shall be treated as multiple Bids. Our Company and the Selling Shareholders reserve the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. For details, see "Offer Procedure" on page 318 of this Draft Red Herring Prospectus.

Under-subscription, if any, in any category except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers and the Designated Stock Exchange subject to valid Bids being received at or above the Offer Price, on a proportionate basis. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Employee Discount, if any, will be offered to Eligible Employees Bidding in the Employee Reservation Portion. Eligible Employees Bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount net of Employee Discount, at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, if any, at the time of making a Bid.

Shareholder Discount, if any, will be offered to Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion. Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion at a price within the Price Band can make payment based on Bid Amount net of Shareholder

Discount, at the time of making a Bid. Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Shareholder Discount, if any, at the time of making a Bid.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (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. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

*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; (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 ("**UPI Circular**") 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 Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors 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 Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days 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, by SEBI 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 SEBI 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-19 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 Investors ("**UPI Phase III**"), as may be prescribed by SEBI. Accordingly, the Offer will be made pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time unless UPI Phase III becomes effective and applicable on or prior to the Bid/Offer Opening Date. Further, SEBI vide its circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, as amended by circular (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated June 2, 2021, and circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 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; (c) a Collecting Depository Participant; and (d) the Registrar to the Offer and share transfer agent. This Circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of these circular are deemed to form part of this Draft Red Herring Prospectus.*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application monies from 15 to four days.

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document which are not liable for any amendment, modification or change in the applicable law, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of 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 members of the Syndicate 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, read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the 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 QIB Category. Further, 5% of the Net QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which (a) one-third of the Non-Institutional Category will be available for allocation to Bidders with an application size more than ₹ 0.20 million up to ₹ 1.00 million and (b) two-third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 1 million, provided that the under-subscription in either of these two sub-categories of Non-Institutional Category in accordance with SEBI ICDR Regulations may be allocated to Bidders in the other sub-category of Non-Institutional Category and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Further, in accordance with and subject to Regulation 33 of the SEBI ICDR Regulations, up to [●] Equity Shares, aggregating to ₹[●] million, may be made available for allocation on a proportionate basis only to Eligible Employee(s) Bidding in the Employee Reservation Portion and [●] Equity Shares, aggregating to ₹[●] million, may be made available for allocation on a proportionate basis only to Balaji Amines Shareholder(s) Bidding in the Balaji Amines Shareholder Reservation Portion, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill-over from any other category or a combination of categories of Bidders, as applicable, at the discretion of our Company and the Selling Shareholders in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Category, will not be allowed to be met with spill-over from any other category or a combination of categories. In case of an undersubscription in the Net Offer, the Equity Shares proposed for sale by the Selling Shareholders shall be in proportion to the Offered Shares by the Selling Shareholders.

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 Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Investors must ensure that their PAN is linked with Aadhaar and 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 for Bids by RIIs as per the UPI Circulars

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of *inter alia*, equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by UPI Bidders through Designated intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

(a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, a RII also had the option to submit the ASBA Form with any of the Designated Intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

(b) **Phase II:** This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by a Retail Individual Investor 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:** The commencement period of Phase III is yet to be notified by SEBI. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

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 Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one 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 BRLMs will be required to compensate the concerned investor.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 0.50 million, shall use UPI. Eligible Employees Bidding under Employee Reservation Portion for up to ₹ 0.50 million, Balaji Amines Shareholders Bidding under the Balaji Amines Shareholder Reservation Portion for up to ₹ 0.20 million and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 0.20 million and up to ₹ 0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

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 from among the SCSBs as the Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Investors using the UPI.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks make an application as prescribed in Annexure I of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/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.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Managers.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered 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 Book Running Lead Managers.

Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. UPI Bidders are mandatorily required to use the UPI Mechanism for submitted their bids to Designated Intermediaries and are allowed to use ASBA process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

All ASBA Bidders (including UPI Bidders using UPI Mechanism) must provide either, (i) bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided 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 using third party bank account or using third party linked bank account UPI ID are liable for rejection.

UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

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 ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. UPI Bidders using UPI Mechanism, shall submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain broker. 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 by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked. For all IPOs 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 circular shall be applicable for all categories of investors viz. Retail Individual Investors, QIBs, Non-Institutional Investors, Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion and Eligible Employees Bidding in the Employee Reservation Portion and also for all modes through which the applications are processed.

The prescribed colours of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis(1)	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors(2)	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]
Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion	[●]

** Excluding electronic Bid cum Application Forms*

[(1)] *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)*
[(2)] *Bid cum Application Forms for Anchor Investors will be made available at the office of the Book Running Lead Managers.*

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S 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.

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 using UPI Mechanism), Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate 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 Investor 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 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 using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank 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 liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the Bankers to the Offer shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with Book Running Lead Managers the in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank on a continuous basis.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank shall host web portals 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 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by Promoters, Promoter Group, the 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 Book Running Lead Managers and the Syndicate Members shall not be allowed to purchase the Equity Shares in this Offer in any manner, except towards fulfilling their respective underwriting obligations. However, the respective associates and affiliates of the Book Running Lead Managers and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

In terms of SEBI ICDR Regulations, except for Mutual Funds, AIFs or FPIs (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the Book Running Lead Managers or insurance companies promoted by entities which are associates of the Book Running Lead Managers, no Book Running Lead Manager or its respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an "associate of the Book Running Lead Managers" 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 Book Running Lead Managers.

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 the Promoters 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 Promoter 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 the Promoters or 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 Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof subject to applicable law. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid 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 Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs applying on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") accounts, and eligible NRIs Bidding on a non-repatriation basis by using Resident Forms should authorise their SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

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.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Participation of Eligible NRI(s) in the Offer shall be subject to the FEMA Rules.

Eligible NRI will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts.

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 340.

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 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 (blue in colour).

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) must be below 10% of our post-Offer equity share capital (on a fully diluted basis). In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity 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.

SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar to the Offer 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.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with 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.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

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. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the 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. Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids: (i) FPIs which utilise the multi-investment manager ("**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.

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. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. 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).

The holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in initial public offerings.

Further, the shareholding of VCFs, Category I AIFs or Category II AIFs and FVCIs in a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least six months from the date of purchase by the VCF or AIF or FVCI. However, if such VCFs, Category I AIFs or Category II AIFs and FVCIs hold individually or with persons acting in concert, more than 20% of the pre-offer shareholding of such company, this exemption from lock-in requirements will not be applicable.

There is no reservation for Eligible NRIs, AIFs, FPIs and FVCIs. All such Bidders will be treated on the same basis with other categories for the purpose of allocation.

All Non-Resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders and the Book running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of 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 Book Running Lead Managers, 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. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or 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 the BRLMs, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA 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.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

- 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;

- 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

- 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 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.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI, from time to time, including the IRDAI Investment Regulations for specific investment limits applicable to them.

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.

In accordance with existing regulations issued by RBI, OCBs cannot participate in this Offer.

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 Book Running Lead Managers, 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 Book Running Lead Managers, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, 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. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the Offices of Book Running Lead Managers.

Except for Mutual Funds, AIFs or FPIs (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the Book Running Lead Managers or insurance companies promoted by entities which are associates of the Book Running Lead Managers, no Book Running Lead Manager or its respective associates can apply in the Offer under the Anchor Investor Portion.

The Bids are required to 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.

One-third of the Anchor Investor Portion is reserved for allocation to domestic Mutual Funds.
Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.

Our Company and the Selling Shareholders, in consultation with the BRLMs will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion is not 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.

Allocation to Anchor Investors is required to be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made, is required to be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

Anchor Investors can not withdraw or lower the size of their Bids at any stage after submission of the Bid.

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 Allocation 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 Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Office Price.

50% Equity Shares allotted to Anchor Investors shall be locked–in for a period of 90 days from the date of Allotment, whereas, the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered as 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 thereof.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹0.50 million (which will be less Employee Discount, if any). However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million. Allotment in the Employee Reservation Portion will be as detailed in the section "*Offer structure*" on page 312. However, Allotments to Eligible Employees in excess of ₹ 0.20 million (net of Employee Discount) shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 0.50 million (net of Employee Discount). Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Issue. Eligible Employees Bidding in the Employee Reservation Portion can Bid at the Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form.

- Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.

- Only Eligible Employees (as defined in this Draft Red Herring Prospectus) would be eligible to apply in this Offer under the Employee Reservation Portion.

- Bids by Eligible Employees in the Employee Reservation Portion, in the Balaji Amines Shareholder Reservation Portion (subject to complying with the eligibility criteria and applicable limits) and/or in the Retail Portion shall not be treated as multiple Bids.

- Only those Bids, which are received at or above the Offer Price, net of Employee Discount, if any would be considered for Allotment under this category.
- Eligible Employees can apply at Cut-off Price.
- In case of joint bids, the First Bidder shall be an Eligible Employee.
- The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

Any unsubscribed portion remaining in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion, subject to applicable law.

Bids by Balaji Amines Shareholders

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Balaji Amines Shareholders does not exceed ₹ 0.20 million (which will be less Shareholder Discount, if any). Allotment in the Balaji Amines Shareholder Reservation Portion will be as detailed in the section "*Offer Structure*" page 312.

Bids under the Balaji Amines Shareholder Reservation Portion shall be subject to the following:

(a) Only Balaji Amines Shareholders (i.e., public equity shareholders of our Corporate Promoter (excluding such persons not eligible under applicable laws, rules, regulations and guidelines) as at the date of the Red Herring Prospectus) would be eligible to apply in this Offer under the Balaji Amines Shareholder Reservation Portion.

(b) The Sole/First Bidder shall be a Balaji Amines Shareholder.

(c) Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this category.

(d) The Bids must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter.

(e) Bids by Balaji Amines Shareholders in the Balaji Amines Shareholder Reservation Portion (subject to Bid Amount being up to ₹ 0.20 million) and in the Net Offer portion shall not be treated as multiple Bids. Further, bids by Balaji Amines Shareholders in the Balaji Amines Shareholder Reservation Portion (subject to Bid Amount being up to ₹ 0.20 million) and in the Employee Reservation Portion (as Eligible Employees), shall not be treated as multiple Bids. Therefore, Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion (subject to the Bid Amount being up to ₹ 0.20 million) and bidding in the Employee Reservation Portion (as Eligible Employees) can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories

(f) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Balaji Amines Shareholders to the extent of their demand not exceeding a maximum of ₹ 0.20 million.

(g) Under-subscription, if any, in any category, (including the Balaji Amines Shareholder Reservation Portion), except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers and the Designated Stock Exchange.

(h) Balaji Amines Shareholders Bidding under the Balaji Amines Shareholder Reservation Portion (subject to the Bid Amount being up to ₹0.20 million) are entitled to Bid at the Cut-off Price.

(i) If the aggregate demand in this category is greater than [•] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

Balaji Amines Shareholders would need to have a valid PAN and their PAN should be updated with the register of shareholders maintained with Balaji Amines Limited, our Corporate Promoter. Further, Balaji Amines Shareholders would need to have a valid demat account number and details, as Equity Shares can only be Allotted to Balaji Amines Shareholders having a valid demat account.

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, Selling Shareholders and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of 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 Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered 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 Marathi daily newspaper, [●], Marathi being the regional language of Maharashtra where our Registered Office is located, each with wide circulation.

The information is given for the benefit of the Bidders/applicants. Our Company, the respective 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/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of 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 but prior to filing of Prospectus. 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

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Draft 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 and such ASBA account belongs to you and no one else. Further, UPI Bidders using the UPI Mechanism 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 Bidding using the UPI Mechanism 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 using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. 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 and is also appearing in 'Annexure A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/20189/85 dated July 26, 2019. 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 or 'Annexure A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/20189/85 dated July 26, 2019 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 using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs 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 Bidding using the UPI Mechanism) 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 Bidding using the UPI Mechanism 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. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms. PAN of the First Bidder is required to be specified in case of joint Bids;

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 a SEBI circular dated June 30, 2008, 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 a SEBI circular 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 Bidding using the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA Account under the ASBA process. UPI Bidders Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank 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 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. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid;

28. UPI Bidders Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the UPI Investor may be deemed to have verified the attachment containing the application details of the UPI Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the ASBA Form in his/her ASBA Account;

29. UPI Bidders Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the ASBA Form;

30. UPI Bidders Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank 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;

31. 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 Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹0.20 million would be considered under the Non-Institutional Category for allocation in the Offer;

32. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs;

33. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

34. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date; 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 for a Bid Amount exceeding ₹0.20 million (for Bids by Retail Individual Investors) and ₹0.50 million (for Bids by Eligible Employees Bidding in the Employee Reservation Portion);
3. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

4. Do not Bid on another Bid cum Application Form, as the case may be after you have submitted a Bid to a Designated Intermediary only;

5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

6. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

7. Anchor Investors should not Bid through the ASBA process;

8. If you are a UPI Bidder and are using the UPI Mechanism, do not submit more than one Application Form from each UPI ID;

9. 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;

10. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

11. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

12. Do not Bid for a Bid Amount exceeding ₹0.20 million (for Bids by Retail Individual Investors and Balaji Amines Shareholders Bidding in the Balaji Amines Shareholder Reservation Portion);

13. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;

14. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

15. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;

16. Do not Bid for Equity Shares in excess in excess of what is specified for each category;

17. Do not submit the General Index Register number instead of the PAN;

18. 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;

19. 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 Bidding using the UPI mechanism, in the UPI-linked bank account where funds for making the Bid are available;

20. 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 Investor. RIIs and Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

21. 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;

22. 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 using the UPI Mechanism;

23. 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;

24. 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);

25. Do not submit more than one Bid cum Application Form per ASBA Account;

26. Do not submit a Bid using UPI ID, if you are not a UPI Investor;

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 using the UPI Mechanism);

28. 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).

29. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

30. Do not Bid for Equity Shares more than what is specified by the respective Stock Exchanges for each category; and

31. Do not Bid if you are an OCB.

For helpline details of the Book Running Lead Managers pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, see "*General Information*" on page 70.

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 71.

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 Equity Shares offered through the Offer through the Offer document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Offer to public may be made for the purpose of making Allotment in minimum Bid Lots.

The Allotment of Equity Shares to Bidders other than to the Retail Individual Investors, Non-Institutional Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities Allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed. The Allotment of Equity Shares to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Category, 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 Investor shall not be less than the minimum Bid lot, subject to the availability of shares in Retail Individual Investor category, 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 Book Running Lead Managers 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 or NEFT). For Anchor Investors, the payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(a) in case of resident Anchor Investors: "[●]"; and

(b) in case of non-resident Anchor Investors: "[●]".

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the 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:

1 Tripartite agreement dated May 26, 2022 among NSDL, our Company and Registrar to the Offer; and

2 Tripartite agreement dated May 27, 2022 among CDSL, our Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

1 that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

2 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 and applicable law for the delayed period;

3 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;

4 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;

5 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;

6 that if our Company and Selling Shareholders 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;

7 that if our Company and the Selling Shareholders 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 or the Selling Shareholders subsequently decides to proceed with the Offer;

8 that the Allotment Advice/refund confirmation to Eligible NRIs shall be dispatched within specified time;

9 that adequate arrangements shall be made to collect all Bid cum Application Forms; and

10 that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

11 Except for any issuance of Equity Shares pursuant to the Pre-IPO Placement, if any, no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

The Selling Shareholders undertake and/or confirm that:

1 it is the legal and beneficial owner of and has full title to its respective Equity Shares being offered through the Offer for Sale;

2 its Offered Shares are free and clear of encumbrances, any defect to good, valid, and marketable title, and shall be transferred to the Bidders pursuant to the Offer, free and clear of any encumbrances;

3 it shall not have recourse to the Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received by the Company;

4 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; and

5 the Selling Shareholders will provide support and extend cooperation and assistance, as may be reasonably required by our Company and BRLMs and necessary in accordance with applicable laws, for redressal of such investor grievances and the completion of the necessary formalities in relation to the Equity Shares being offered by it under the Offer for Sale.

The Selling Shareholders have authorized 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.

Utilisation of Offer Proceeds

Our Board certifies that:

1. all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act 2013;

2. details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

3. details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

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.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India ("**DPIIT**") 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, FDI in companies engaged in manufacturing sector is permitted up to 100% of the paid-up share capital of such company under the automatic route.

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.

All investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. 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 of India.

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.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

For further details, see "*Offer Procedure*" on page 318.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States,

except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S 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.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

1. **APPLICABILITY OF TABLE F**

Subject as hereinafter provided and in so far as these presents do not modify or exclude them the regulations contained in Table 'F' of Schedule I of the Companies Act, 2013, as amended from time to time, shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

I. DEFINITIONS AND INTERPRETATIONS

2. **In these Articles:**

1.1 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.

"**Act**" means the Companies Act, 2013, and the Companies Act, 1956 (in each case, to the extent applicable), the rules and regulations prescribed thereunder, as now enacted or as amended from time to time and shall include any statutory replacement or re-enactment thereof;

"**Alternate Director**" shall have the meaning ascribed to such term in Article 126;

"**Articles**" shall mean the articles of association of the Company as amended from time to time

"Auditors" means independent, statutory auditors of the Company;

"**Board of Directors**" or "**Board**" shall mean the board of directors of the Company, as constituted from time to time;

"**Company**" shall mean Balaji Speciality Chemicals Limited;

"**Director**" means a director for the time being of the Company and includes any person appointed as a director of the Company in accordance with these Articles and the provisions of the Act, from time to time;

"**Equity Share Capital**" means in relation to the Company, its equity share capital within the meaning of Section 43 of the Act, as amended from time to time;

"**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;

"**General Meetings**" shall mean any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary general meeting;

"**Governmental Authority**" means any governmental, regulatory or statutory authority, government department, agency, commission, board, tribunal or court or other entity authorized to make Laws, rules or regulations or pass directions, orders or awards, having or purporting to have jurisdiction or any state or other subdivision thereof or any municipality, district or other subdivision thereof having jurisdiction pursuant to applicable Laws;

"**Key Managerial Personnel**" in relation to the Company, means collectively, the chief executive officer/managing director/manager, the company secretary, the whole-time directors, the chief financial officer, such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board and such other officer as maybe prescribed and declared by the Company to be a key managerial personnel;

"**Law**" shall mean:

(i) in relation to the Persons domiciled or incorporated in India, all applicable statutes, enactments, acts of legislature or Parliament, Laws, ordinances, rules, by-Laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, various governmental agencies, statutory and/or regulatory authorities or any stock exchange(s) in India or in any jurisdiction but applicable to such Persons domiciled or incorporated in India; and

(ii) in relation to Persons domiciled or incorporated overseas, all applicable statutes, enactments, acts of legislature, Laws, ordinances, rules, by-Laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, various governmental agencies, statutory and/or regulatory authorities or any stock exchange(s) of the relevant jurisdiction of such Persons;

"**Lien**" means any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, any voting rights, right of set-off, counterclaim or banker's lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy;

"**Member**" means a member of the Company within the meaning of Clause (55) of Section 2 of the Act, as amended from time to time;

"**Memorandum of Association**" shall mean the memorandum of association of the Company, (as from time to time amended, modified or supplemented);

"**Original Director**" shall have the meaning ascribed to such term in Article 126;

"**Person**" shall mean any natural person, limited or unlimited liability company, body corporate or corporation, limited liability partnership, partnership (whether limited or unlimited), proprietorship, voluntary association, joint venture, unincorporated organization Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that whether acting in an individual, fiduciary or other capacity may be treated as a person under applicable Law;

"**Preference Share Capital**" means in relation to the Company, its preference share capital within the meaning of Section 43 of the Act, as amended from time to time;

"Shares" means a share in the Share Capital of the Company and includes stock.

"**Shareholder(s)**" shall mean such Person(s) who are holding Share(s) in the Company at any given time;

"**Share Capital**" means Equity Share Capital and Preference Share Capital;

1.2. The terms "writing" or "written" include printing, typewriting, lithography, photography and any other mode or modes (including electronic mode) of representing or reproducing words in a legible and non-transitory form.

2.3. The headings hereto shall not affect the construction hereof.

2.4. Notwithstanding anything contained in these Articles, any reference to a "person" in these Articles shall, unless the context otherwise requires, be construed to include a reference to a body corporate or an association, any individual, company, partnership, joint venture, firm, trust or body of individuals (whether incorporated or not).

2.5. Any reference to a particular statute or provisions of the statute shall be construed to include reference to any rules, regulations or other subordinate legislation made under the statute and shall, unless the context otherwise requires, include any statutory amendment, modification or re-enactment thereof.

2.6. Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.

II. PUBLIC COMPANY

3. The Company is a public company as defined in clause (71) of Section 2 of the Act.

III. SHARE CAPITAL AND VARIATION OF RIGHTS

4. The authorized Share Capital of the Company shall be as per Clause V of the Memorandum of Association with the power to increase or reduce or re-classify such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the capital for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.

5. Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or subject to the compliance with Section 53 of the Act, at a discount as they may, from time to time think fit and proper and with the sanction of the Company in the General Meeting. The Company may give to any Person or Persons the option or right to call for any Shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may also issue and allot Shares in the capital of the Company on payment in full or part payment 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, provided that the option or right to call of Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

6. A further issue of Shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act. Save as otherwise provided herein, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as by Law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other Person.

7. The Company may issue the following kinds of Shares in accordance with these Articles, the Act and other applicable Laws:

   (i) Equity Share Capital:

      (a) with voting rights; and / or
      (b) with differential rights as to dividend, voting or otherwise; and

   (ii) Preference Share Capital

8. Further, the Board shall be entitled to issue, from time to time, subject to applicable Law, any other securities, including securities convertible into shares, exchangeable into shares, or carrying a warrant, with or without any attached securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue.

9. Except as otherwise provided by the conditions of issue of the Shares or by these Articles, any capital raised by creation of new Shares shall be considered as part of the existing Share Capital and shall be subject to the provisions of these Articles and the Act with reference to payment of calls and instalments, transfer, transmission, forfeiture, lien, surrender, voting rights and otherwise.

10. Subject to the provisions of the Section 55 of Act, any Preference Shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by special resolution determine.

11. Subject to the provisions of the Act and these Articles, the Company shall have the power to issue Preference Share Capital carrying a right of redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of such redemption or liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of the Act, exercise such power in such manner as it may think fit. The period of redemption of such Preference Shares shall not exceed the maximum period for redemption provided under Section 55 of the Act.

12. If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent

in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class. To every such separate General Meeting of the holders of the Shares of that class, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply.

13. The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

14. Subject to the provisions of the Act, the Company may issue bonus Shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.

15. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution and subject to the provisions of the Act.

16. Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws.

IV. BUY-BACK OF SHARES

17. Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 of the Act and other applicable provisions of the Law, the Company shall have the power to buy-back its own Shares or other securities, as it may consider necessary.

V. FURTHER ISSUE OF SHARES

18. (1) Where at any time, after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued or out of the increased Share capital then such Shares shall be offered –

(a) to the persons who, on the date specified under applicable law, are holders of the Equity Shares of the Company, in proportion, as near as circumstances admit, to the paid up Share capital on those Shares by sending a letter of offer subject to the following conditions, namely:

(i) the offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than fifteen (15) days and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

(ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) hereof shall contain a statement of this right;

(iii) 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 of Directors may dispose of them in such manner which is not disadvantageous to Shareholders and the Company.

(b) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as prescribed in the Act and the rules thereunder; or

(c) to any persons, if its authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to the compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed in the Act and the rules thereunder.

(d) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(2) The notice referred to in sub-clause (i) of clause (a) of sub-article (1) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing Shareholders at least 3 (three) days before the opening of the issue. Nothing in such notice shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(3) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company (whether such option is conferred in these Articles or otherwise) or to subscribe for shares in the Company;

Provided that the terms of issue of such debentures or the terms of such loans containing such option

(a) Either has been approved by the Central Government before the issue of debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and

(b) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the Company in the General Meeting before the issue of the loans.

(4) Notwithstanding anything contained in sub-clause (3) 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 so to do, 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.

(5) In determining the terms and conditions of conversion under sub-clause (4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

(6) Where the Government has, by an order made under sub-clause (4), 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 (4) 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.

VI. COMMISSION

19. The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40 or the Act (as amended from time to time), provided that the rate per cent or amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made thereunder.

20. The rate or amount of the commission shall not exceed the rate or amount prescribed under the rules made under sub-section (6) of Section 40 of the Act.

21. 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.

VII. SHARES AND SHARE CERTIFICATES

22. The Company shall cause to be kept a register of Members in accordance with Section 88 of the Act. The Company shall be entitled to maintain in any country outside India a "foreign register" of Members or debenture holders resident in that country.

23. Subject to applicable Law, every Person whose name is entered as a Member in the register of members shall be entitled to receive:

    (i) one (1) or more certificates in marketable lots for all the Shares of each class or denomination registered in his name, without payment of any charge; or

    (ii) several certificates, if the Board so approves (upon paying such fee as the Board so determines, subject to a maximum of twenty rupees), each for one (1) 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, unless the conditions of issue thereof otherwise provide, or within 1 (one) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be.

24. Every certificate shall be under the seal, if any, and shall specify the number and distinctive numbers of the Shares to which it relates and the amount paid-up thereon, shall be signed by two Directors or one Director and the company secretary and shall be in such form as prescribed under sub-section (3) of Section 46 of the Act.

25. In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than 1 (one) certificate, and delivery of a certificate for a Share to 1 (one) or several joint holders shall be sufficient delivery to all such holders. Subject to the provisions of the Act, any Member of the Company shall have the right to sub-divide, split or consolidate the total number of Shares held by them in any manner and to request the Company to provide certificate(s) evidencing such sub-division, split or consolidation.

26. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares, 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 Board deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding ₹ 2 (Rupees two) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares. Notwithstanding the foregoing provisions of this Article, the Board shall comply with applicable 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.

27. Subject to the provisions of the Act, the provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures of the Company.

28. If any Share stands in the names of 2 (two) or more persons, the person first named in the register of Members of the Company shall as regards voting at meetings of the Company, service of notice and all or any matters connected with the Company, except the transfer of Shares and any other matters herein otherwise provided, be deemed to be sole holder thereof but joint holders of the Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares and for all incidents thereof according to the Company's Articles.

29. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

VIII. CALLS ON SHARES

30. Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any money unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than 1 (one) month from the date fixed for the payment of the last preceding call.

31. Each Member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.

32. A call may be revoked or postponed at the discretion of the Board.

33. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

34. The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

35. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereof from the day appointed for payment thereof to the time of actual payment at 10 % (ten per cent) per annum or at such lower rate, if any, as the Board may determine.

36. The Board shall be at liberty to waive payment of any such interest wholly or in part.

37. Any sum which by the terms of the issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue, such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

38. The Board may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate as determined by the Board and the Member paying such sum in advance agree upon not exceeding 12 (twelve) percent per annum, unless the company in general meeting shall directs otherwise, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Member shall not be entitled to any voting rights in respect of the

moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall *mutatis mutandis* apply to any calls on debentures of the Company.

39. Where any calls for further Share Capital are made on the Shares of a class, such calls shall be made on a uniform basis on all Shares falling under that class. For the purposes of this Article, Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

IX. DEMATERIALIZATION OF SHARES

40. Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialize its Shares, debentures and other securities and offer such Shares, debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the regulations made thereunder.

41. Notwithstanding anything contained in the Articles, and subject to the provisions of the Law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialize the Shares, which are in dematerialized form as per the provisions of the Act.

42. Every Person subscribing to the Shares offered by the Company shall have the option to receive Share certificates or to hold the Shares with a depository. Where Person opts to hold any Share with the depository, the Company shall intimate such depository of details of allotment of the Shares to enable the depository to enter in its records the name of such Person as the beneficial owner of such Shares. Such a Person who is the beneficial owner of the Shares can at any time opt out of a depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act, 1996 and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of Shares. In the case of transfer of Shares or other marketable securities where the Company has not issued any certificates and where such Shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

43. If a Person opts to hold his Shares with a depository, the Company shall intimate such depository the details of allotment of the Shares, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Shares.

44. All Shares held by a depository shall be dematerialized and shall be in a fungible form.

    (a) Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Shares on behalf of the beneficial owner.

    (b) Save as otherwise provided in (a) above, the depository as the registered owner of the Shares shall not have any voting rights or any other rights in respect of Shares held by it.

45. 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 the owner of such Shares and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Shares shall be entitled to all the liabilities in respect of his Shares which are held by a depository. The Company shall be further entitled to maintain a register of Members with the details of Members holding Shares both in physical and dematerialized form in any medium as permitted by Law including any form of electronic medium.

46. Notwithstanding anything in the Act or the Articles to the contrary, where Shares 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 disks, drives or any other mode as prescribed by Law from time to time.

47. Nothing contained in the Act or the Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

X. LIEN

48. The Company shall have a first and paramount Lien on: (a) every Share or debenture (not being a fully paid-up Share or debenture) registered in the name of each Member or holder, respectively (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the

proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of such Share or debenture; and (b) on all Shares or debentures (not being fully paid Shares or debentures) standing registered in the name of a single Person, for all monies presently payable by him or his estate to the Company; and no equitable interest in any Share or debenture shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/debentures. Further, the Fully paid-up Shares shall be free from all Liens and in case of partly paid-up Shares, the Company's Lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

Provided that the Board may at any time declare any Shares or debentures wholly or in part to be exempt from the provisions of this Article.

49. The Company's Lien, if any, on a Share shall extend to all dividends and bonuses declared and payable by the Company from time to time in respect of such Shares.

50. The Company's Lien, if any, on a debenture shall extend to the interest payable from time to time in respect of such debentures.

51. The Company may sell, in such manner as the Board thinks fit, any Shares or debenture on which the Company has a Lien, provided that no sale shall be made:

(a) unless a sum in respect of which the Lien exists is presently payable;

(b) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the Lien exists as is presently payable, has been given to the registered Member or holder for the time being of the Share or debenture, or the Person entitled thereto by reason of his death or insolvency.

52. Unless otherwise agreed, the registration of a transfer of Shares or debentures shall operate as a waiver of the Company's Lien, if any, on such Shares or debentures.

53. The following shall apply to any sale of Shares referred to in Article 51 above:

(a) The Board may authorise some person to transfer the Shares or debentures sold to the purchaser thereof;

(b) The purchaser shall be registered as the holder of the Shares or debentures that are the subject of any such transfer;

(c) 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;

(d) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the Lien exists as is presently payable;

(e) The residue, if any, shall, subject to a like Lien for sums not presently payable as existed upon the Shares or debentures before the sale, be paid to the person entitled to the Shares or debentures at the date of the sale.

54. A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of Lien.

XI. TRANSFER OF SHARES

55. The securities or other interest of any Member shall be freely transferable, provided that any contract or arrangement between 2 (two) or more persons in respect of transfer of securities shall be enforceable as a contract. The instrument of transfer of any Share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the Share until

the name of the transferee is entered in the register of Members in respect thereof. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.

56. Subject to the provisions of the Act, these Articles and any other applicable Law for the time being in force, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of Shares, not being a fully paid share, or debentures to a Person of whom they do not approve, and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within 30 (thirty) days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration or 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. In case of transfer of Shares, where the Company has not issued any certificates and where the Shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

57. The Board may decline to recognize any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-Section (1) of Section 56 of the Act;

(b) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of Shares.

58. On giving not less than 7 (seven) days previous notice in accordance with the Act or any other time period as may be specified by Law, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty five) days in the aggregate in any year.

59. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

XII. TRANSMISSION OF SHARES

60. On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in these Articles shall release the estate of the deceased joint holder from any liability in respect of any Share, which had been jointly held by him with other persons.

61. Any person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:

(a) to be registered as holder of the Share; or

(b) to make such transfer of the Share as the deceased or insolvent Member could have made.

62. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.

63. If the person so becoming entitled shall elect to be registered as holder of the Shares, such person shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

64. If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer in accordance with the provisions of these Articles relating to transfer of Shares.

65. All the limitations, restrictions and provisions contained in these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

66. A person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to the General Meetings of the Company, provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

XIII. FORFEITURE OF SHARES

67. If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

68. The notice issued under Article 67 shall:

(a) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.

69. If the requirement of any such notice as aforesaid is not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

70. A forfeited Share may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit.

71. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

72. A Person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by the person to the Company in respect of the Shares.

73. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

74. A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Share.

75. The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or otherwise disposed off.

76. The transferee shall there upon be registered as the holder of the Share.

77. The transferee shall not be bound to ascertain or confirm the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity to invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

78. The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, become payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as the same had been payable by virtue of a call duly made and notified.

XIV. ALTERATION OF SHARE CAPITAL

79. Subject to these Articles and the provisions of Section 61 of the Act, the Company may, from time to time, by ordinary resolution, increase the Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.

80. Subject to the provisions of the Act, the Company may from time to time by ordinary resolution, undertake any of the following:

(a) consolidate or divide, all or any of the Share Capital into Shares of larger or smaller amount than its existing Shares;

(b) convert all or any of its fully paid-up Shares into stock, and re-convert that stock into fully paid-up Shares of any denomination;

(c) sub-divide its existing Shares or any number of them into Shares of smaller amount than is fixed by the Memorandum of Association of the Company, 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; or

(d) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of Share Capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

81. Subject to the provisions of the Act, the Company may, from time to time, by special resolution reduce in any manner and with, and subject to, any incident authorised and consent required under applicable Law:

(a) the Share Capital;

(b) any capital redemption reserve account; or

(c) any Share premium account.

XV. CONVERSION OF SHARES INTO STOCK

82. Where Shares are converted into stock:

(a) the holders of stock may transfer the same or any part thereof in the same manner as and subject to the same Article under which, the Shares from which the stock arose might before the conversion have been transferred, or as near there to as circumstances admit, *provided that* the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which the stock arose;

(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 privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of the stock which would not, if existing in Shares, have conferred that privilege or advantage; and

(c) such of the Articles, as are applicable to paid-up Shares shall apply to stock and the words "*Share*", "*Shareholder*" and "*Member*" in those Articles shall include "*stock*" and "*stock holder*" respectively.

XVI. GENERAL MEETINGS

83. An annual General Meeting shall be held each calendar year within the timeline prescribed under Applicable Law. Not more than 15 (fifteen) months shall elapse between the date of one annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the registrar under the provisions of Section 96 of the Act to extend the time within which any annual General Meeting may be held. Every annual General Meeting shall be called during business hours on a day that is not a national holiday, and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situate, as the Board may determine.

84. All General Meetings, other than the Annual General Meeting, shall be Extra-ordinary General Meetings.

85. The Board may, whenever it thinks fit, call an extraordinary general meeting.

86. The Board shall on the requisition of such number of member or members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.

87. A General Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, provided that a General Meeting may be called after giving a shorter notice if consent, in writing or by electronic mode, is accorded thereto—

(i) in the case of an annual general meeting, by not less than ninety-five per cent. of the Members entitled to vote thereat; and

(ii) in the case of any other general meeting, by Members of the Company holding, majority in number of Members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the Company as gives a right to vote at the meeting;

Provided further that where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a General Meeting and not on the others, those Members shall be taken into account for the abovementioned purposes, in respect of the former resolution or resolutions and not in respect of the latter.

Notice of every General Meeting shall be given to the Members and to such other Person or Persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.

XVII. PROCEEDINGS AT GENERAL MEETINGS

88. No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.

89. Notwithstanding anything contained elsewhere in these Articles, the Company:

(a) shall, in respect of such items of business as the Central Government may, by notification, declare or which are under any other applicable Law required to be transacted only by means of postal ballot; and

(b) 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 by means of postal ballot, in such manner as may be prescribed, instead of transacting such business at a General Meeting and any resolution approved by the requisite majority of the Shareholders by means of such postal ballot, shall be deemed to have been duly passed at a General Meeting convened in that behalf and shall have effect accordingly.

Provided that any item of business required to be transacted by means of postal ballot under clause (*a*) above, may be transacted at a General Meeting by the Company which is required to provide the facility to Members to vote by electronic means under Section 108 of the Act, in the manner provided in that Section.

90. Directors may attend and speak at General Meetings, whether or not they are Shareholders.

91. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

92. The chairperson, if any, of the Board shall preside as chairperson at every General Meeting of the Company. If there is no such chairperson or if he is not present within 15 (fifteen) minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall choose one of the Directors present to be chairperson of the meeting.

93. If at any General Meeting no Director is willing to act as chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the General Meeting, the Members present shall choose one of the Members to be chairperson of such General Meeting.

94. The chairperson may, with the consent of Members at any General Meeting at which a quorum is present, and shall, if so directed by the General Meeting, adjourn the General Meeting from time to time and from place to place.

95. In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time 7 (seven) days later, provided that the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitionists under Article 86 herein read with Section 100 of the Act shall stand cancelled.

96. In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than 3 (three) days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.

97. No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place.

98. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

99. 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 General Meeting.

100. The required quorum at any adjourned General Meeting shall be the same as that required at the original General Meeting.

101. If at the adjourned meeting too, a quorum is not present within 30 (thirty) minutes from the time appointed for holding such meeting, the Members present shall be the quorum and may transact the business for which the meeting was called.

102. Any act or resolution which, under the provision of these Articles or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Act or these Articles specifically require such act to be done or such resolution passed by a special resolution or by a unanimous approval of all the Members.

XVIII. VOTING RIGHTS

103. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

(a) on a show of hands, every Member present in person shall have 1 (one) vote; and

(b) on a poll, the voting rights of Members shall be in proportion to their share in the paid-up Equity Share Capital.

104. In the case of an equality of votes at any General Meeting the Chairman shall, both on a show of hands, on a poll (if any) and e-voting (if applicable), have casting vote in addition to the vote or votes to which he may be entitled as a member.

105. At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the voting on any resolution on show of hands) demanded by any Member or Members present in person or by proxy, and having not less than one-tenth of the total voting power or holding Shares on which an aggregate sum of not less than INR 500,000 (Rupees five lakh) or such higher amount as may be prescribed under applicable Law has been paid up.

106. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

107. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once. The Company shall also provide E-voting facility to the Shareholders of the Company in terms of the provisions of Act and the Companies (Management and Administration) Rules, 2014 or any other Law, if applicable to the Company.

108. In case of joint holders, the vote of the senior who tenders a vote, whether in person or proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names are stated in the register of Members of the Company.

109. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

110. No Member shall be entitled to exercise any voting rights either personally or by proxy at any General 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/her name on which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid.

111. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting and whether given personally or by proxy or otherwise shall be deemed valid for all purpose.

112. Any such objection made in due time shall be referred to the chairperson of the General Meeting whose decision shall be final and conclusive.

XIX. PROXY

113. Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the Proxy so appointed shall have no right to speak at the meeting.

114. The proxy shall not be entitled to vote except on a poll.

115. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

116. An instrument appointing a proxy shall be in the form as prescribed under the Act and the rules framed thereunder.

117. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given; provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by

the Company at its office before the commencement of the meeting or the adjourned meeting at which the proxy is used.

XX. BOARD OF DIRECTORS

118. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution. The Company shall have such minimum number of independent

Directors on the Board of the Company, as may be required in terms of the provisions of applicable Laws and regulations. Further, the appointment of such independent Directors shall be in terms of, and subject to, the aforesaid provisions of applicable Law.

119. The first Directors of the Company are:

1. Dundurapu Ram Reddy S/o Dundurapu Malla Reddy

2. Ande Srinivas Reddy S/o Ande Prathap Reddy

3. Tanmai Reddy Ram Dundurapu D/o Dundurapu Ram Reddy

120. Subject to the provisions of the Act, the Board shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of directors by rotation.

(a) At every annual General Meeting of the Company, one-third of such of the Directors (that does not include independent Directors, whether appointed under the Act or any other Law for the time being in force, on the Board of the Company) for the time being as are liable to retire by rotation pursuant to applicable Law or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.

(b) Subject to Section 152(6)(d) of the Act, the Directors to retire by rotation at every annual General Meeting shall be those who have been longest in office since their last appointment, but as between Persons who become Directors on the same day, those who are to retire, shall, in default of and subject to any agreement amount themselves, be determined by lot.

(c) A retiring Director shall be eligible for re-election.

(d) Subject to Sections 152(6)(e) and 152(7)(a) of the Act and these Articles, the Company at the General Meeting at which a Director retires in a manner aforesaid may fill up the vacated office by electing a Person thereto.

(e) 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.

(f) 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, then 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) the 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.

121. Subject to Section 197 and other applicable provisions of the Act, the remuneration of Directors may be a fixed sum by way of monthly payment or a percentage of the net profits or partly by one way and partly by the other.

122. Subject to the provisions of the Act, every Director shall be paid out of the funds of the Company such sum as the Board may from time to time determine for attending every meeting of the Board or any committee of the Board, subject to the ceiling prescribed under the Act.

123. In addition to the remuneration payable to them in pursuance of the Act, the Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meeting of the Board or any committee thereof or General Meetings of the Company and any other expenses properly incurred by them in connection with the business of the Company. If authorized by the Board, the Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the applicable provisions of the Act.

124. A Director shall not be required to hold any qualification shares in the Company.

125. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint any other person as an additional director provided that the number of the Directors and additional Directors together shall not at any time exceed the maximum number fixed as above and any person so appointed as an additional Director shall retain his office only up to the date of the next annual General Meeting or last date on which the annual General Meeting should have been held, whichever is earlier, but shall then be eligible for re-appointment as Director of the Company.

126. In the event that a Director is absent for a continuous period of not less than 3 (three) months from India (an "Original Director"), subject to these Articles and the provisions of the Act, the Board may appoint another person (an "Alternate Director") for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director's absence. No Person shall be appointed as an Alternate Director to an independent Director unless such Person is qualified to be appointed as an independent Director of the Company. Any person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India.

127. The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act or the rules framed thereunder. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing addressed to the Board and the Company shall intimate the registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Subject to the Act, such Director may also forward a copy of his resignation along with detailed reasons for the resignation to the registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later. The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles remove any Director before the expiry of his period of office.

128. At any annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act.

129. No Person shall be appointed as a Director unless he furnishes to the Company his Director Identification Number under Section 154 of the Act or any other number as may be prescribed under Section 153 of the Act and a declaration that he is not disqualified to become a Director under the Act.

130. No Person appointed as a Director shall act as a Director unless he gives his consent to hold the office as a Director and such consent has been filed with the Registrar within 30 (thirty) days of his appointment in the manner prescribed in the Act.

131. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by Members in the immediate next

General Meeting. Provided any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.

132. In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of such Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification shares.

XXI. PROCEEDINGS OF THE BOARD

133. The Board may meet for the conduct of business and may adjourn and otherwise regulate its meetings, as it thinks fit.

134. A Director may and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

135. A minimum number of 4 (four) Board meetings shall be held every year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board, in accordance with the provisions of the Act.

136. Subject to the provisions of the Act and the rules framed thereunder, all or any of the Directors or members of any committee of the Board may participate in a meeting of the Directors or such committee through video conferencing or other audio visual means.

137. No business shall be conducted at any meeting of the Directors unless a quorum is present. The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio-visual means or any other means (to the extent permitted under the Act and the rules framed thereunder or otherwise provided by the Ministry of Corporate Affairs), in each case from time to time, shall also be counted for the purposes of quorum under this Article, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.

138. If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.

139. The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

140. Subject to the provisions of the Act and the rules framed thereunder allowing for shorter notice periods, a meeting of the Board shall be convened by giving not less than 7 (seven) days' notice in writing to every Director. Each notice of a Board meeting shall:

(a) specify a reasonably detailed agenda. Unless waived in writing by all Directors, any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Board; quo

(b) be accompanied by any relevant supporting papers; and

(c) be sent by: (i) courier if sent to an address in India; (ii) by e-mail or facsimile transmission if sent to an address outside India; or by hand delivery.

141. Save as otherwise expressly provided in the Act or these Articles, questions arising at any meeting of the Board shall be decided by a majority of votes.

142. The Directors may from time to time elect a Chairperson who shall preside at the meetings of the Directors and determine the period for which he is to hold office. The same individual may be appointed as the chairperson of the Company as well as the managing Director and/or the chief executive officer of the Company. If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be the chairperson of the meeting.

143. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

144. Subject to these Articles and Sections 175, 179 and other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or members of a committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, as if it had been passed at a meeting of the Board or committee, duly convened and held, provided that a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, was sent to all of 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 prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.

145. The Board shall constitute the statutory committees in accordance with applicable Law. Subject to provisions of the Act, the Board may delegate any of its powers to committees consisting of such Director or Directors as it thinks fit.

146. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

147. Subject to applicable Law and these Articles, a committee may elect a chairperson of its meetings.

148. If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of themselves to be the chairperson of the meeting.

149. A committee may meet and adjourn as it thinks fit.

150. Questions arising at any meeting of a committee shall be determined by a majority of votes of the Directors present. In case of an equality of votes, the chairperson of the committee, if any, shall have second or casting vote.

151. Every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then the first meeting held after such change, disclose his concern or interest in any company, companies or bodies corporate, firms or other associations of individuals which shall include the shareholding in such manner as may be prescribed under the Act and the rules framed thereunder.

152. Subject to the provisions of the Act, no Director shall be disqualified by his office from contracting with the Company nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established provided that every Director who is in any way whether directly or indirectly concerned or interested in a 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 and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not count for the purposes of forming a quorum at the time of such discussion or vote.

153. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

154. Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

155. Minutes of each meeting of the Board shall be circulated to all Directors.

XXII. POWERS OF DIRECTORS

156. The business of the Company shall be vested in the Board of Directors and the Board shall be responsible for the overall direction and management of the Company. Subject to the provisions of the Act, the Board shall have the right to delegate any of their powers to such committee of Directors, managing director, managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.

157. Subject to the provisions of the Act and these Articles, the Board shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandum of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

158. The Board of Directors shall, or shall authorize persons in their behalf, to make necessary filings with Governmental Authorities in accordance with the Act and other applicable Law, as may be required from time to time.

159. The Directors shall have the power to open and close bank accounts and operate the same generally, to sign cheques on behalf of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorize any other person or persons to exercise such powers.

XXIII. MANAGING/WHOLE-TIME DIRECTORS AND KEY MANAGERIAL PERSONNEL

160. Subject to the provisions of the Act, the Board may from time to time appoint one or more Directors to be the managing Director/ whole-time Director of the Company on such remuneration and terms and conditions as the Board may think fit, and for a fixed term or without any limitation as to the period for which he is to hold such office and from time to time and subject to the provisions of any contract between him and the Company, remove or dismiss him from office and appoint another in his place. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 179 thereof, the Board may, from time to time, entrust to and confer upon the managing Director / whole-time Director, for the time being, such of the powers exercisable hereunder by the Board, as it may think fit, and may confer such powers, for such time and be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such power, either collaterally with or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

161. Subject to the provisions of any contract between him and the Company, the managing Director/ whole-time director, shall be subject to the same provisions as to resignation and removal as the other Directors and shall ipso facto and immediately cease to be the managing Director if he ceases to hold the office of Director for any cause.

162. Subject to the provisions of the Act, the managing Director/whole-time Director shall, in addition to the remuneration payable to him as a Director of the Company, receive such remuneration as may be

sanctioned by the Board from time to time and such remuneration may be fixed by way of salary or bonus or commission or participation in profit, or perquisites and benefits or by some or all of these modes.

163. Subject to the provisions of the Act, a chief executive officer, manager, company secretary or chief financial officer or any other key managerial personnel not more than one level below the Board and in the whole time employment of the Company and designated as a key managerial personnel may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary, chief financial officer or any other Key Managerial Personnel so appointed may be removed by means of a resolution of the Board.

164. A Director may be appointed as chief executive officer, manager, or chief financial officer.

165. Any provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and managing director, chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same Person acting both as Director and as, or in place of, managing director, chief executive officer, manager, company secretary or chief financial officer.

XXIV. BORROWING POWERS

166. Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.

167. The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company, its free reserves and securities premium.

168. Subject to the Act and the provisions of these Articles, any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Board, who may issue them upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company.

XXV. DIVIDENDS AND RESERVES

169. The Company may declare dividends as per the provisions of the Companies Act, 2013, but no dividend shall exceed the amount recommended by the Board. No dividend shall be payable except out of the profits of the Company or any other undistributed profits.

170. Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the Members such dividends including interim dividends as appear to it to be justified by the profits of the Company.

171. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

172. Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares.

173. No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of these Articles as paid on the Share.

174. All dividends shall be apportioned and paid proportionately to the amounts, paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly.

175. The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares.

176. Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of Members of the Company, or to such person and to such address as the holder or joint holders may in writing direct.

177. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.

178. Any one of two or more joint holders of a Share may give effectual receipts for any dividends, bonuses or other payments in respect of such Share.

179. Notice of any dividend, whether interim or otherwise, that may have been declared shall be given to the Persons entitled to share therein in the manner mentioned in the Act.

180. No dividend shall bear interest against the Company.

181. Nothing herein shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus Shares or paying up any amount for the time being unpaid on any Shares held by the Members of the Company.

182. The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the 30 (thirty) day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account of Balaji Speciality Chemicals Limited". Any money 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 Investor Education and Protection Fund established under the Act. No unclaimed or unpaid dividend shall be forfeited by the Board before claim on such dividend becomes barred by applicable Law.

XXVI. CAPITALISATION OF PROFITS

183. The Company in a General Meeting may, upon the recommendation of the Board, resolve:

    (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution; and

    (b) that such sum be accordingly set free for distribution in the manner specified in Article 185 amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

184. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in these Articles below, either in or towards:

    (a) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;

(b) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or

(c) Partly in the way specified in sub-Article (a) and partly in that specified in sub-Article (b) above.

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.

(e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

185. Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any; and

(b) generally, do all acts and things required to give effect thereto.

186. The Board shall have power to:

(a) make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares or debentures becoming distributable in fractions; and

(b) authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares.

187. Any agreement made under such authority shall be effective and binding on such Members.

XXVII. INDEMNITY

188. Subject to the provisions of the Act, every Chairperson/ Director, secretary and the other officers for the time being of the Company acting in relation to any of the affairs of the Company shall be indemnified out of the assets of the Company from and against all suits, proceedings, cost, charges, losses, damage and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective office except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own wilful neglect or default respectively.

189. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

XXVIII. ACCOUNTS

190. Subject to the provisions of the Act, the Company shall keep at its registered office, proper books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting, provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide and when the Board so decides 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, provided further that the Company may keep such books of accounts or other relevant papers in electronic mode in such manner as provided in Section 128 of the Act and the rules framed thereunder.

191. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts or books or documents of the Company, or any

of them, shall be open to inspection by the Members not being Directors subject to provisions of the Act and these Articles. Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company. The Company shall provide such information relating to the business, affairs and financial position of the Company as any Director may reasonably require.

192. No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Law or authorised by the Board or by the Company in General Meeting.

193. The books of accounts of the Company relating to a period of not less than 8 (eight) years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.

XXIX. AUDIT

194. The statutory auditors of the company shall be appointed, their remuneration shall be fixed, rights, duties and liabilities shall be regulated and their qualifications and disqualifications shall be in accordance with the provisions of Sections 139 to 148 (both inclusive) of the Act.

195. The Directors may fill up any casual vacancy in the office of the auditors within 30 (thirty) days subject to the provisions of Sections 139 and 140 of the Act and the rules framed thereunder.

196. The remuneration of the auditors shall be fixed by the Company in the annual General Meeting or in such a manner as the Company in the annual General Meeting may determine except that, subject to the applicable provisions of the Act, remuneration of the first or any auditor appointed by the Directors may be fixed by the Directors.

197. The Company shall also appoint the internal auditor to conduct internal audit of the functions and activities of the Company in accordance with the provisions of the Act.

XXX. SECRECY

198. Subject to the provisions of the Act, no Member shall be entitled to visit or inspect any work of the Company without the permission of the Directors, managing directors or secretary or to require inspection of any books of accounts or documents of the Company or any discovery of any information or any detail of the Company's business or any other matter, which is or may be in the nature of a trade secret, mystery of secret process or which may relate to the conduct of the business of the Company and which in the opinion of the Directors or the managing Director will be inexpedient in the collective interests of the Members of the Company to communicate to the public or any Member.

199. Every Director, manager, secretary, auditor, trustee, member of committee, officer, servant, agent, accountant or other person employed in the business of the Company will be upon entering his duties pledging himself to observe strict secrecy in respect of all matters of the Company including all transaction with customers, state of accounts with individual and other matters relating thereto and to not reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a court of Law and except so far as may be necessary in order to comply with any of the provisions in these Articles and the provisions of the Act.

200. Post listing of the Equity Shares, at the request of any Shareholder, the Company shall provide to such Shareholder: (i) annual reports; (ii) annual, semi-annual, quarterly and other periodic financial statements and reports; (iii) any other interim or extraordinary reports; and (iv) prospectuses, registration statements, offering circulars, offering memoranda and other document relating to any offering of securities by the Company, provided, in each case, that (a) the Company has, prior to providing any Shareholder with such information, made such information available to the public; and (b) the Company is not prohibited under any applicable Law from providing such information to such Shareholder.

XXXI. WINDING UP

201. The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

XXXII. GENERAL AUTHORITY

Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, these Articles hereby authorize and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting contracts which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus filed with the Registrar of Companies, and also the documents for inspection referred to hereunder may be inspected at our Registered Office, from 10.00 a.m. to 5.00 p.m. on Working Days and will also be available on our website at www.balajispecialitychemicals.com 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 the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act, 2013 and other relevant statutes.

Material Contracts to the Offer

1. Offer agreement dated August 10, 2022 entered into among our Company, the Selling Shareholders and the Book Running Lead Managers;

2. Registrar agreement dated August 6, 2022 entered into among our Company, the Selling Shareholders and the Registrar to the Offer;

3. Cash Escrow and Sponsor bank agreement dated [●] entered into among our Company, the Selling Shareholders, the Book Running Lead Managers, 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 the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer;

6. Monitoring Agency agreement dated [●] entered into between our Company and the Monitoring Agency; and

7. Underwriting agreement dated [●] entered into among our Company, the Selling Shareholders and the members of the Syndicate.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended until the date of this Draft Red Herring Prospectus;

2. Certificate of incorporation dated August 20, 2010, issued by the RoC;

3. Certificate of incorporation pursuant to change of name dated March 14, 2016 issued by the RoC;

4. Fresh certificate of incorporation consequent upon conversion from private company to public company dated March 17, 2022 issued by the RoC;

5. Copies of the annual reports of our Company for the financial years ended March 31, 2022, 2021 and 2020.

6. Board resolution of our Company, dated June 1, 2022, authorizing the Offer and other related matters;

7. Shareholders' resolution dated June 2, 2022 in relation to the Fresh Issue and other related matters;

8. Resolution of our Board dated August 10, 2022 approving the Draft Red Herring Prospectus;

9. Appointment letters, each dated July 28, 2022 approving the terms of appointment of each of our Executive Directors.

10. Consent dated August 10, 2022 from M. Anandam & Co., Chartered Accountants to include their name as required under Section 26 (5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated July 28, 2022 on our Restated Financial Information; and (ii) certificate dated August 10, 2022 on the statement of possible special tax benefits in respect of the Company and Shareholders, 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;

11. Examination report dated July 28, 2022 of the Statutory Auditors on the Restated Financial Information;

12. Written consent dated August 10, 2022 from Kulkarni Mukund Murlidhar, Chartered Engineer, 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 his capacity as the Chartered Engineer in respect of information certified by him, as included in this Draft Red Herring Prospectus;

13. The certificate on the statement of possible special tax benefits dated August 10, 2022 from the Statutory Auditors included in the Draft Red Herring Prospectus;

14. Consents of Banker to our Company, the Book Running Lead Managers, the Registrar to the Offer, the legal counsels to the Company, Promoter Selling Shareholders and Other Selling Shareholders as to Indian Law, legal counsel to the Book Running Lead Managers as to Indian Law, legal counsel to the Book Running Lead Managers as to international law, Syndicate Members, Monitoring Agency, Directors and Company Secretary and Compliance Officer to act in their respective capacities;

15. Industry report titled "*Assessment of Amine Industry*" released on August 4, 2022 by CRISIL Limited;

16. Consent letter dated August 5, 2022 issued by CRISIL Limited with respect to the report titled "Assessment of Amine Industry" released on August 4, 2022 in Mumbai;

17. In-principle listing approvals dated [●] and [●], from BSE and NSE, respectively;

18. License agreement dated July 29, 2022 among our Corporate Promoter and our Company;

19. Tripartite agreement dated May 26, 2022 among our Company, NSDL and Registrar to the Offer;

20. Tripartite agreement dated May 27, 2022 among our Company, CDSL and the Registrar to the Offer;

21. Due diligence certificate to SEBI from the Book Running Lead Managers dated August 10, 2022; and

22. SEBI observation letter bearing reference number [●] and dated [●].

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by the Securities and Exchange Board of India, 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, the SEBI Act or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

RAJESHWAR REDDY NOMULA

Managing Director

Date: August 10, 2022

Place: Solapur

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by the Securities and Exchange Board of India, 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, the SEBI Act or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

ANDE PRATHAP REDDY

Chairman and Whole-time Director

Date: August 10, 2022

Place: Hyderabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by the Securities and Exchange Board of India, 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, the SEBI Act or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

RAM REDDY DUNDURAPU

Whole-time Director

Date: August 10, 2022

Place: Solapur

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by the Securities and Exchange Board of India, 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, the SEBI Act or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

GADDAM HEMANTH REDDY

Whole-time Director

Date: August 10, 2022

Place: Hyderabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by the Securities and Exchange Board of India, 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, the SEBI Act or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

RAJENDRAKUMAR MOHANPRASAD TAPADIYA

Independent Director

Date: August 10, 2022

Place: Solapur

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by the Securities and Exchange Board of India, 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, the SEBI Act or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

KASHINATH REVAPPA DHOLE

Independent Director

Date: August 10, 2022

Place: Solapur

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by the Securities and Exchange Board of India, 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, the SEBI Act or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

AMARENDER REDDY MINUPURI

Independent Director

Date: August 10, 2022

Place: Secunderabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by the Securities and Exchange Board of India, 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, the SEBI Act or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

SUHASINI YATIN SHAH

Independent Director

Date: August 10, 2022

Place: Solapur

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by the Securities and Exchange Board of India, 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, the SEBI Act or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER

____
PARDEEP SINGH WATWANI

Chief Financial Officer

Date: August 10, 2022

Place: Solapur

DECLARATION

I, Ande Prathap Reddy, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings 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 FOR AND ON BEHALF OF ANDE PRATHAP REDDY BY GADDAM HEMANTH REDDY PURSUNT TO A VALID POWER OF ATTORNEY

____

Date: August 10, 2022

Place: Hyderabad

DECLARATION

I, Ande Srinivas Reddy, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings 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 FOR AND ON BEHALF OF ANDE SRINIVAS REDDY BY GADDAM HEMANTH REDDY PURSUANT TO A VALID POWER OF ATTORNEY

____

Date: August 10, 2022

Place: Hyderabad

DECLARATION

I, Ram Reddy Dundurapu, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings 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 RAM REDDY DUNDURAPU

____

Date: August 10, 2022

Place: Solapur

DECLARATION

I, Rajeshwar Reddy Nomula, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings 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 FOR AND ON BEHALF OF RAJESHWAR REDDY NOMULA BY RAM REDDY DUNDURAPU PURSUANT TO A VALID POWER OF ATTORNEY

Date: August 10, 2022

Place: Solapur

DECLARATION

I, Gaddam Hemanth Reddy, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings 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 GADDAM HEMANTH REDDY

____

Date: August 10, 2022

Place: Hyderabad

DECLARATION

I, Achanta Annapurna, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings 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 FOR AND ON BEHALF OF ACHANTA ANNAPURNA BY GADDAM HEMANTH REDDY PURSUANT TO A VALID POWER OF ATTORNEY

____

Date: August 10, 2022

Place: Hyderabad

DECLARATION

I, Dundurapu Vandana Reddy, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings 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 FOR AND ON BEHALF OF DUNDURAPU VANDANA REDDY BY RAM REDDY DUNDURAPU PURSUANT TO A VALID POWER OF ATTORNEY

____

Date: August 10, 2022

Place: Solapur

DECLARATION

I, Ande Shakuntala Devi, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings 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 FOR AND ON BEHALF OF ANDE SHAKUNTALA DEVI BY GADDAM HEMANTH REDDY PURSUANT TO A VALID POWER OF ATTORNEY

____

Date: August 10, 2022

Place: Hyderabad

DECLARATION

I, Gaddam Madhumathi, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings 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 FOR AND ON BEHALF OF GADDAM MADHUMATHI BY GADDAM HEMANTH REDDY PURSUANT TO A VALID POWER OF ATTORNEY

____

Date: August 10, 2022

Place: Hyderabad

DECLARATION

I, Gaddam Tanmai Reddy, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings 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 FOR AND ON BEHALF OF GADDAM TANMAI REDDY BY GADDAM HEMANTH REDDY PURSUANT TO A VALID POWER OF ATTORNEY

____

Date: August 10, 2022

Place: Hyderabad

DECLARATION

I, Eeshan Reddy Nomula, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings 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 FOR AND ON BEHALF OF EESHAN REDDY NOMULA BY RAM REDDY DUNDURAPU PURSUANT TO A VALID POWER OF ATTORNEY

____

Date: August 10, 2022

Place: Solapur

DECLARATION

I, Nomula Deepti Rajeshwar Reddy, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings 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 FOR AND ON BEHALF OF NOMULA DEEPTI RAJESHWAR REDDY BY GADDAM HEMANTH REDDY PURSUANT TO A VALID POWER OF ATTORNEY

____

Date: August 10, 2022

Place: Hyderabad

DECLARATION

I, Gaddam Laasya Reddy, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings 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 FOR AND ON BEHALF OF GADDAM LAASYA REDDY BY GADDAM HEMANTH REDDY PURSUANT TO A VALID POWER OF ATTORNEY

____

Date: August 10, 2022

Place: Hyderabad

DECLARATION

I, Gaddam Komali Reddy, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosure or undertakings 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 FOR AND ON BEHALF OF GADDAM KOMALI REDDY BY GADDAM HEMANTH REDDY PURSUANT TO A VALID POWER OF ATTORNEY

____

Date: August 10, 2022

Place: Hyderabad